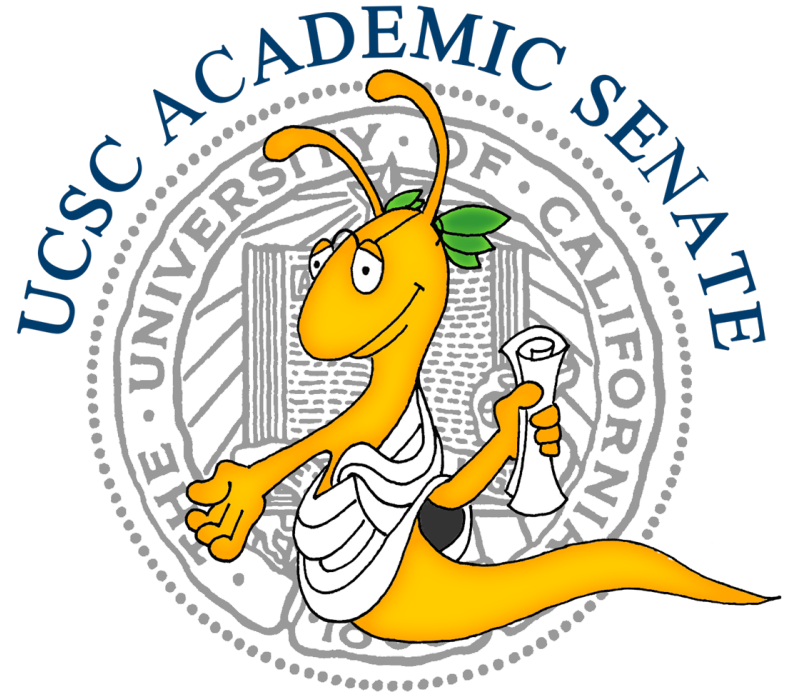


# Budget Overview

Raphael Kudela  
(CPB Chair)

Amber Blakeslee  
(AVC, Budget & Planning)



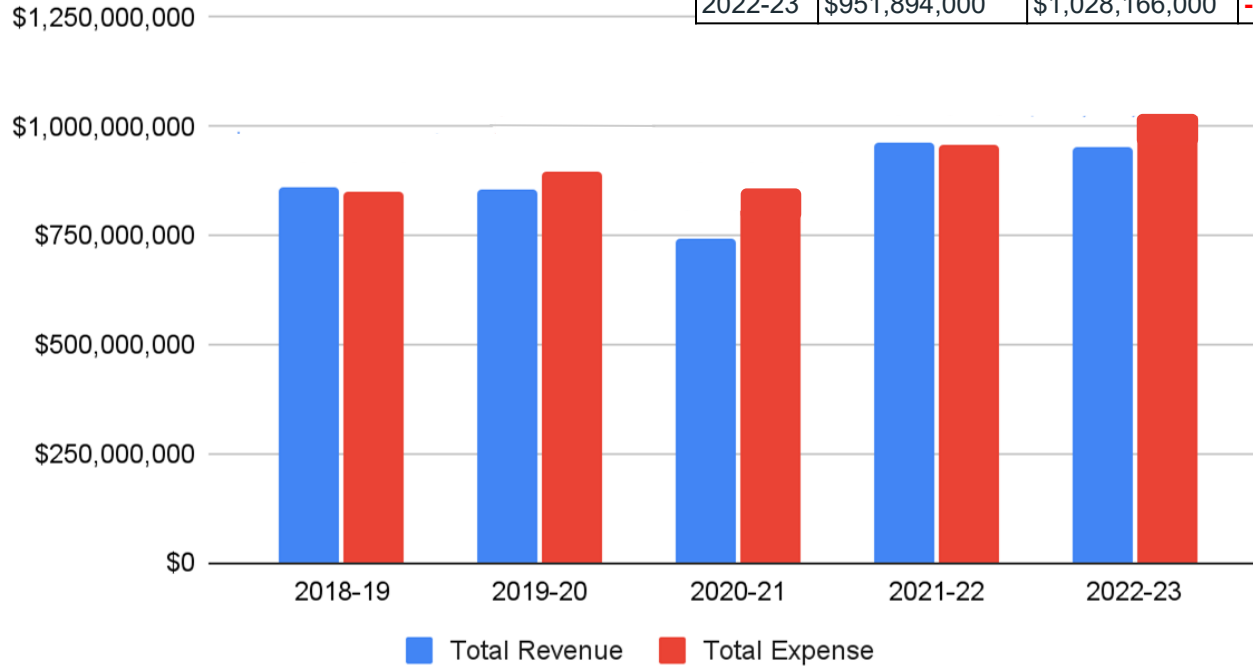
# Budget Overview



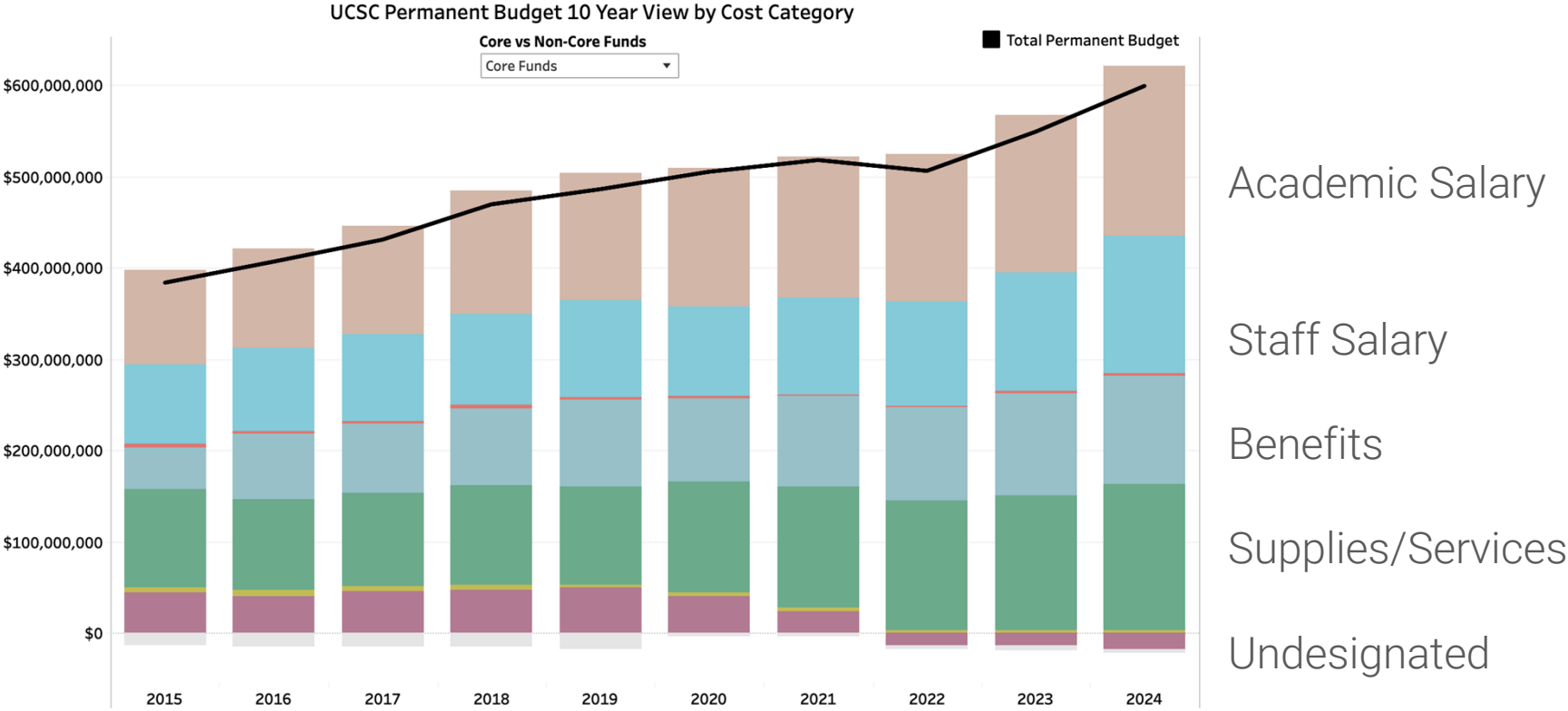
**Amber Blakeslee  
(AVC, Budget & Planning)**

# Structural Deficit: Net Expenses Exceed Net Revenue

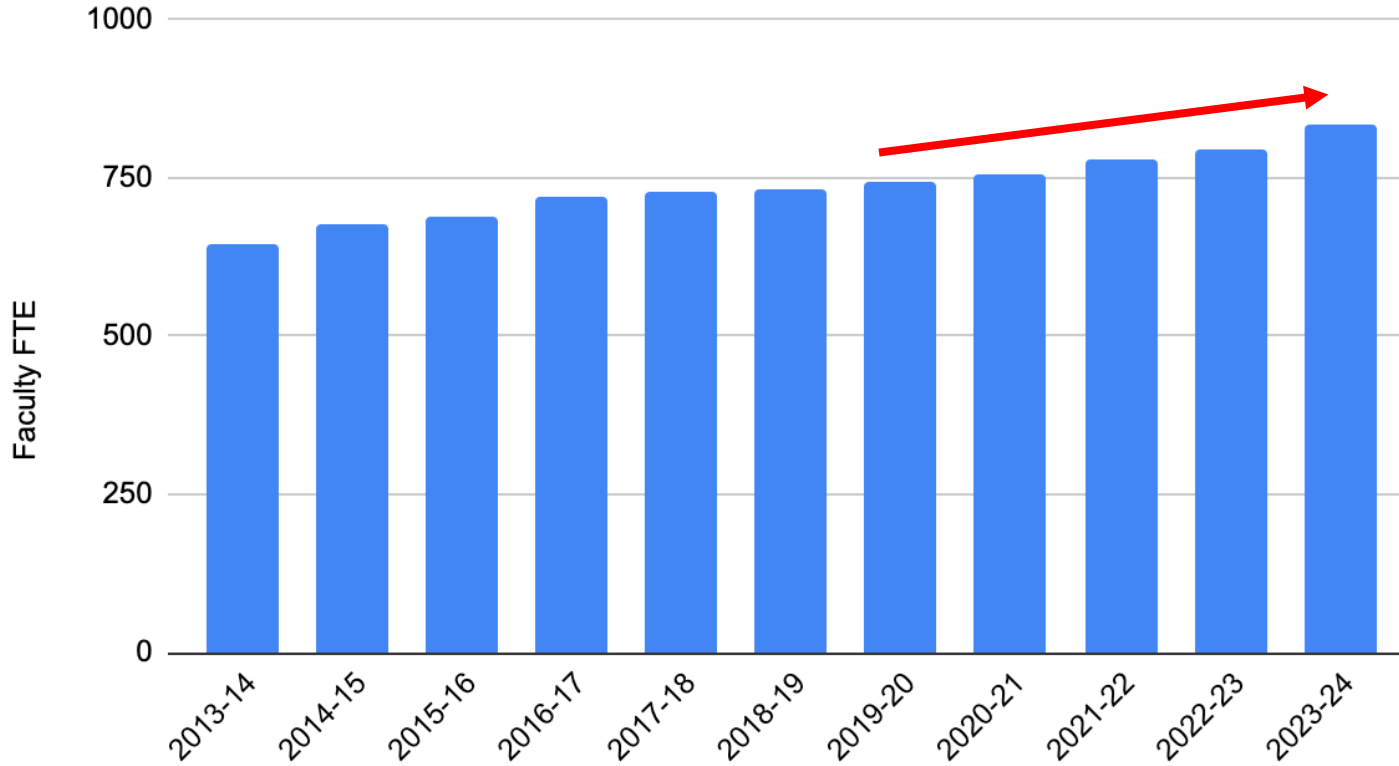
| Year    | Total Revenue | Total Expense   | Net Position          |
|---------|---------------|-----------------|-----------------------|
| 2018-19 | \$861,050,000 | \$850,668,000   | <b>\$10,382,000</b>   |
| 2019-20 | \$854,767,000 | \$894,344,000   | <b>-\$39,577,000</b>  |
| 2020-21 | \$740,987,000 | \$850,897,000   | <b>-\$109,910,000</b> |
| 2021-22 | \$960,335,000 | \$958,354,000   | <b>\$1,981,000</b>    |
| 2022-23 | \$951,894,000 | \$1,028,166,000 | <b>-\$76,272,000</b>  |



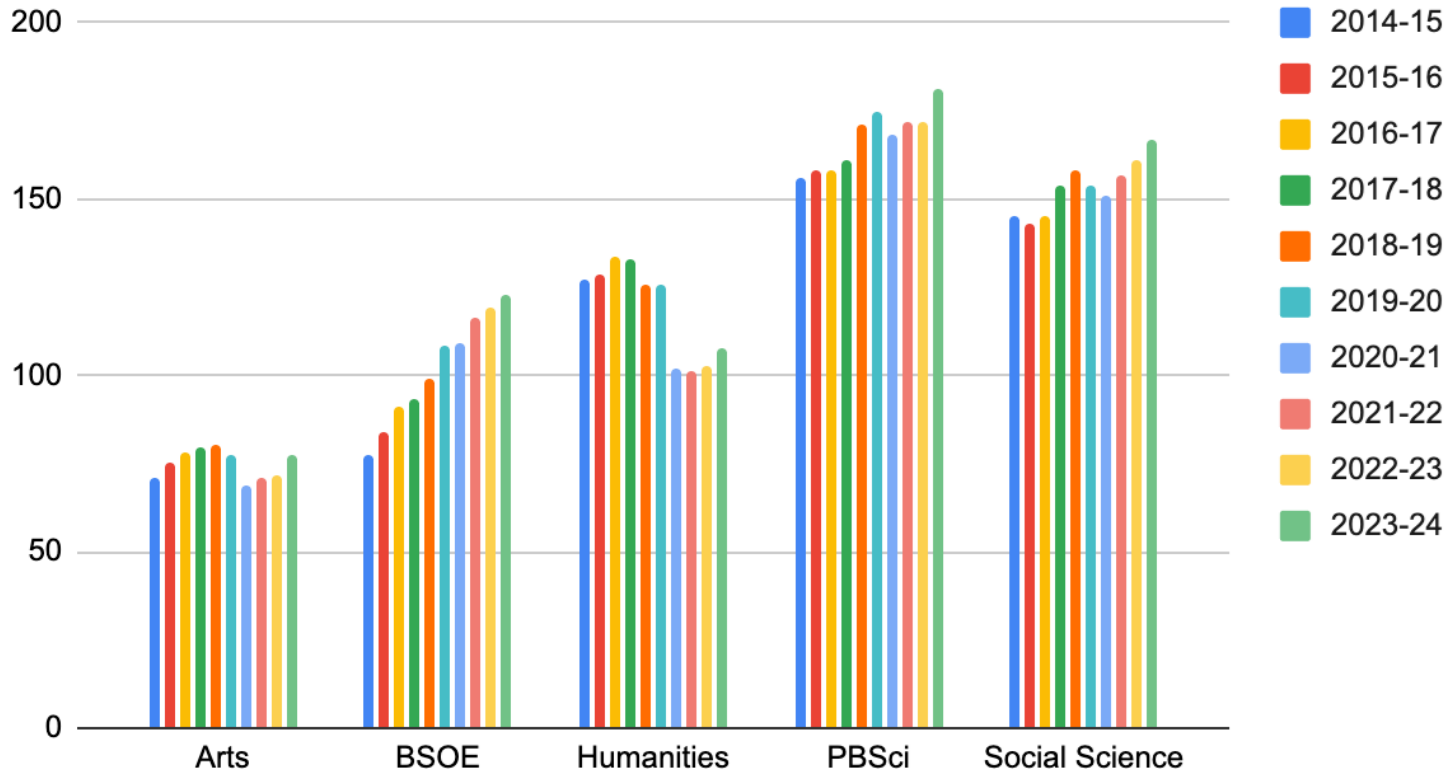
# Core Funds Expenses



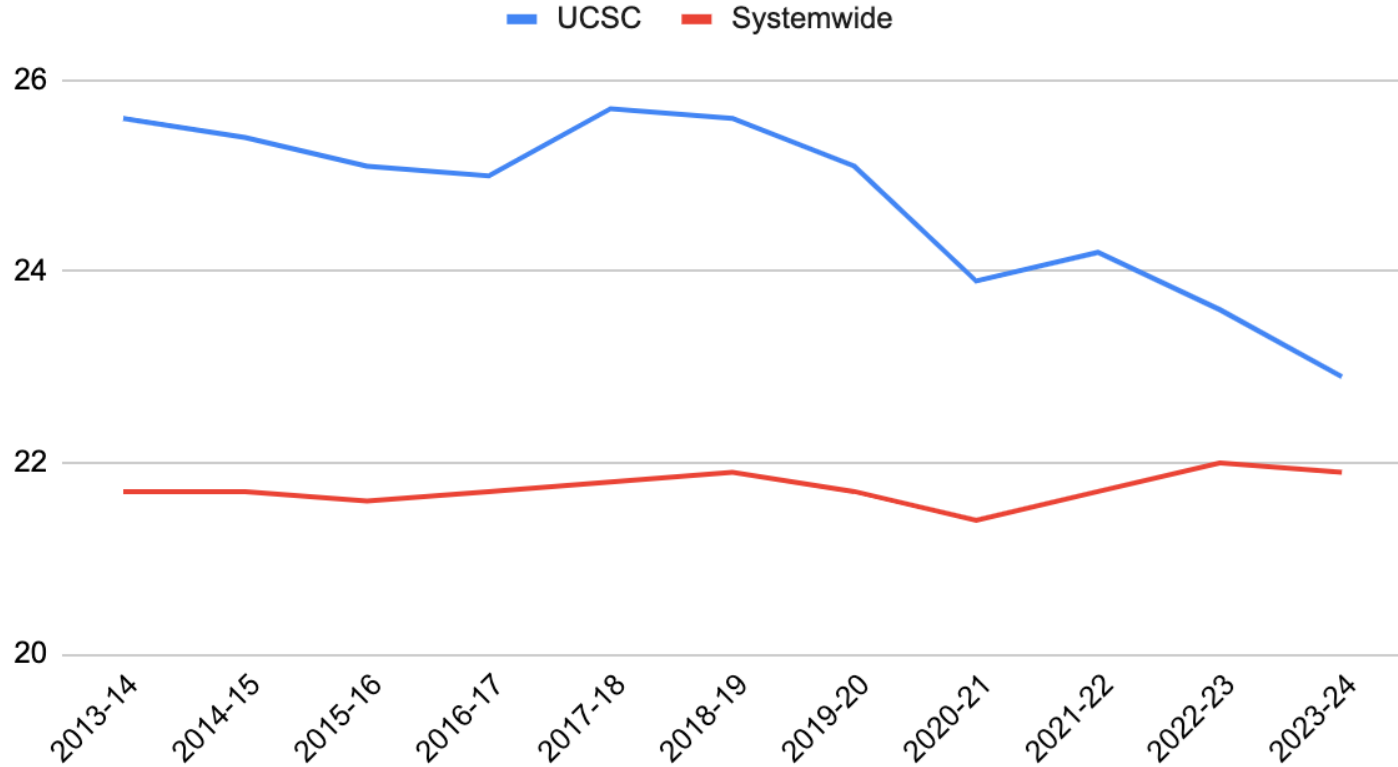
# Faculty (Ladder-Rank and non-Ladder-Rank)



# Filled Faculty FTE by Division



# UCSC vs. Systemwide Student:Faculty Ratio



## UC-Wide Outlook for 2025-26

- State revenues in 2023-24 were below expectations. The state cut the overall budget by \$30M, but still gave the UC the five percent base budget increase agreed to in the compact with the governor.
- The state will cut another \$47B out of state agency budgets. The UC will both receive a five percent base budget increase and a \$125M cut, ending as a **2.9 percent base budget increase**.
- For 2025-26, the legislature has indicated that the UC will receive an **eight percent cut**.
- There is some hope that state revenues will rebound, and the May budget revision will reflect that.

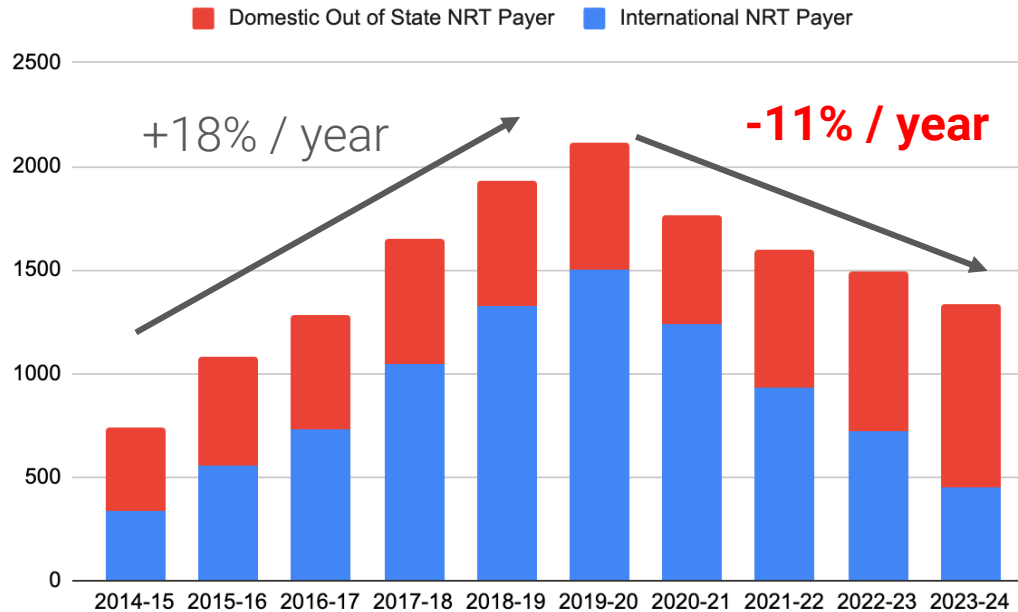


# Forward Projection of Faculty FTE

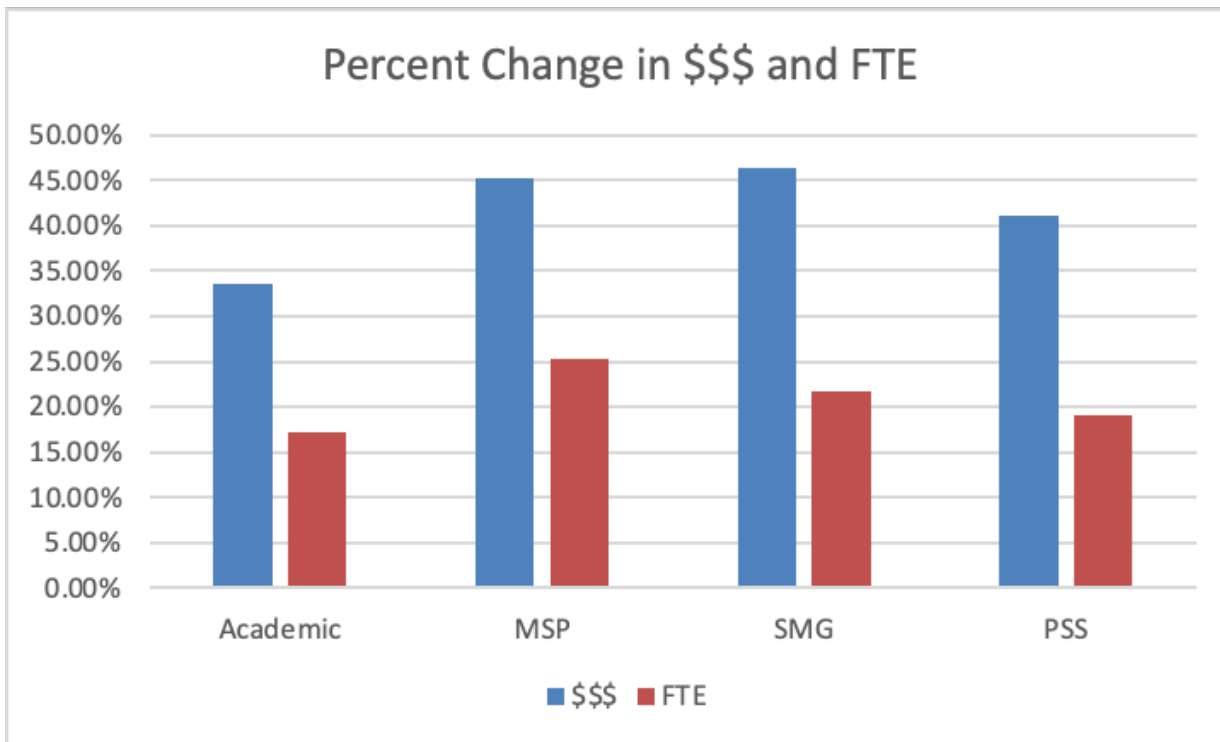
- campus has averaged 25 faculty separations per year over the last decade (2014-15 to 2023-24)
- 30% of annual FTE is off-cycle, and the campus has a 5-year recruitment success rate of 74.1%
- Assuming 3 FTE authorizations with 1 off-cycle and typical success rate, 3 FTE per year
  
- 2024-25 to 2027-28, ~100 separations and 12 replacement FTE, reduction of 10-13% of total faculty
  
- 2014-15 to 2023-24 undergrad enrollment increased by 1.03% per year
- campus housing initiative is expected to provide ~3000 beds by 2028
  
- **767 filled faculty FTE will serve 23,000 students, or an undergraduate:faculty FTE ratio of 30, compared to a long-term average of 24.5 (2004-05 to 2023-24), which would be the highest ratio in the UC system (current ratio is 22.9)**

# 2023/24, \$33 million loss in NRST revenue compared to 2019/20

*Need to grow NRST at 20% per year for 3 years to return to 2019/20 levels of revenue (which would be 9% NRST)*



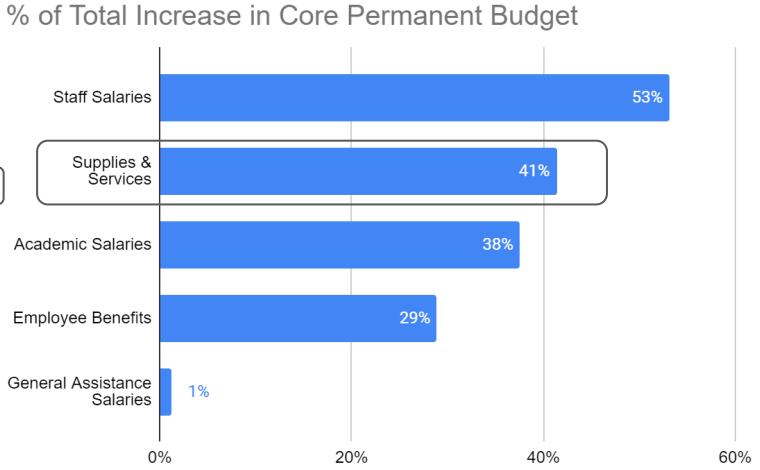
# Percent change in salary and benefit costs and FTE between 2021 and 2024 for academics, management and senior professionals (MSP), senior management group (SMG), and professional support staff (PSS).



# Costs in addition to salary & benefits

**Supplies & Services accounts for 41% of the total core Permanent Budget increase, rising 32% from 2020 to 2024 (from \$122M to \$161M, a \$39M increase).**

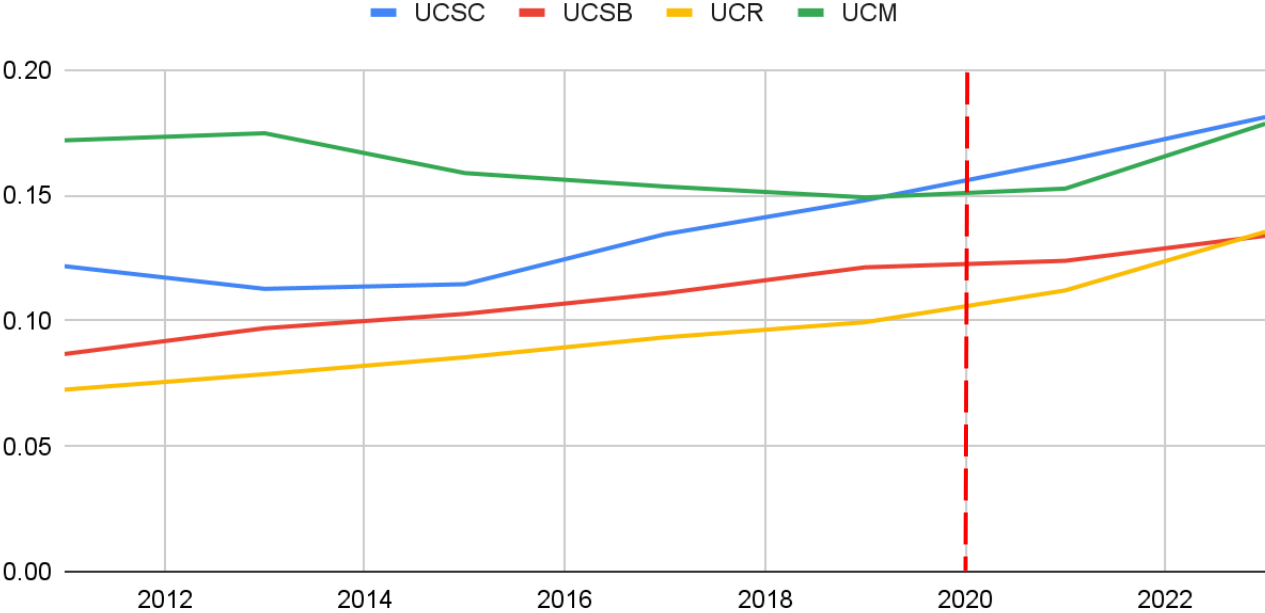
| Displayed Categorization (Core)    | 2020                 | 2024                 | Absolute Difference | % Difference | % of Total Increase |
|------------------------------------|----------------------|----------------------|---------------------|--------------|---------------------|
| Staff Salaries                     | \$99,273,302         | \$149,247,392        | \$49,974,090        | 50.3%        | 53.1%               |
| Supplies & Services                | \$121,796,031        | \$160,705,384        | \$38,909,353        | 31.9%        | 41.4%               |
| Academic Salaries                  | \$151,238,164        | \$186,564,703        | \$35,326,539        | 23.4%        | 37.6%               |
| Employee Benefits                  | \$91,438,859         | \$118,624,196        | \$27,185,337        | 29.7%        | 28.9%               |
| General Assistance Salaries        | \$1,803,700          | \$2,910,434          | \$1,106,734         | 61.4%        | 1.2%                |
| Recharge Income                    | -\$4,335,888         | -\$4323074           | \$12,814            | -0.3%        | 0.0%                |
| Equipment and Capitalized Expenses | \$3,112,502          | \$2,755,145          | -\$357,357          | -11.5%       | -0.4%               |
| Undesignated                       | \$40,724,073         | -\$17,360,587        | -\$58,084,660       | -142.6%      | -61.7%              |
| <b>Grand Total</b>                 | <b>\$505,050,743</b> | <b>\$599,123,593</b> | <b>\$94,072,850</b> | <b>19%</b>   |                     |



The "Supplies & Services" category includes expenses for items such as: Office supplies; Laboratory supplies; Maintenance and repair services: Costs for maintaining and repairing buildings, equipment, and other infrastructure; Utility services: Costs for electricity, water, gas, and other utilities; Travel expenses: Costs for travel, conferences, and professional development. Professional services: Costs for consulting services, legal fees, and other professional services; Printing and copying services; Subscriptions and memberships.

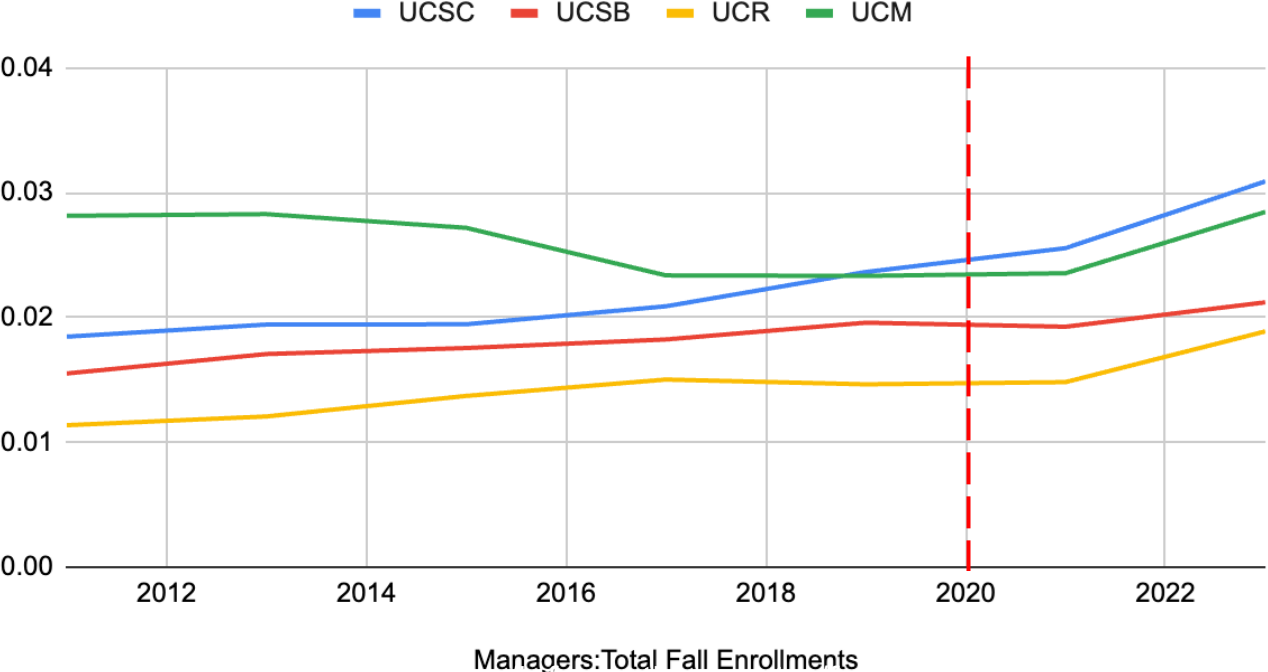
# Compared to other UCs, we are over-staffed in manager positions

Ratio of Managers to Other Staff and Faculty, 2011-2023 (Student Staff, TAs, GSRs, and Postdoctoral Scholars not included)



# Compared to other UCs, we are over-staffed in manager positions

Ratio of Managers to Total Fall Enrollments, 2011-2023





## Moving Forward

- The UC Budget is not likely to improve in the short term
- NRST would improve but not eliminate the deficit
- There are clear opportunities to reconsider our staffing model on the campus (*and multiple working groups looking at cost reductions, revenue generation, restructuring, etc.*)
  
- There are 17 departments with 15 or less FTE, and nine departments with 10 or less FTE as of July 1, 2023
- 64% of faculty are 45 years or older, 35.3% are 55 years or older as of April 2024
  
- **Departments, Divisions, and the campus will need to identify critical needs during a period of reduced faculty hiring with potentially competing objectives (critical mass, excellence, opportunity, diversity)**