

**Office of the President**

**TO MEMBERS OF THE COMMITTEE ON FINANCE:**

**DISCUSSION ITEM**

*For Meeting of July 20, 2016*

**CAMPUS OVERVIEW, SAN FRANCISCO CAMPUS**

**BACKGROUND**

UC San Francisco dates its founding to 1864, and became affiliated with the University of California in 1868. Today, the campus is home to 3,107 graduate students and 1,742 medical residents.

UC San Francisco is an exclusively health science campus, with 99 percent of degrees awarded in science, technology, engineering and math (STEM) fields.

UC San Francisco has 24,143 faculty and staff. 50 faculty are members of the National Academy of Science, 68 are members of the American Association for Advancement of Science, 63 are American Academy of Arts and Sciences members, and 97 are National Academy of Medicine members.

UC San Francisco Chancellor Hawgood, Provost Daniel Lowenstein, and Associate Vice Chancellor for Budget and Resource Management Teresa Costantinidis will present this item. The presenters will provide a campus overview of financial data, student performance, and campus diversity.

**FINANCIAL DATA**

Campus financial results for the last three fiscal years, estimates for the current year, and projections for the next four years are as follows:

<i>(in millions of dollars)</i>	2013 <sup>1</sup> (actual)	2014 <sup>1</sup> (actual)	2015 <sup>1</sup> (actual)	2016 <sup>2</sup> (Estimated)
Revenues	\$4,075.2	\$4,418.4	\$4,770.1	\$5,006.8
Expenses	(4,006.9)	(4,363.0)	(4,655.3)	(5,003.0)
<b>Income (loss)</b>	<b>\$68.3</b>	<b>\$55.4</b>	<b>\$114.7</b>	<b>\$3.8</b>

<i>(in millions of dollars)</i>	2017 <sup>2</sup> (Projected)	2018 <sup>2</sup> (Projected)	2019 <sup>2</sup> (Projected)	2020 <sup>2</sup> (Projected)
Revenues	\$5,225.7	\$5,429.9	\$5,732.2	\$6,004.9
Expenses	(5,206.1)	(5,399.3)	(5,642.4)	(5,685.9)
<b>Income (loss)</b>	<b>\$19.6</b>	<b>\$30.5</b>	<b>\$89.8</b>	<b>\$139.0</b>

Revenue annual increase assumptions:	Expense annual increase assumptions:
<ul style="list-style-type: none"> <li>• State General Funds: +2.8% based on UCSF Corridor</li> <li>• Student Services Fee: +5%</li> <li>• Tuition: +2.5% beginning in 2017-18</li> <li>• Investment returns:               <ul style="list-style-type: none"> <li>• STIP: 1.6% for 2016-17, 1.8% for 2017-18, then 2.0%</li> <li>• TRIP: 4.6% for 2016-17, 4.9% for 2017-18, then 5.2%</li> <li>• GEP: 6.5% for all fiscal years through 2020.</li> </ul> </li> <li>• UCSF Health: Compound annual growth of 5.7%</li> <li>• Auxiliaries: 25% growth in 2018-19 due to new housing</li> <li>• Private gifts: Slowdown in current gifts during 2017-18 and 2018-19 as development focuses on capital gifts</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries (including faculty and collective bargaining units): +3% for merit increases; significant additional growth during 2015-16 due to expansion of UCSF Health; additional programmatic growth as patient care and research programs expand</li> <li>• Academic faculty merits: +1.7%</li> <li>• Health benefits: +4%; significant additional growth during 2015-16 due to expansion of UCSF Health</li> <li>• Employer's pension contribution: 14% of payroll</li> <li>• OPEB assessment: 3.29% in 2016-17, then 3.51% annually</li> <li>• Depreciation: 15% increase during 2015-16 due to new Mission Bay hospitals and Mission Hall</li> <li>• Interest expense: 41% increase in 2015-16 associated with new Mission Bay hospitals and Mission Hall; 1% annual increases in 2016-17 and 2017-18; 11% and 22% increases in 2018-19 and 2019-20 due to financing for new facilities</li> </ul>

Revenue growth has resulted from increased medical center net patient revenues, private gifts, and private contract and grant activity. These revenue drivers have also resulted in programmatic increases in expenses well above inflationary levels, but UC San Francisco's cost containment efforts have helped the campus maintain positive net income.

The San Francisco campus is a national and international leader in the life sciences and patient care. UC San Francisco also leads the system in philanthropy, with record-setting levels of private support over the last several years. The campus has developed a culture of process improvement and fund allocation strategies to promote efficiencies and control cost increases. The campus has also successfully increased indirect cost recovery and managed the balance

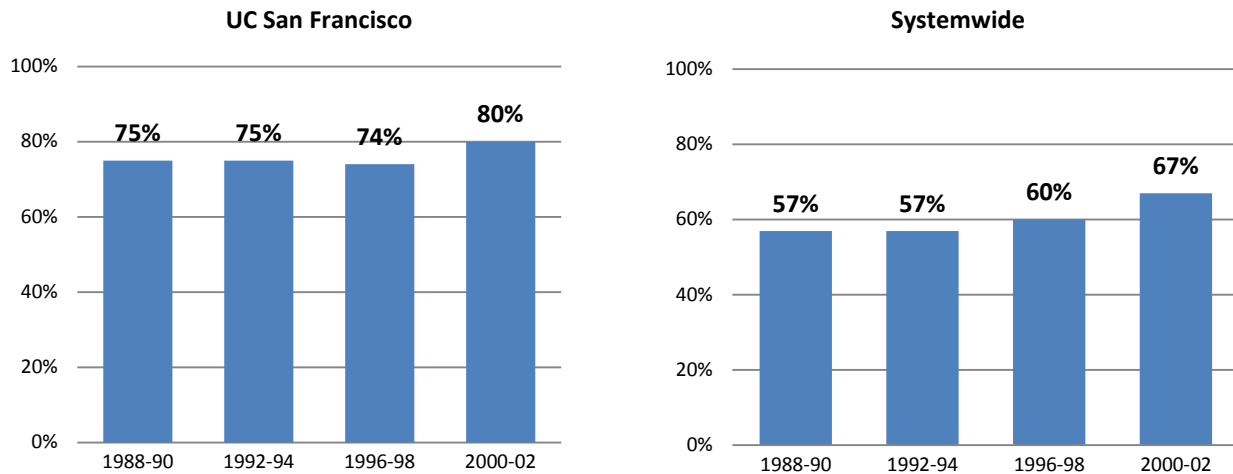
sheet by moving more funds into the Total Return Investment Pool and the General Endowment Pool.

UC San Francisco operates in the very competitive patient care and research industries, which are highly dependent on government funding. Demands for clinical productivity have had a negative effect on faculty satisfaction. The high cost of living in San Francisco threatens UCSF's ability to recruit and retain the best faculty, staff, and students. The campus has significant need for deferred maintenance and capital renewal as well as ongoing challenges in funding information technology investments in educational technology, research support, and business systems.

### STUDENT PERFORMANCE

#### Doctoral Completion Rates

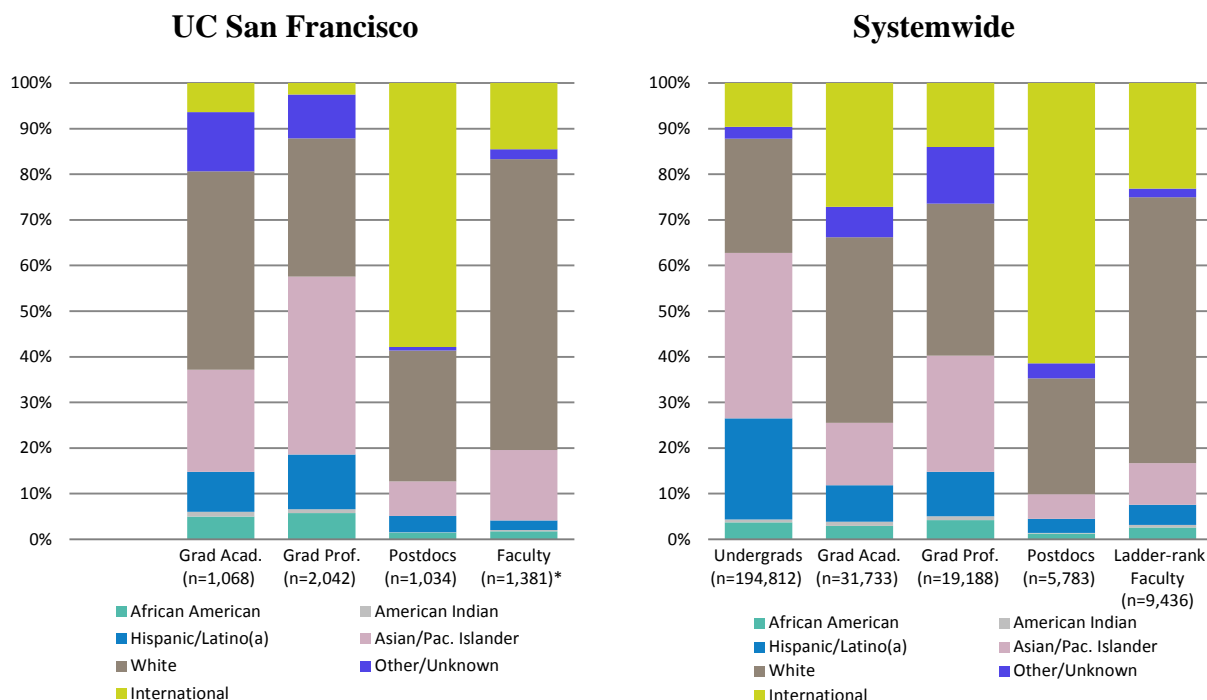
The two charts below provide ten-year doctoral completion rates for UC San Francisco and the UC system. Both show improvements over time. UC San Francisco doctoral completion rates have increased from 75 percent to 80 percent and remain above systemwide averages, which have increased ten points to 67 percent. UC uses the ten-year completion rate to compare with national data that show a 62 percent completion rate for public institutions and 65 percent for private institutions.



During the presentation to the Regents, the UC San Francisco Chancellor and Provost will describe campus efforts to ensure timely degree completion through campus support services, including a new Student Success Liaison, Learning Resources Services, First Generation Support Services, a Multi-cultural Resource Center and the LGBTQ Center. The campus has also established a new need-based Cost of Living Supplemental program for students not living in campus housing and therefore facing the high cost of rental housing in San Francisco.

DIVERSITY

The two charts below show racial/ethnic diversity for UC San Francisco and the UC system for undergraduate, graduate academic, graduate professional student, postdoctoral, and faculty populations. UC San Francisco enrolls no undergraduate students.



\*UCSF faculty counts include Ladder-rank and equivalent, as well as professors in residence and professors of clinical x.

At UC San Francisco, some groups were more racially/ethnically diverse in fall 2014 than they were for UC systemwide, with 14.8 percent underrepresented minority (URM)<sup>1</sup> graduate academic students at UC San Francisco compared to 11.9 percent systemwide, 18.6 percent URM graduate professional students compared to 14.8 percent systemwide, 5.1 percent URM postdoctoral scholars compared to 4.5 percent systemwide, and 4.1 percent URM faculty compared to 7.2 percent systemwide. (Note that the UCSF chart includes professors in residence and clinical professors (who are hired primarily to train clinicians rather than to conduct research) as well as ladder rank and equivalent; this is because health science faculty are often not classified as ladder-rank).

For UC San Francisco, new graduate academic and graduate professional students have increasing proportions of URM students:

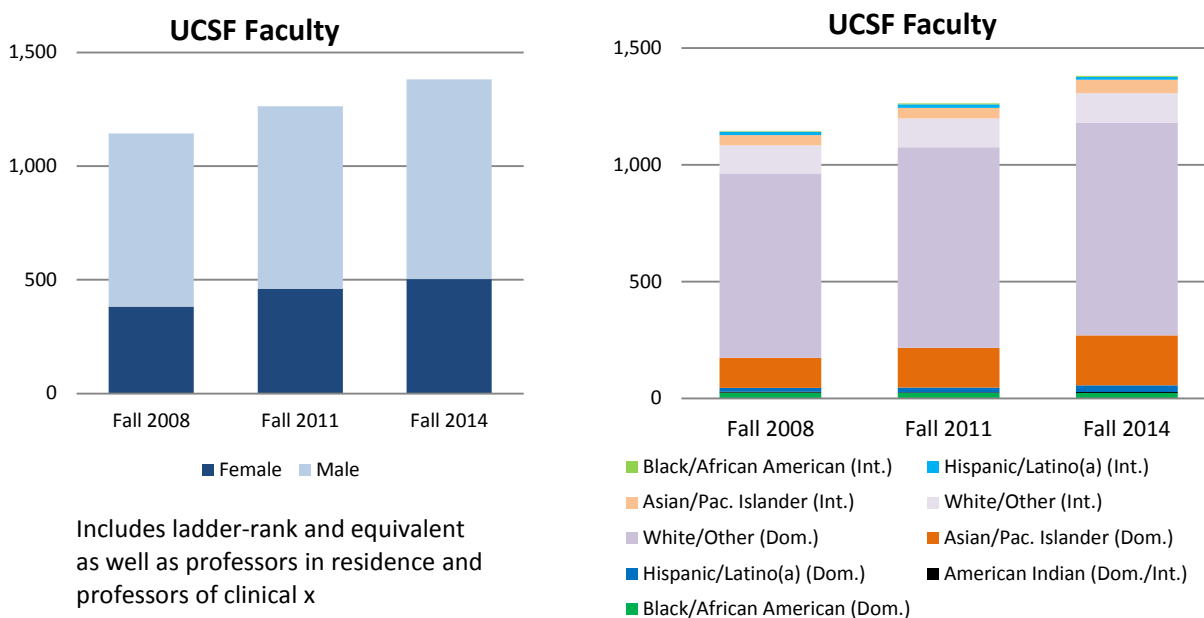
- 12 point increase for new graduate academic students (five percent for fall 2000 to 17 percent for fall 2015)

<sup>1</sup> Underrepresented minorities include African American, American Indian, and Hispanic/Latino(a).

- nine point increase for new graduate professional students (nine percent for fall 2000 to 18 percent for fall 2015).

In addition, the number of new female graduate academic students has increased from 61 in fall 2000 to 132 in fall 2015, while the percentage has increased from 46 percent to 55 percent. The number of new female graduate professional students has increased from 360 in fall 2000 to 455 in fall 2015, while the percentage has slightly declined from 69 percent to 67 percent.

The two charts below show the number of faculty by gender and race/ethnicity for UC San Francisco.



For UC San Francisco, the number of female faculty has risen over time, while the proportion has fluctuated slightly – 383 (34 percent) in fall 2008, 461 (37 percent) in fall 2011, and 503 (36 percent) in fall 2014.

For UC San Francisco, the number of underrepresented faculty increased from 45 in fall 2008, to 47 in fall 2011, to 57 in fall 2014, but the proportion has hovered at about four percent over the same period.

During the presentation to the Regents, the UC San Francisco Chancellor and Provost will describe campus efforts to advance campus diversity, including the Chancellor’s Council on Campus Climate, Culture and Inclusion; a staff diversity certification program; recruitment and retention awards through the John A. Watson Faculty Scholars Program; and the Differences Matter Initiative.