

BOARD OF REGENTS

May 18, 2017

1. FISCAL YEAR 2017-18 BUDGET FOR SYSTEMWIDE ACADEMIC AND PUBLIC SERVICE PROGRAMS, OFFICE OF THE PRESIDENT

The President of the University recommended that the University of California Office of the President fiscal year 2017-18 budget for Systemwide Academic and Public Service Programs be approved, as outlined in Display 1 below. The Regents approved the recommendation contingent on further review by the Finance and Capital Strategies Committee, with recommendations of that Committee to be acted upon by the Board at the July 2017 meeting.

Display 1: Fund Sources and Uses: Systemwide Academic & Public Services Programs

FY 2017-2018 Budget - Fund Sources and Uses
Systemwide Academic & Public Service Programs

(\$ millions)		TOTAL Proposed Budget FY 2017-18	FORECAST FY2016-2017	TOTAL Budget FY 2016-2017	Var-FY17-18 Budget to Forecast	Var-FY17-18 Budget to FY16-17 Budget	% More / (Less) Budget vs Forecast	% More / (Less) to Prior Year Budget
Sources:								
General Campus Assessment	1	\$ 165.90	\$ 165.85	\$ 165.85	\$ 0.05	\$ 0.05	0.0%	0.0%
Other Unrestricted Sources	2	11.41	11.18	11.18	0.23	0.23	2.1%	2.1%
Subtotal - Unrestricted Sources		177.31	177.03	177.03	0.28	0.28	0.2%	0.2%
State Funds		129.69	51.75	51.75	77.94	77.94	150.6%	150.6%
External Revenues	3	65.64	60.94	60.94	4.70	4.70	7.7%	7.7%
Federal Funds		38.23	37.82	37.82	0.41	0.41	1.1%	1.1%
Other Sources	4	13.87	12.32	12.32	1.55	1.55	12.5%	12.5%
Subtotal - Restricted Sources		247.43	162.84	162.84	84.59	84.59	51.9%	51.9%
Total Sources		424.74	339.87	339.87	84.88	84.88	25.0%	25.0%
Uses:								
Research		186.68	106.68	108.58	80.00	78.10	75.0%	71.9%
ANR		102.27	100.82	101.08	1.44	1.19	1.4%	1.2%
Instruction		58.39	52.95	53.67	5.44	4.72	10.3%	8.8%
Academic Support		46.68	46.31	46.40	0.37	0.28	0.8%	0.6%
Public Service		16.69	16.33	16.44	0.37	0.26	2.3%	1.6%
Presidential Initiatives		9.77	5.57	9.77	4.20	-	75.5%	0.0%
National Laboratories		4.27	3.59	3.94	0.69	0.34	19.1%	8.5%
Total Uses		424.74	332.25	339.87	92.50	84.88	27.8%	25.0%
Projected Year-End Fav/(Unfav)		\$ -	\$ 7.62					

Notes:

1. Total General Campus Assessment for FY17-18 is flat to last year.
2. Other Unrestricted Sources include: endowment income from two central endowments and indirect cost recovery funds.
3. External Revenues include: patent royalties, tuition and fees, UC Press Income as well as sales and services revenues.
4. Other Sources include endowment and gift funds, cost recovery and bond management funds and Federal funds.

Board vote: Regents De La Peña, Elliott, Kieffer, Lansing, Lozano, Makarechian, Napolitano, Pattiz, Pérez, Ramirez, Reiss, Schroeder, Sherman, and Zettel voting “aye,” and Regents Blum and Rendon voting “no.”

2. **FISCAL YEAR 2017-18 CENTRAL AND ADMINISTRATIVE SERVICES BUDGET FOR THE OFFICE OF THE PRESIDENT**

The President of the University recommended that the University of California Office of the President fiscal year 2017-18 budget for Central and Administrative Services be approved, as outlined in Display 2 below. The Regents approved the recommendation contingent on further review by the Finance and Capital Strategies Committee, with recommendations of that Committee to be acted upon by the Board at the July 2017 meeting.

Display 2: Fund Sources and Uses: Central and Administrative Services

FY 2017-2018 Budget - Fund Sources and Uses
Office of the President

(\$ millions)	TOTAL Proposed Budget FY 2017-18	FORECAST FY2016-2017	TOTAL Budget FY 2016-2017	Var-FY17-18 Budget to Forecast	Var-FY17-18 Budget to FY16-17 Budget	% More / (Less) Budget vs Forecast	% More / (Less) to Prior Year Budget
Sources:							
General Campus Assessment	1 \$ 146.50	\$ 146.55	\$ 146.55	\$ (0.05)	\$ (0.05)	0.0%	0.0%
Other Unrestricted Sources	2 26.29	26.52	26.52	(0.23)	(0.23)	-0.9%	-0.9%
Strategic Priorities Reserve Funding							
Restricted Multi-Year Funding							
Subtotal - Unrestricted Sources	172.79	173.07	173.07	(0.28)	(0.28)	-0.2%	-0.2%
External Revenues	3 58.76	50.51	50.51	8.24	8.24	16.3%	16.3%
Retirement & Benefits Admin.	49.37	49.05	49.05	0.32	0.32	0.6%	0.6%
Investments Admin.	42.11	41.59	41.59	0.52	0.52	1.2%	1.2%
Other Sources	4 13.30	11.43	11.43	1.87	1.87	16.3%	16.3%
Subtotal - Restricted Sources	163.53	152.59	152.59	10.94	10.94	7.2%	7.2%
Total Sources	336.32	325.66	325.66	10.66	10.66	3.3%	3.3%
Uses:							
Central & Administrative Services	277.87	249.82	267.70	28.06	10.17	11.2%	3.8%
Regents Officers	58.45	49.71	57.96	8.74	0.49	17.6%	0.8%
Total Uses	336.32	299.53	325.66	36.79	10.66	12.3%	3.3%
Net Expenditures, excluding UCPath	\$ -	\$ 26.13	\$ -	\$ (26.13)	\$ (0.00)	-100.0%	
UCPath Assessment funds	52.44	20.15	20.15	32.29	32.29	160.2%	160.2%
UCPath Expenditures	52.44	16.25	20.15	36.19	32.29	222.7%	160.2%
Net UCPath Expenditures	-	3.90	-			-100.0%	
Total Funds: Office of the President, incl. UCPath	388.76	345.81	345.81	42.95	42.95	12.4%	12.4%
Total Expenditures: Office of the President, incl. UCPath	388.76	315.78	345.81	72.98	42.95	23.1%	12.4%
Net Expenditures, incl. UCPath	\$ -	\$ 30.03	\$ -				

Notes:

1. Total General Campus Assessment for FY17-18 is flat to last year.
2. Other Unrestricted Sources include: endowment income from two central endowments and indirect cost recovery funds.
3. External Revenues include: patent royalties, tuition and fees, UC Press Income as well as sales and services revenues.
4. Other Sources include endowment and gift funds, cost recovery and bond management funds and Federal funds.

Board vote: Regents De La Peña, Elliott, Kieffer, Lansing, Lozano, Makarechian, Napolitano, Pattiz, Pérez, Ramirez, Reiss, Schroeder, Sherman, and Zettel voting “aye,” and Regents Blum and Rendon voting “no.”

3. **ESTABLISHMENT OF POLICY ON NONRESIDENT STUDENT ENROLLMENT**

The President of the University recommended that the Policy on Nonresident Student Enrollment shown in Attachment 1 be adopted, effective beginning with the fall 2018 entering class.

Board vote: Regents Kieffer, Lansing, Lozano, Napolitano, Pérez, Ramirez, Reiss, Rendon, Schroeder, Sherman, and Zettel, voting “aye,” Regents Elliott and Makarechian voting “no.”

Policy on Nonresident Student Enrollment

As a public, land-grant institution, the University of California takes pride in its commitment to prioritizing the enrollment of California residents, consistent with the California Master Plan for Higher Education. It is a fundamental tenet of the University that the vast majority of undergraduate spaces on every UC campus should be reserved for California residents. At the same time, the University values highly the diversity of experience, cultures, and backgrounds that nonresidents provide and sees their presence on every UC campus as an important part of the learning experience for California students.

In furtherance of these principles, the University adopts the following policy:

1. The University of California will continue to offer a place on at least one of its undergraduate campuses to every California undergraduate resident applicant who meets the University's requirements for guaranteed admission, consistent with Regents policy on admissions.
2. The University of California will continue to enroll a total number of California resident undergraduates equal to or exceeding the number of resident undergraduates for whom the University is provided funding by the State of California.
3. Nonresident undergraduates will continue to be enrolled in addition to, rather than in place of, funded California undergraduates at each campus. That is, campuses wishing to increase nonresident enrollment may not reduce enrollment of funded California students to accommodate this growth.
4. At each campus that in academic year 2017-18 enrolls fewer than eighteen percent of its undergraduates from outside California, California residents shall continue to represent a minimum of eighty-two percent of all undergraduate students.
5. At each campus whose nonresident undergraduate enrollment (including new freshman and transfer students and continuing students) in academic year 2017-18 exceeds eighteen percent of total undergraduate enrollment, the proportion of nonresident undergraduates enrolled in the future may not exceed the proportion in 2017-18. On these campuses, any growth in the number of nonresident undergraduates enrolled will be accompanied by, at minimum, a proportionate increase in enrollment of California resident undergraduates.
6. All decisions regarding the criteria and processes by which nonresident undergraduates are admitted will continue to be determined according to applicable Regents and Academic Senate policy regarding freshman and transfer admission.
7. To assess the efficacy of this policy in supporting a common standard for excellence across all campuses and enhancing the academic experience, access, and affordability for California resident students, the policy shall be reviewed by the Regents periodically, but

at a minimum once every four years, and within the context of State General Fund per student support for the University.

For purposes of this policy, “nonresident undergraduates” shall not include students who are exempt from paying Nonresident Supplemental Tuition under Regents Policy 3106: Policy on Waiver of Tuition and Fees.

The President, in consultation with the General Counsel, shall implement this policy by establishing any necessary regulations.

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California, its officers, employees, or agents.