



MARY CROUGHAN
CHANCELLOR Provost and Executive Vice Chancellor

OFFICE OF THE PROVOST AND EXECUTIVE VICE
ONE SHIELDS AVENUE
DAVIS, CALIFORNIA 95616-8558
TELEPHONE: (530) 752-4964

July 2, 2024

DEANS, VICE CHANCELLORS, VICE PROVOSTS AND THE DIRECTOR OF ATHLETICS

SUBJECT: 2024-25 Budget Status and Allocations

Dear Colleagues,

In April, I wrote to you about the coming fiscal year and the difficult choices we face regarding our core-funds budget. Since that time, our conversations have reflected the profound sense of responsibility and duty we have as members of the University of California. We are all here because we believe in UC Davis and how it benefits individuals, society, and the world. Thank you for your commitment to our mission and for doing all you can for our students, faculty, staff, and the people of California.

As stated in April, I recognize there are very real implications of continued spending reductions in your colleges, schools, divisions, and units. None of these decisions are simple or easy. I am confident that your thoughtful planning and stalwart leadership will help to put us on a path to financial sustainability while safeguarding our academic excellence for years to come.

There is a stark reality that hasn't been fully absorbed across our campus, so I want to discuss this in case it is helpful in your conversations. Since at least the 1980s, we have seen declining investment from state governments in higher education across the nation. In spite of some increased investments in recent years, higher education funding, relative to inflation and dollars per student enrolled, is not close to prior levels. As UC Davis grapples with competing priorities and what we can afford, the state experiences the same tug-of-war each year. As the years pass, and as our budget allocation from the state lingers further and further behind our increasing costs, we must, as responsible leaders, grapple with an unwelcome reality: *We cannot count on the state to fund the university at the levels experienced decades ago. We must evolve. We must identify ways to operate more efficiently and generate revenue to resolve our core funds deficit and balance our budget. We must share the burden of reducing costs, boosting efficiency, and continuously improving.*

State Funding and Core Funds Status

As noted, we continue to face fiscal headwinds in the form of a state budget deficit that will result, over at least the next two years, in lower appropriations from the state than were previously expected. For the past several years we have operated under a [Compact between the University and Governor](#) that promised five percent annual increases for five years. In light of a state budget deficit

projected to be \$47 billion in fiscal year 2024-25, the state has developed a two-year budget plan that provides a 2.9 percent increase to the University in fiscal year 2024-25 and indicates that the University will receive a 5.2 percent decrease in funding in fiscal year 2025-26, deferring the compact agreement to future years.

Taking into account campus-level decisions made during the budget process just completed, we estimate that our core funds structural deficit will be \$40.3 million at the end of fiscal year 2024-25 and our accrued one-time debt will be \$21.2 million. This achieves our goal, stated in the [budget framework communication](#), of ensuring that, no matter the outcome of the state budget deliberations, UC Davis does not grow the structural deficit and accrued debt beyond \$60 million in fiscal year 2024-25 and reduces the level of core fund deficit we will need to address in future years. For fiscal year 2024-25 we will stay the course outlined in the budget framework. This means:

- We will maintain unit savings targets as announced in April.
- We will not redirect any carryforward balances from units to central campus; however, we will continue to monitor these balances closely and expect you to work with your departments and faculty to direct funds to high-priority, one-time needs.
- We will fund salary and benefit increases for core-funded employees totaling approximately \$59 million and we will apply \$9 million in ongoing and \$72 million in one-time central funds to reduce the core fund deficit.

Since 2020, we have worked together to resolve and manage a core fund structural deficit, which [we have communicated about extensively](#). Together we have met \$83.6 million in ongoing core fund savings targets and are working on identifying another \$24.4 by 2026, for a total of \$108 million in ongoing savings over six years. These savings targets have been met through a combination of reductions, efficiencies, net revenue generation, and leveraging other appropriate fund sources to replace core funds. We have also allocated over \$210 million of one-time funds to mitigate our accrued debt. During this period we also experienced a pandemic, rising costs due to inflation and other global economic factors, and labor actions. I am very proud of the steps we have taken and how we have worked together to achieve real progress. I understand that this work has been challenging. I know we are weary from this effort. Still, it is critical to ensuring both the short-term and long-term financial stability of UC Davis that we maintain our efforts. On behalf of our students, faculty, and staff—including future generations of UC Davis affiliates—I want to thank you for your leadership and accountability in helping to ensure the fiscal health of our campus.

Our task is not yet complete. More will be asked of us over the next several years as we anticipate a state budget reduction in fiscal year 2025-26. We must all work diligently to implement the core fund savings targets by ensuring that **ongoing actions** are taken that reduce core fund expenditures.

Such actions should align with the following:

- One-time funds used for ongoing needs is a **short-term** solution.
- All units must **develop sustainable funding plans** and should not expect central campus to replace one-time funds with ongoing resources in the future.
- Units should **use carryforward balances** from across their organization to address critical one-time needs such as contributing to capital projects, funding faculty start-up, and investing in efforts that will result in ongoing net revenue generation and efficiencies.

- **Evaluate programs and activities** to ensure they align with our strategic priorities, invest in programs and activities that have the greatest impact and that serve a significant number of students or researchers.
- **Rethink, consolidate, or sunset** some activities that are duplicative, no longer as strongly aligned with our priorities or current needs, or are not scaled to have the greatest impact.

Revenue generation and continuous improvement

Growing alternate sources of revenue beyond core funds is critical to our long-term financial sustainability. A diverse portfolio of resources leads to greater stability. It is also critical that we establish and grow a culture of continuous improvement by investing in the skills and effort that will allow us to evolve our ways of doing business to be more effective and efficient. In January [we announced some initial limited-term investments](#) to support revenue generation and continuous improvement. Many of you are working on academic programs that are revenue generating, such as self-supporting graduate professional programs, online courses that can be utilized during summer sessions, and continuing education certificates and courses. Some areas of campus have opportunities to provide revenue-generating clinical and scientific services to the public and are strategically expanding these services in ways aligned with our mission. These efforts are critical to our long-term sustainability, competitiveness, and reputation in higher education as modalities for teaching and learning, research, and public service evolve.

This year we successfully completed our \$2 billion [Expect Greater](#) campaign, raising \$2.2 billion over less than four years, surpassing the campaign's goal early. Funds raised have supported new facilities, scholarships for our students, endowed chairs, and more. Our annual fundraising goal continues to be \$250 million. Achieving this goal is critical to continuing to support and enhance the work of UC Davis.

On the continuous improvement front, members of the university community serving on the [Sustaining Teaching and Research Task Force](#) (START) committees will continue to meet throughout the summer. START's six committees are considering issues shared with me via email, through the [START webpage](#), and at events, including on my departmental listening tour. Working from these issues lists, committee members will formulate recommendations to make substantive improvements to our education, research, and service models that will maintain or increase our commitment to excellence while attaining our goals. START's progress, and that of the [Student Success and Equitable Outcomes Task Force](#), is detailed in [my year-end letter](#).

Campus budget process outcomes

The 2024-25 operating budget framework also stated that unit requests for *new* central campus investments would not be accepted through the annual campus budget process, saving \$3.6 million in core funds budgeted for central campus investments. Such investments would extend beyond the significant amount of funding that will be provided by central campus for core-funded salaries and benefits and from revenue streams units receive through the budget model. I am very grateful for your collaboration as you followed these instructions.

We also indicated that prior commitments would be honored, and that we would review investments critical for maintaining campuswide needs and mandated activities. Funding requests

that did not meet these criteria were not considered. In the interest of transparency, Attachments 2 and 3 provide details on new budget process investments as well as prior year commitments that are continuing to be honored.

Budget meetings

I was very impressed with the annual budget meetings and how you and your teams participated in these critical discussions and focused on the topics requested. I am grateful to the Academic Senate leadership and Academic Senate Committee on Planning and Budget for their thoughtful engagement in the budget process and the meaningful and strategic feedback they provided. Thank you for the time and energy you have put into this process and for helping to inform our evaluation of unit budgets and financial status.

The attachments provide more context about our financial status, revenue and expense changes, investment decisions, and progress toward meeting savings targets. Each Dean and Vice Chancellor will also receive a separate communication from me detailing any specific decisions or guidance for their unit.

Thank you for the great care and significant time that you and your team commit each year to budget planning. I cannot overstate how valuable and meaningful it is to hear directly from you regarding your strategic priorities and the challenges you face. Despite these difficulties, you continue to ensure that our mission remains at the forefront of all we do and that we invest in the campus's highest priorities. We simply could not achieve our goals without your collaboration and your commitment to the long-term academic excellence of UC Davis. Thank you for your leadership in making this an exceptional place to learn, work, and live.

All the best,



Mary Croughan
Provost and Executive Vice Chancellor

Cc: Chancellor May
Davis Division Academic Senate Chair Palazoglu
Davis Division Academic Senate Chair-Elect Russ
Academic Senate Committee on Planning and Budget Chair Brosnan
Associate Vice Chancellor Mangum
Assistant Deans and Chief Operating Officers

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2024-25 BUDGET CONTEXT

The following information provides more context on the campus financial status for the fiscal year, information on investment decisions, as well as updates on the progress toward achieving budget savings targets. A video explaining the core fund deficit and additional information is available on the [Budget Framework website](#).

Estimated Change in Core Funds (State Funds & Tuition) Status

The following chart provides a summary of the estimated change in the campus core funds status since the [2024-25 Budget Framework](#) was initially announced in April 2024. This chart reflects information known to date. The campus is monitoring these assumptions and incorporating additional information into our planning as it becomes known.

Change in Estimated State Funds and Tuition (Core Funds) Budget Deficits for 2024-25

\$ in 000s

Prior Estimated Structural Deficit as of April 2024	(\$60,251)
<i>Changes to Sources</i>	
Adjustments to State Appropriations & UC Funds	(\$5,935)
Adjustments to Tuition Revenue	\$1,746
<i>Changes to Uses</i>	
Budget Process Decision Avoidance	\$3,640
Additional Mitigation/Redirects	\$5,300
Adjustments to Prior Estimates	(\$4,837)
Current Estimated Structural Deficit in 2024-25	(\$40,388)
Deficit as % of State Funds & Tuition (\$1.25B)	3.2%
Current Estimated Accumulated Debt in 2024-25	(\$21,200)
Debt as % of State Funds & Tuition (\$1.25B)	1.7%

Enrollment

The fall undergraduate enrollment target for incoming students, both resident and nonresident, is 9,590 (9,283 FTE), up 356 from 2023 fall enrollment of 9,234 incoming students (8,939 FTE). We are assuming a 5% increase in Summer Sessions for an enrollment of 1,975 FTE. The 2024-25 total undergraduate enrollment, including summer, is estimated to be 31,891 FTE, an increase of 347 over this year's projected total of 31,544 FTE. This includes 26,589 California resident FTE in 2024-25. We are assuming an 4% increase in graduate and professional enrollment in 2024-25.

Continuing students have begun registering for fall. So far, registration levels suggest that enrollment will be close to our estimates for continuing students. Registrations for Summer Session I and Summer Session II are up from summer 2023. The 2023-2024 total undergraduate enrollment, including summer, is expected to be 31,891 FTE, an increase of 347 over last year's total of 31,544 FTE. This includes 26,589 California resident FTE.

To date, registration for master's and doctoral students for the fall quarter is slightly below prior years though it is still very early in their registration process. Professional school registration is further along and on track with prior years.

Faculty Hiring

Faculty hiring is generally focused on maintaining existing faculty levels to meet our curricular and research needs, with some investment in new faculty associated with new academic programs. Ongoing hiring continues to be an opportunity to renew and diversify our faculty across many dimensions and we will continue to hire strategically.

Initial data indicate that 56 new ladder-rank faculty will start appointments this year, including 48 in the colleges and 8 in the schools. As of June 20, 2024, 10 additional offers are pending in the colleges and 5 additional offers are pending in the schools. Faculty hiring authorizations for 2024-25 were previously communicated in the annual [faculty recruitment authorization](#).

CHANGES IN APPROPRIATIONS AND REVENUE

State Budget Appropriation and Tuition Revenue

In fiscal year 2024-25, the total State unrestricted ongoing appropriation will be approximately \$519 million, an increase of approximately \$16 million. Total tuition and supplemental tuition paid by national and international students, including summer sessions, is estimated to increase from approximately \$650 million to \$680 million. Of this amount, the campus sets aside \$161 million to support financial aid as required by the Regents.

Student Services Fee and Campus Based Fees

The total estimated revenue from [Student Services Fees \(SSF\)](#) in 2024-25 is \$46 million, an increase of \$1.5 million. Similar to the challenges on core funds, new revenue from SSF is not keeping pace with salary and benefit increases, resulting in a structural deficit of approximately \$1 million.

The total estimated revenue from [Campus-Based Fees](#) in 2024-25 is \$84.5 million, an increase of \$2 million. The Council on Student Affairs and Fees (COSAF) provided thoughtful input about annual inflation adjustments and review of programs supported by Student Services Fee and Campus-Based Fees.

Facilities & Administrative (F&A) Cost Recovery on Extramural Grants

The total estimated revenue from [F&A Cost Recovery](#) to be allocated in 2024-25 is expected to grow by approximately \$11 million, to a total of \$193 million. Growth in F&A cost recovery is the result of increased contract and grant activity and a scheduled increase to the on-campus federal F&A rate in 2024-25 from the current 60% to 61%. Our total effective F&A rate, across all sponsor types, is approximately 25%. Please visit the [F&A Rates website](#) for additional details.

2024-25 INCREMENTAL BUDGET ALLOCATIONS AND DECISIONS

Decisions contained in this letter were informed by budget meetings with each unit leader, analysis from Budget and Institutional Analysis (BIA), feedback from the Academic Senate Committee on Planning and Budget and were reviewed with Provost and Executive Vice Chancellor Croughan and Chancellor May. Input from the Council on Student Affairs and Fees was also part of the overall process for student fee funds. Decisions carefully considered adherence to the criteria in the Budget Framework. Consistent with last year, the budget framework explicitly stated that unit requests for new central-campus investments through the budget process were not considered and units were expected to use existing resources within the unit, including carryforward, to support priorities. Prior commitments will be honored and known investments that are related to mandated activities or that support previously determined critical campuswide needs were reviewed as part of the budget process. Decisions reflected below will be supported across multiple fund sources.

Highlights of Key Investments

Attachment 2 provides a list of all new investments as well as prior investments that are still being honored. Key investments with campus-wide impact are highlighted below, many of which were previously identified in the [budget framework letter](#).

Student Success and Equitable Outcomes: We have invested \$2.3 million in ongoing funds and \$1.5 million in one-time funds to support Student Success and Equitable Outcomes, largely informed by the work of the [Student Success and Equitable Outcomes Task Force](#). Included in this funding is support for 19 new advisors in the colleges and renovations to improve tutoring space in Shields Library. Additional information on student success investments is provided in Attachment 2. As mentioned in the Provost's [year-end letter](#) some of this work will now transition to the [Sustaining Teaching and Research Task Force](#). We continue to set aside funds to invest in this area.

Utilities Commodity Cost Increases: 2023-24 utility commodity costs were \$34.8 million. 2024-25 costs are estimated at \$37 million. This is less than previous estimates and will result in over \$4 million less funding required from the General Overhead Assessment in 2024-25. Previously planned funding increases of \$4.5 million over the next two years from F&A and General funds will be made to support commodity price changes and investments in renewable energy projects. These costs are monitored closely, and funding is adjusted to reflect actual costs on an annual basis.

Capital Program and Critical Research Infrastructure: A total of \$3.9 million ongoing will continue to be set aside as part of a multi-year strategy to support investments in capital and facility needs. These funds are available to support debt service, deferred maintenance needs (including roads, paths, security systems, lights), energy projects, operations and maintenance for new space, and support for leased space at Aggie Square. In 2024-25, we will continue to increase this amount by \$2.9 million on F&A funds and \$1 million on core funds. The F&A funds will be used for research programs, debt service, lease costs, and operation and maintenance of our physical plant for critical research and infrastructure.

Faculty Startup Block-Grant Allocations: As stated in [the budget framework letter](#), central campus funding for faculty start-up block grants will not be provided in 2024-25. The \$10 million that would typically be provided for this purpose will instead be used to mitigate the one-time core funds deficit.

Graduate Student Support Funding: We will maintain graduate student support programs, including the Graduate Program Fellowship Allocations (Block Grants) with the enrollment metric consistent with 2023-24 levels. This provides units with predictable and flexible funding to meet a variety of needs related to graduate student support.

One-time funds for Academic Student Employees: As stated in [the Provost's December 7, 2023 communication](#), central campus will continue to provide funding for the cost increases associated with core-funded Academic Student Employee (TA) salary and benefit increases through spring quarter 2025 to ensure that the colleges can provide adequate course offerings for our undergraduate students in 2024-25.

uAchieve Degree Audit System Implementation: \$1.6 million in one-time funds over three years is provided to Enrollment Management to implement a new, single, degree audit tool. This tool will allow students and advisors to have greater transparency into a student's progress and steps to degree completion. This tool supports student success as well as laying the groundwork for future student information system improvements.

Cybersecurity Requirements: \$1.6 million is provided to Information and Educational Technology for cybersecurity tools and staffing to address UC Office of the President requirements. Future investments in this area will be informed by additional analysis and consultation over the coming months focused on areas of highest risk as well as central vs. unit workload and costs to support cybersecurity efforts campuswide.

Grand Challenges: \$1 million per year for two years is provided to support the efforts of the Grand Challenges initiative in the Office of the Provost. This initiative works to bring together experts from across disciplines to strengthen our community and seek significant, large scale, transdisciplinary funding opportunities. Over the past several years this was funded from operating carryforward in the Office of the Provost which is no longer available.

SALARY AND BENEFIT COST INCREASES

As noted in the budget framework letter, central campus will provide funding for salary and benefit increases for employees funded on [eligible fund types](#). Units must self-fund increases for employees on fund types that are not eligible for campus funding. Consistent with policy, rates for recharge activities may be adjusted to reflect these mandatory cost increases. The following is a summary of the salary programs that are included in these allocations.

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- Faculty merits and promotions will be funded based on the merit or promotion amount approved.
- The university has approved an [academic salary program](#) that will provide 4.2% range adjustments for ladder-rank faculty salaries. Per the Provost’s communication on June 13, 2024, this range will be applied to scale, offscale, and above scale salaries.
- Salary increases for non-represented staff will be funded based on the [4.2% range approved by UCOP](#).
- Salary increases for represented staff and academics will be determined by the rate identified in the active or ratified contract. This includes funding for salary increases to maintain Academic Student Employee FTE at the new salary and benefit levels through spring quarter 2025, as noted in the [December 7, 2023 communication](#).
- Funding for incremental benefit costs on all salary increases will be determined using the applicable 2024-25 [composite benefit rate](#).
- Funding will be adjusted for increases or decreases in the composite benefit rates on eligible base salaries.

The following chart provides the current estimate of the increased costs on core funds associated with these salary programs in 2024-25.

Estimated Incremental Increases on Core Funds by Salary Program

Estimates as of June 2024, reflects proposed salary programs

	<u>2024-25</u>
Faculty Merits	\$ 9,055,000
Faculty 4.2% Range of Scale Salaries	\$ 11,349,000
Faculty 4.2% Range of Off Scale Salaries	\$ 2,289,000
Faculty 4.2% Range of Above Scale Salaries	\$ 2,883,000
Faculty Base CBR Change	\$ 2,684,000
Represented Academic Salary Programs	\$ 11,203,000
Staff Represented	\$ 7,019,000
Staff Non-Represented	\$ 11,604,000
Staff Represented CBR Change	\$ 432,000
Staff Non-Represented CBR Change	\$ 671,000
Total Incremental Increases on Core Funds by Program	\$ 59,189,000
<i>Subtotal: Faculty</i>	<i>\$ 28,260,000</i>
<i>Subtotal: Staff</i>	<i>\$ 30,929,000</i>

Notes:

All salary programs include the incremental change in salaries and the incremental change in benefit costs as a result of the salary increases using the current applicable Composite Benefit Rate (CBR). The CBR change reflects the estimated net change in total benefit costs due to CBR rate changes.

CHANGES IN CAMPUS ASSESSMENTS

Over the past year, a workgroup including unit representatives from across campus worked to develop a new model for campus assessments that improves transparency, consolidates and simplifies assessment processes, and utilizes different allocation drivers. As a result, in 2024-25 campus assessments associated with UC systemwide charges, insurance premiums, common goods, enterprise system costs, and IT services costs will be consolidated into a single General Overhead Assessment with an updated allocation methodology. The new allocation will utilize three different weighted metrics (expenditures, employee full-time equivalents and employee headcount). To improve transparency and ensure only the necessary assessment funds are collected, the cost pool will be clearly defined during the budget process each year. An Advisory Committee reviews and provides guidance and recommendations to the provost on any proposed changes to the cost pool. Most items included in the assessment are systemwide expenses such as insurance premiums and the UCOP assessment which UC Davis does not control and generally increase annually. The total assessments to campus units in 2024-25 will be finalized in July and are estimated to exceed \$92 million. This is a significant increase of \$20 million in assessments to units from prior years due to net new costs as well adjusting for under-collection relative to costs in recent prior years. Additional information on the assessment allocations, transition to the new model, and the Advisory Committee charge and members is [available on this website](#). Net new costs to the cost pool for 2024-25 include both systemwide cost increases and local program costs as summarized below these were reviewed by the Advisory Committee.

- \$3.1 million for insurance premium increases for property insurance, general liability, cyber liability, employment practices, and auto liability.
- \$1.3 million for UC Path and UC Office of the President system-wide charges.
- \$400,000 to support increased licensing and operations costs for Aggie Enterprise.
- \$156,000 DocuSign licensing contract cost increases.
- Approximately \$100,000 for campus wide food inspection services.

FORMULAIC BUDGET MODEL ALLOCATIONS

Campus units receive formulaic allocations associated with certain revenue streams through the campus budget model. Details about how the various budget model allocation formulas work can be found on the [budget model website](#). The following provides key information about these allocations for fiscal year 2024-25. Allocation details and amounts are provided to Deans and/or Vice Chancellors and posted on the budget model website when finalized.

Allocations for Undergraduate Tuition

Since 2020-21, incremental increases in Undergraduate Tuition Revenue (UGTR) are [directed centrally](#) to the Student Success pool for improvements in student success and equitable outcomes. This approach will continue indefinitely, with funds in the coming year allocated to undergraduate academic advising and other recommendations from the Student Success and Equitable Outcomes Task Force. The UGTR pool for allocation will remain fixed in 2024-25. Base funding in the UGTR pool is redistributed using the workload metrics that have been in use

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since 2012-13. For the 2024-25 allocation, workload metrics use data from 2022-23 and 2023-24 for student credit hours of instruction and undergraduate majors, and data from 2021-22 and 2022-23 for degrees awarded.

Allocations for F&A Campus Return Program

Units that generate F&A will receive allocations totaling approximately \$52 million based on 2023-24 revenue collected.

Allocations for Summer Sessions Tuition

Budget model allocations for Summer Sessions instruction are based on student credit hours taught. For Summer 2024 central campus is guaranteeing a minimum allocation of \$100 per student credit hour. Based on current registrations, 2024 summer sessions enrollment is expected to exceed summer 2023 but continue to be lower than pre-pandemic levels. As a result, units should expect increases in Summer Session funding allocations corresponding to the increase in workload. Final data and allocations for summer 2024 are anticipated in late fall.

Allocations for Graduate Tuition and Graduate Student Support

Final allocations for the components of the graduate budget model will reflect changes in graduate enrollment in 2023-24 and will maintain graduate student support programs with the enrollment metric consistent with 2023-24 levels. Master's Enrollment Incentive Program (MEIP) funding, which is allocated from the Graduate Tuition Revenue (GRTR) pool, posted in the June ledger and the [allocation letter](#) is available on the BIA website. Graduate Tuition Revenue will be posted to the 2023-24 June general ledger and the allocation letter will be sent in July.

Allocations for Professional Tuition and Student Support

Final allocations of tuition and student support for state-supported graduate professional programs will be allocated based on graduate professional enrollment changes in 2023-24. Allocations include funding for CalVet waivers and are adjusted for part-time and staff enrollment. Allocations will be posted to the 2023-24 June general ledger and the allocation letter will be sent in July.

Patent Income

Net patent income to be allocated in 2024-25 should increase 5% to \$2.97 million based upon the patent fiscal year for 2022-23. Budget model distribution should result in \$2.08M to Units, \$445,000 to Innovation Access in the Office of Research and \$445,000 for central investment. The allocation letter will be sent by September.

BUDGET SAVINGS TARGETS

In 2020-21, [savings targets](#) totaling \$70 million were assigned to begin to address the core fund structural deficit. These targets were to be achieved over five years. During the 2023-24 budget process unit savings targets were increased by an additional \$9 million and a year was added to the plan. The [2024-25 Budget Framework letter](#) increased these targets by another \$20 million. During this budget process, central campus has identified an additional \$9 million that can be

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added to the campus savings target. Cumulatively, this means that ongoing savings totaling \$108 million should be achieved between the period of 2020-2026. To date, units and central campus have reported meeting \$83.6 million in ongoing core fund savings targets and are working on identifying another \$24.4 by 2026. *Units must continue to work to achieve these ongoing savings targets.*

Units are working on identifying how they will meet the additional \$20 million in savings targets communicated in April 2024. Budget and Institutional Analysis (BIA) will provide guidance to units for reporting out on their plans during Fall 2024.

Units are required to submit annual updates on progress toward achieving assigned savings targets. These plans were discussed in the unit budget meetings and were subsequently reviewed by the [Budget Framework Advisory Committee](#). The Budget Framework Advisory Committee agreed that most the reductions were consistent with the [framework principles](#). However, several units were asked to provide additional details and information on the impact of reductions on programs and operations. This information was provided during the review process. Units are encouraged to focus on net revenue generating opportunities to achieve their savings targets and must identify ongoing savings and minimize the use of one-time bridging. This is an iterative process and units may update their plans to reflect changes, new information, and actions to meet out-year targets.

CAPITAL PROJECTS

Financial resources continue to be a constraint in addressing the substantial amount of capital need that has been identified across the campus. Despite these constraints, we continue to prioritize facility and infrastructure investments to address enrollment changes, improve and support our buildings, reduce fossil fuel use, and prepare for future opportunities and needs. [Capital Planning](#) manages the Capital Financial Plan and coordinates the review and approval of capital projects by the Chancellor's Committee on Campus Planning and Design and systemwide approval processes. Information on [current projects is available online](#) and project requests can be submitted through the [Space and Project Needs Request Form](#). In addition, the [Space Release Program](#) continues to provide a financial incentive when campus teams identify space that can be reassigned.

2024-25 Final Budget Decisions

New Investment Decisions

	F&A Funds		Campus Assessment Funds		Other Funds ¹	
	Base	One-time	Base	One-time	Base	One-time
Section 1: Campuswide Priorities						
Campus Priorities						
Aggie Enterprise Operating Costs Augmentation			\$400,000			
DocuSign Licensing Cost Increase				\$145,000		
Environmental Health & Safety Food Inspection Program			\$100,000			
Student Success						
BioInnovation Lab						\$250,000
New Advisors in Colleges					\$2,300,000	
Renovations to Support Tutoring						\$550,000
Science, Technology, Engineering, and Mathematics Strategies: Operations and Staff Support						\$776,000
Undergraduate Business Major: Advisors in GSM (Year 1 of 3)						\$191,000
Undergraduate Education: Summer Sessions Online Course Development (Year 2 of 3)						\$150,000
Subtotal, Section 1: Campuswide Priorities	\$0	\$0	\$500,000	\$145,000	\$2,300,000	\$1,917,000
Section 2: Academic Support and Administration						
Information and Educational Technology						
Cybersecurity Requirements					\$1,552,000	\$48,000
Office of Innovation and Economic Development						
Personnel and Operations					\$269,000	\$37,000
Office of the Provost						
Grand Challenges: Operations and Staff Support		\$1,000,000				
Public Scholarship and Engagement: Operations and Staff Support for Carnegie Community Engagement Reclassification						\$400,000
Student Affairs						
Student Disability Center: Accommodation Costs						\$370,000
Student Disability Services Matching Funds					\$50,000	
University Library						
Aggie Experts		\$250,000				
Subtotal, Section 2: Academic Support and Administration	\$0	\$1,250,000	\$0	\$0	\$1,871,000	\$855,000
Grand Total	\$0	\$1,250,000	\$500,000	\$145,000	\$4,171,000	\$2,772,000

¹Other Funds includes centrally-managed pools (e.g., Student Success and Development) and student fees, Lottery, and other fund types.

2024-25 Final Budget Decisions

Multi-Year Decisions from Previous Years

	General Funds & Tuition		F&A Funds		Campus Assessment Funds		Other Funds ¹	
	Base	One-time	Base	One-time	Base	One-time	Base	One-time
Section 1: Campuswide Priorities								
Aggie Enterprise: Personnel and Operations (Year 2 of 2)					\$1,510,000	\$975,000		
Capital Investments	\$1,000,000		\$2,900,000					
Environmental Surveillance Funding (Year 3 of 3)						\$85,000		
UCPath Local Support Costs (Year 3 of 3)						\$446,000		
University Preferred Partnership Program (Reduced Amount and Updated Timing: Year 1 of 3)								\$40,000
Subtotal, Section 1: Campuswide Priorities	\$1,000,000	\$0	\$2,900,000	\$0	\$1,510,000	\$1,506,000	\$0	\$40,000
Section 2: Colleges, Schools, and Deans								
College of Agricultural and Environmental Sciences								
Campaign Fundraising Position (Year 2 of 3)								\$160,000
Development Officer: Resnick Center for Agricultural Innovation (Year 3 of 3)								\$160,000
College of Biological Sciences								
Extend Support for Campaign Fundraising Position (Year 1 of 2)								\$150,000
Student Advising Ratios (Year 6 of 8)								\$50,000
College of Engineering								
Engineering Student Design Center Staff (Year 3 of 3)		\$120,000						
College of Letters & Science								
Gorman Museum Capital Renovation Project								\$3,750,000
Institute of Psychedelics and Neurotherapeutics (Year 3 of 5)				\$238,000				
Office of Graduate Studies								
Envision Program								\$85,000
New Graduate and Professional Academic Program Development (Year 1 of 3)								\$490,000
Postdoctoral Scholars Support (Year 4 of 5)		\$100,000						
School of Education								
College Opportunity Program: Operational Support (Year 2 of 5)				\$300,000				
School of Law								
Base Increase (Year 8 of 10)	\$360,000							
Subtotal, Section 2: Colleges, Schools, and Deans	\$360,000	\$220,000	\$0	\$538,000	\$0	\$0	\$0	\$4,845,000

¹Other Funds includes centrally-managed pools (e.g., Student Success and Development) and student fees, Lottery, and other fund types.

2024-25 Final Budget Decisions

Multi-Year Decisions from Previous Years

	General Funds & Tuition		F&A Funds		Campus Assessment Funds		Other Funds ¹	
	Base	One-time	Base	One-time	Base	One-time	Base	One-time
Section 3: Academic Support and Administration								
Development and Alumni Relations								
Campaign Finale								\$400,000
Development Operations Bridge Funding (Year 2 of 2)								\$8,700,000
Intercollegiate Athletics								
Extend Development Support (Year 3 of 3)								\$125,000
Student Fee Reduction Bridge Funding (Year 2 of 3)						\$250,000		
Office of Innovation and Economic Development								
Personnel and Operations (Year 2 of 2)							\$303,000	
Office of Research								
Controlled Environment Facility Growth Chambers (Year 3 of 4)				\$700,000				
High Performance Computing Core Facility: Administrative Costs (Year 5 of 5)				\$500,000				
Institute for Transportation Studies International Center (Year 3 of 3)				\$75,000				
Office of the Provost								
Enrollment Management: uAchieve Degree Audit Implementation (Year 2 of 3)								\$1,335,000
Imagining America: Operations and Staff Support (Year 3 of 5)								\$555,000
Student Affairs								
Need Based Rent Subsidy Program								\$742,000
Student Public Health Expansion (Year 3 of 3)								\$690,000
Tribal Relations Position	\$100,000							
Subtotal, Section 3: Academic Support and Administration	\$100,000	\$0	\$0	\$1,275,000	\$0	\$250,000	\$303,000	\$12,547,000
Grand Total	\$1,460,000	\$220,000	\$2,900,000	\$1,813,000	\$1,510,000	\$1,756,000	\$303,000	\$17,432,000

¹Other Funds includes centrally-managed pools (e.g., Student Success and Development) and student fees, Lottery, and other fund types.