

# Draft for Discussion

## UNIVERSITY OF CALIFORNIA ACCOUNTABILITY FRAMEWORK

### PART II. Universitywide Indicators with Campus Comparisons

#### Section 10. Finance, Capital and Development

##### Goals

The University of California leverages billions of dollars in state, federal and private funding to promote discovery of new knowledge and fuel economic growth. Major financial strengths include a diverse source of revenues, including those from the state of California, student fees, federally sponsored grants and contracts, medical centers, private support and self-supporting enterprises.

Two major factors determine the capital needs for the University of California: 1) meeting enrollment demand, consistent with the University's commitment to student access under the Master Plan for Higher Education; and 2) maintaining the effectiveness of existing capital assets of the University through investment in systematic modernization and renewal of facilities. Adequate facilities are a critical factor in the University's ability to accommodate the rapid growth of students and maintain the quality of the academic program. However, the University also has significant capital needs related to seismic and life-safety requirements, modernization of out-of-date facilities that no longer adequately serve the academic programs they house, new infrastructure for growing campuses, and renewal of infrastructure and other facilities systems that are worn out and cannot accommodate even present demand.

Private support, finally, underscores the continued confidence among donors in the quality of the University's programs and the importance of its mission.

##### Measures

Total revenue and expenditure data presented here come primarily from the University's Corporate Financial Reporting System (CFR), which supports the University's audited financial statements. Also provided are per-student average educational expenditures.

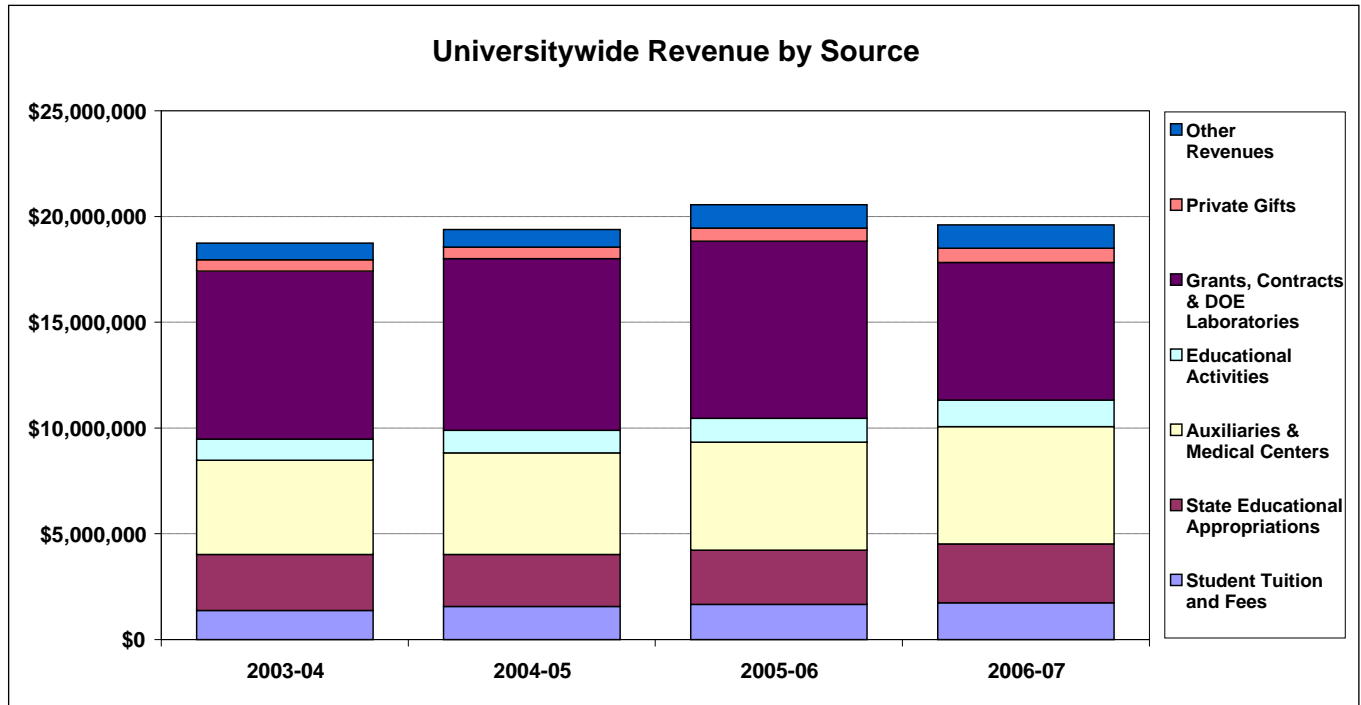
The capital data presented here cover the magnitude of the University's capital facilities, the University's efficiency in the use of facilities and progress on addressing seismic safety needs.

The development data cover trends in private support at UC and its comparison institutions, donor restrictions on support and endowment per student.

# Draft for Discussion

## Indicator 10.1

### Revenue by Source, 2003-04 to 2006-07



Figures are in inflation-adjusted constant 2006-07 dollars.

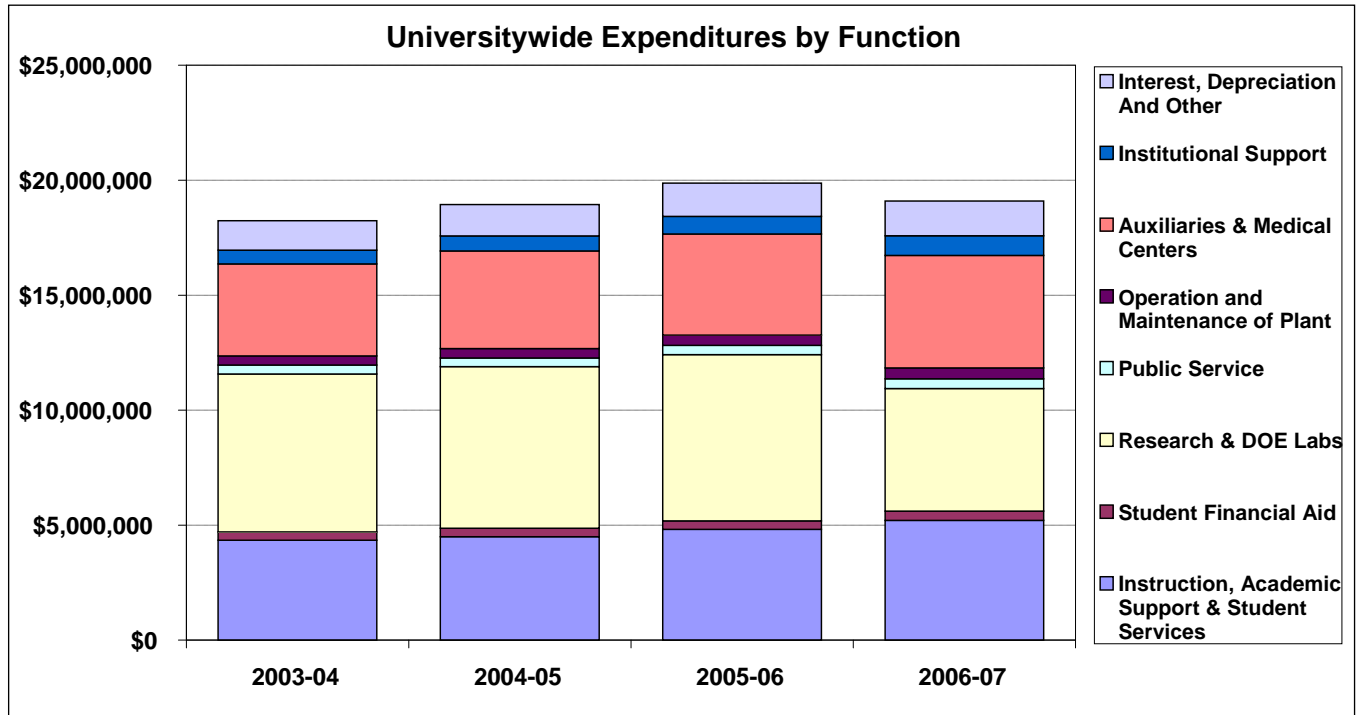
- University revenue consists of funds from a variety of sources. State support, which helps leverage other dollars, remains most crucial.
- In 2006-07, 33 percent of University revenue was generated from contracts and grants, including the DOE laboratories. Another 28 percent was generated from medical center operations and auxiliary enterprises, while state appropriations and student fees generated 23 percent of total revenue.

Source: UCOP Budget Office

# Draft for Discussion

## Indicator 10.2

### Expenditures by Function, 2003-04 to 2006-07



Figures are in inflation-adjusted constant 2006-07 dollars.

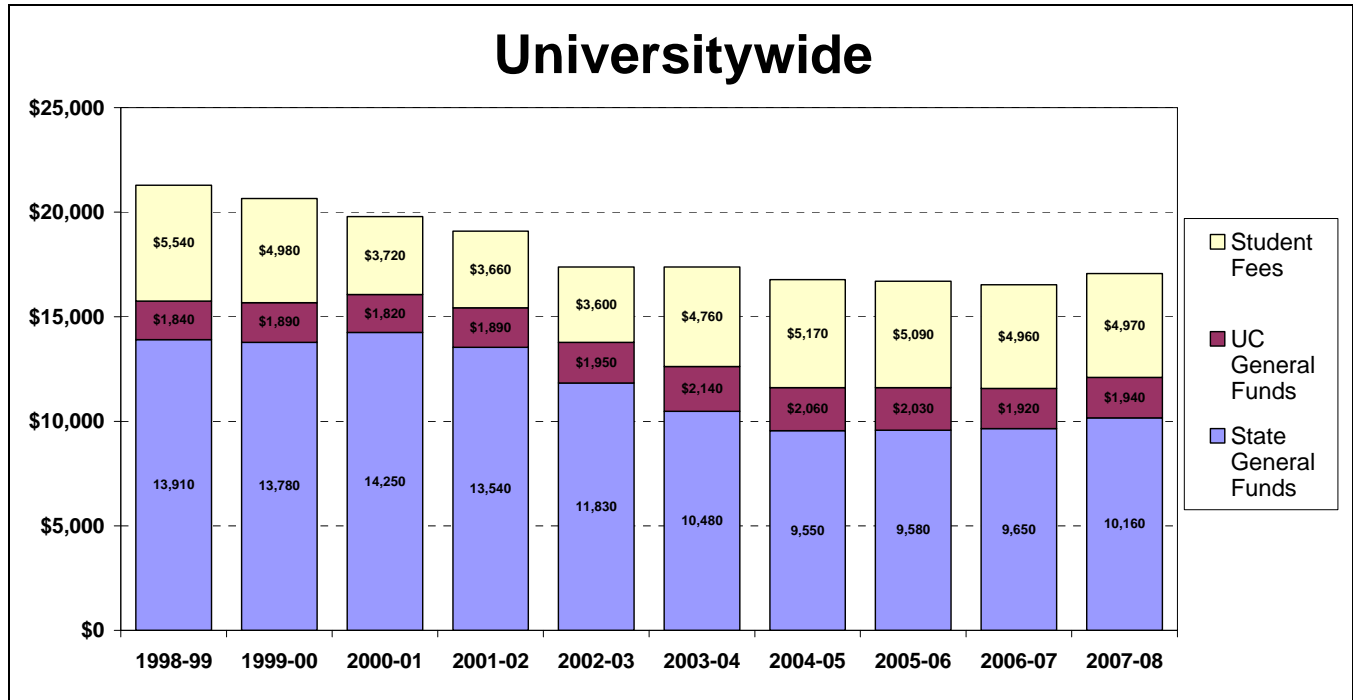
- Expenditures for instruction, including faculty salaries, libraries, other academic support and student services were 27 percent of the total during 2006-07. Research and public service were 17 percent and 2.2 percent, respectively.

Source: UCOP Budget Office

# Draft for Discussion

## Indicator 10.3

### Per-Student Average Expenditures For Education, 1998-99 to 2007-08



Figures are in inflation-adjusted constant 2007-08 dollars.

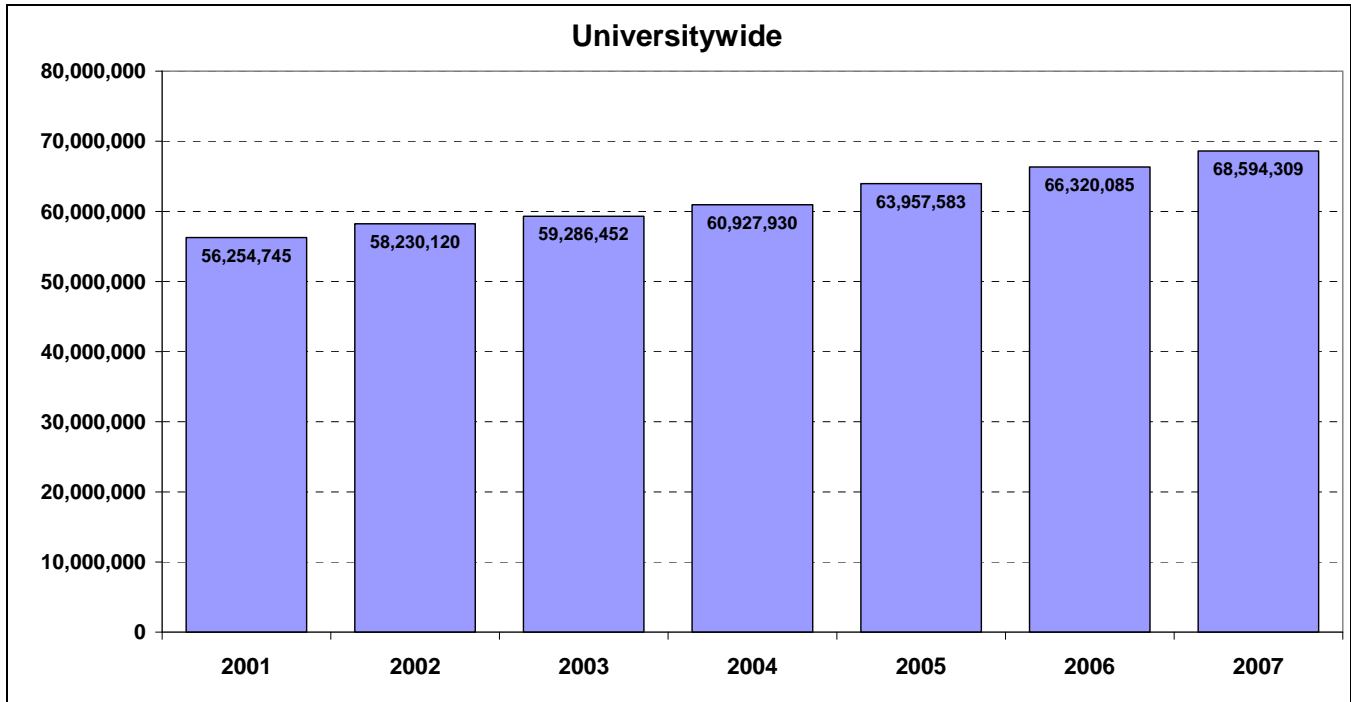
- Since 1998, average inflation-adjusted expenditures for educating UC students declined 20 percent.
- The state's share of expenditures has plunged 27 percent.
- Over this period, the student share of total educational expenditures, net of financial aid, rose from 26 to 29 percent. Since 1990, the student share, net of financial aid, has more than doubled, from 13 to 29 percent.

Source: UCOP Budget Office

# Draft for Discussion

## Indicator 10.4

### Total Assignable Square Feet, 2001 to 2007



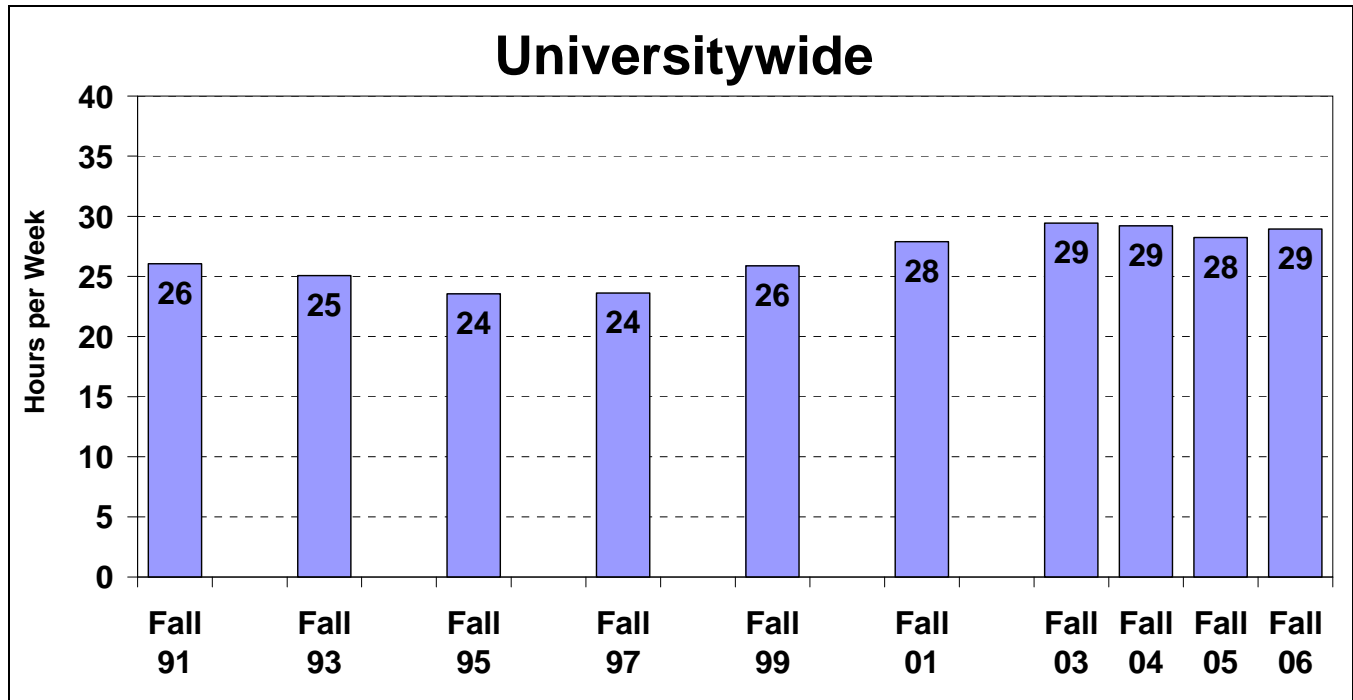
- The amount of space that can be used for programs or functions or assigned to occupants is known as the assignable area. The assignable area of a room is the area within the interior walls of the room. Assignable area is measured in terms of assignable square feet (ASF) as of the fall term.
- The ten major room use categories for assignable space are: classrooms, laboratories, office facilities, study facilities, special use facilities, general use facilities, support facilities, health care facilities, residential facilities and unclassified areas.
- Public areas that support the functioning of the building irrespective of program (e.g., custodial space, corridors and elevators, phone closets, restrooms) are excluded.
- Total assignable area equals the sum of the ten room use categories of assignable space.

Source: UCOP Budget Office

## Draft for Discussion

### Indicator 10.5

#### Average Hours per Classroom Use, Fall 1991 to Fall 2006

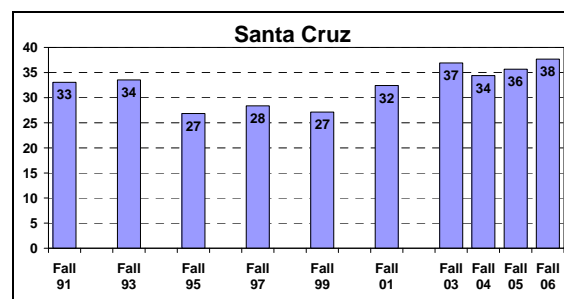
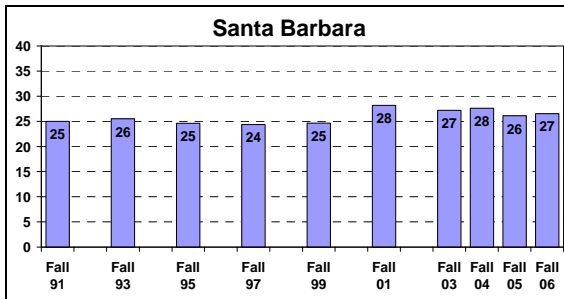
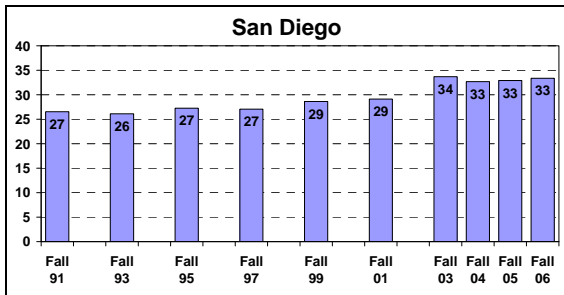
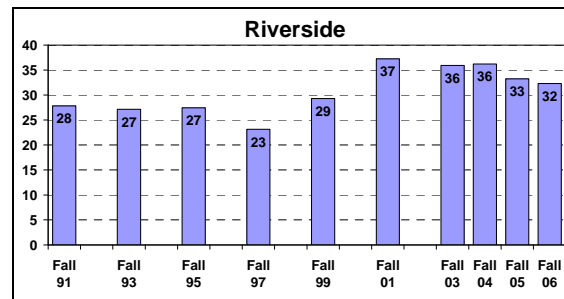
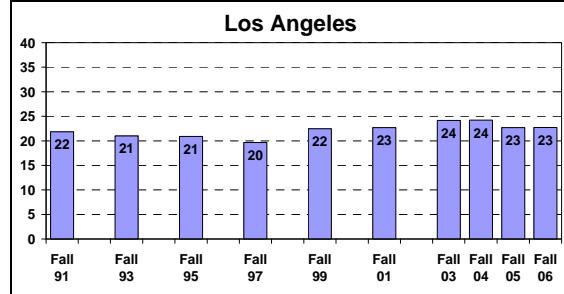
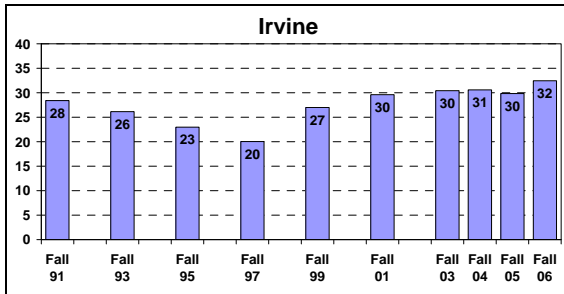
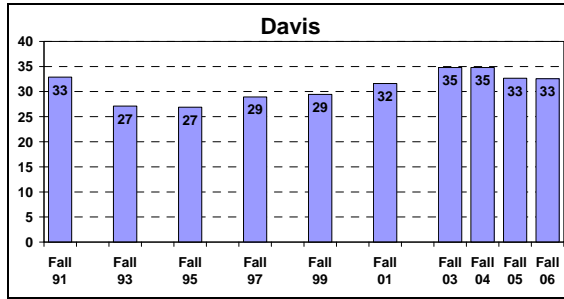
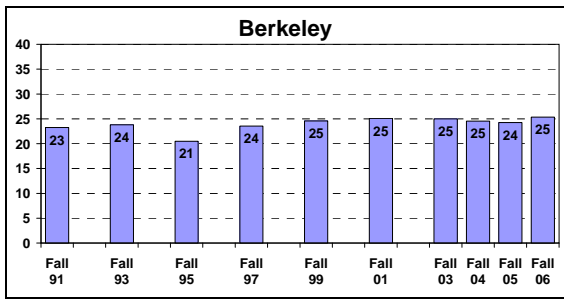


- The legislatively approved standard for classroom utilization is 35 weekly student contact hours.
- This standard applies to all general campus classrooms and seminar rooms. Excluded are the health sciences, University Extension and other non-standard classrooms (e.g., for physical education or military science).
- Weekly student contact hours are based on the number of hours a classroom is scheduled and the number of seats occupied. For example, 40 students times 3 lecture hours per week generates 120 student contact hours.
- When last reviewed, the legislative standard of 35 weekly student contact hours was among the most stringent in the country. The University's average classroom utilization of 28.9 hours is relatively close to the CPEC recommendation of 30 weekly student contact hours.
- Utilization is measured on fall data only.

Source: UCOP Budget Office

# Draft for Discussion

## 10.5 (continued) Average Hours per Classroom Use, Fall 1991 to Fall 2006

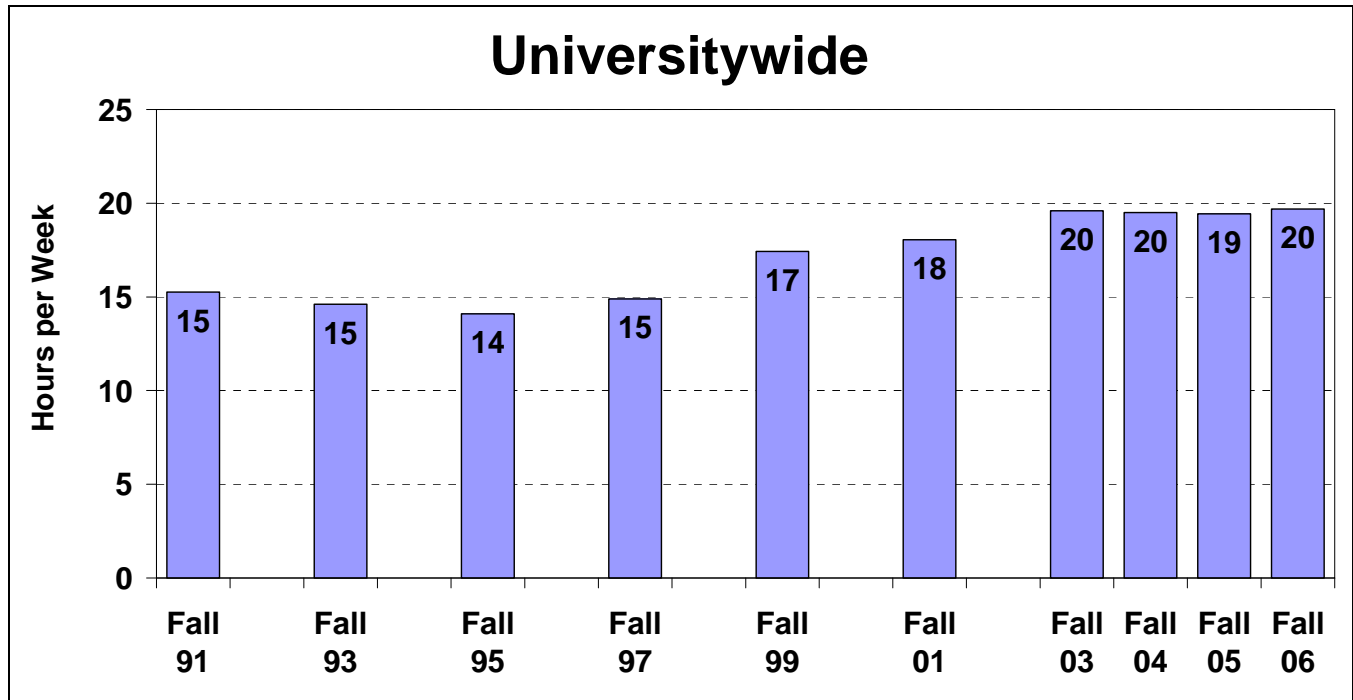


Note: Historical data are not available for the Merced campus, which opened in fall 2005. Classroom utilization standards are not applicable to the San Francisco campus, a health sciences only campus.

## Draft for Discussion

### Indicator 10.6

#### Average Hours per Laboratory Use, Fall 1991 to Fall 2006



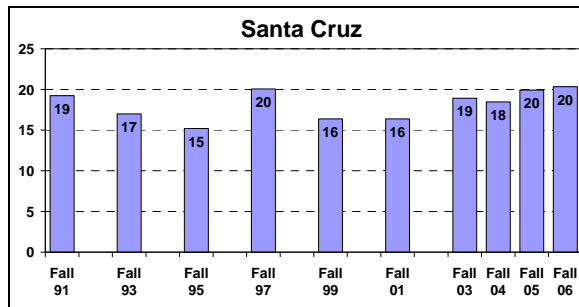
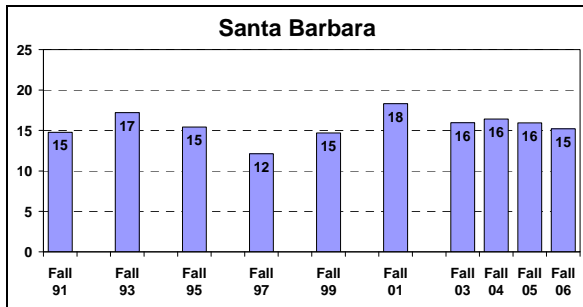
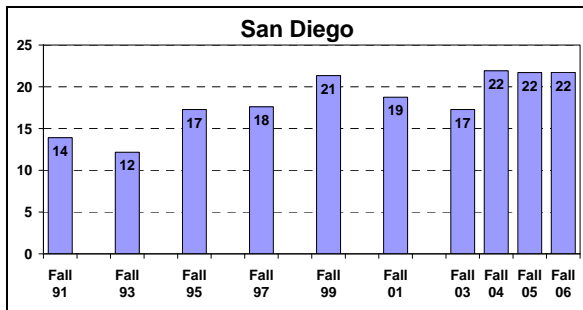
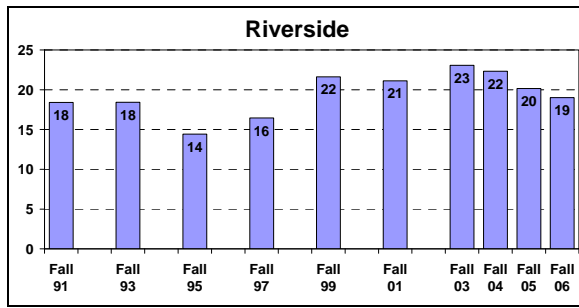
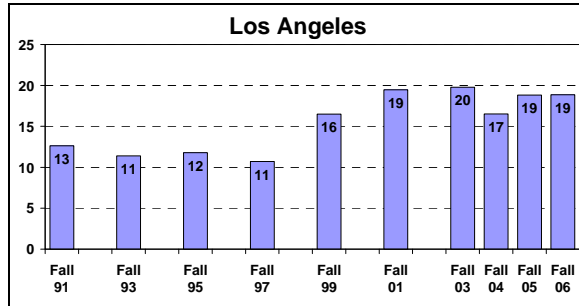
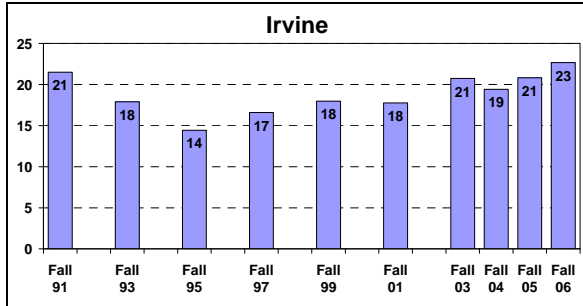
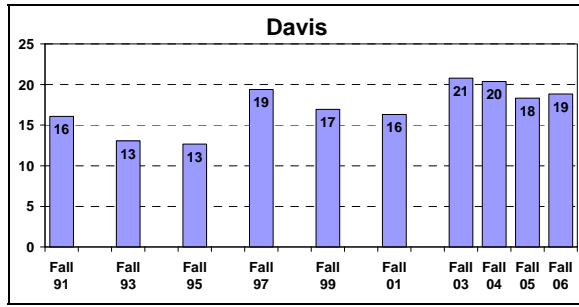
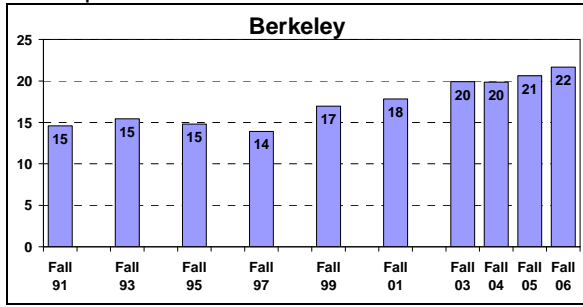
- The legislatively approved standard for teaching laboratory utilization is 20 weekly student contact hours.
- This standard applies to departmentally controlled class laboratories and any campus general assignment laboratories. Excluded are laboratories in the health sciences, University Extension and other non-standard rooms (e.g., for physical education or military science). Also excluded are special class laboratories in which unscheduled but required instruction takes place (e.g., language labs, music studios, self-instructional computer/media labs, drop-in labs, etc.).
- Utilization is measured on fall term data only.

Source: UCOP Budget Office.

# Draft for Discussion

## 10.6 (continued) Average Hours per Laboratory Use, Fall 1991 to Fall 2006

Hours per week

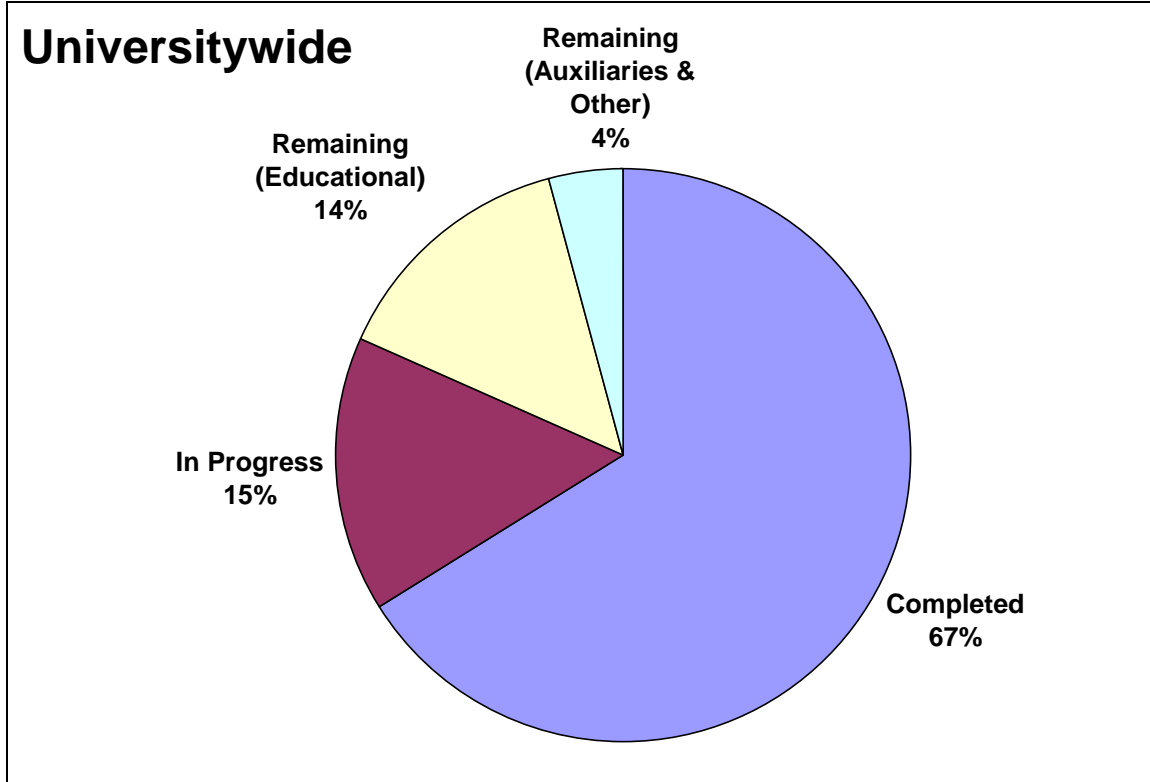


Note: Historical data are not available for the Merced campus, which opened in fall 2005. Laboratory utilization standards are not applicable to the San Francisco campus, a health sciences only campus.

## Draft for Discussion

### Indicator 10.7

#### Seismic Retrofitting Progress as of June 2008

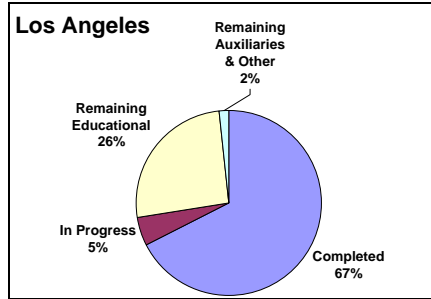
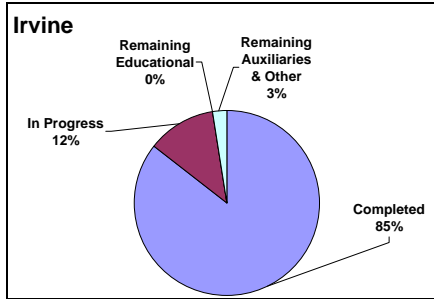
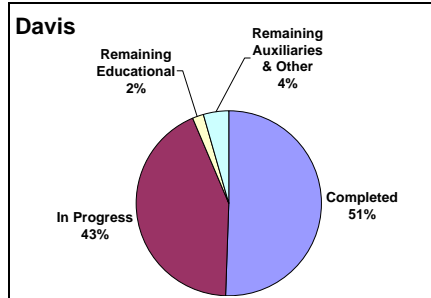
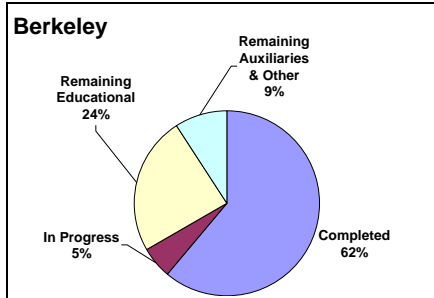


- The University has undertaken a comprehensive program of seismic evaluation and correction since 1979.
- Corrective work has been completed in more than 230 structures comprising more than 16 million gross square feet (GSF).
- This accounts for two-thirds of all space requiring seismic correction, including 64 percent of all educational and other state-supportable space and 77 percent of all auxiliary and other non-state space. The cost of this work, in nominal dollars, was about \$1 billion, excluding FEMA funding.
- Seismic correction for another 15 percent of space (3.8 million GSF) is in progress or has been vacated, accounting for nearly 17 percent of educational and other state supportable space and 7 percent of all auxiliary and other non-state supportable space. The cost of this work is more than \$1.6 billion.
- Remediation for the remaining 4.5 million gross square feet (18 percent) of all seismically rated poor or very poor space is needed.

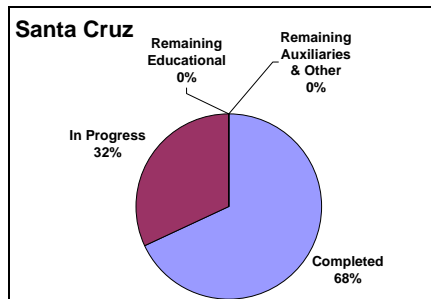
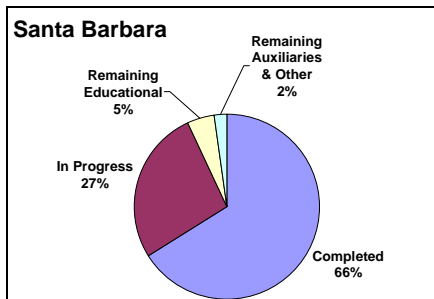
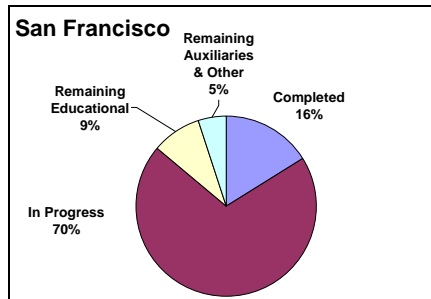
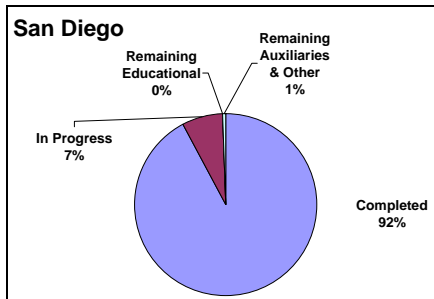
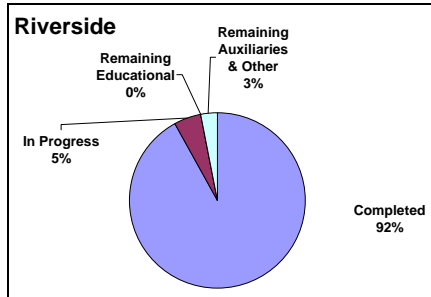
Source: UCOP Budget Office

# Draft for Discussion

## 10.7 (continued) Seismic Retrofitting Progress as of June 2008



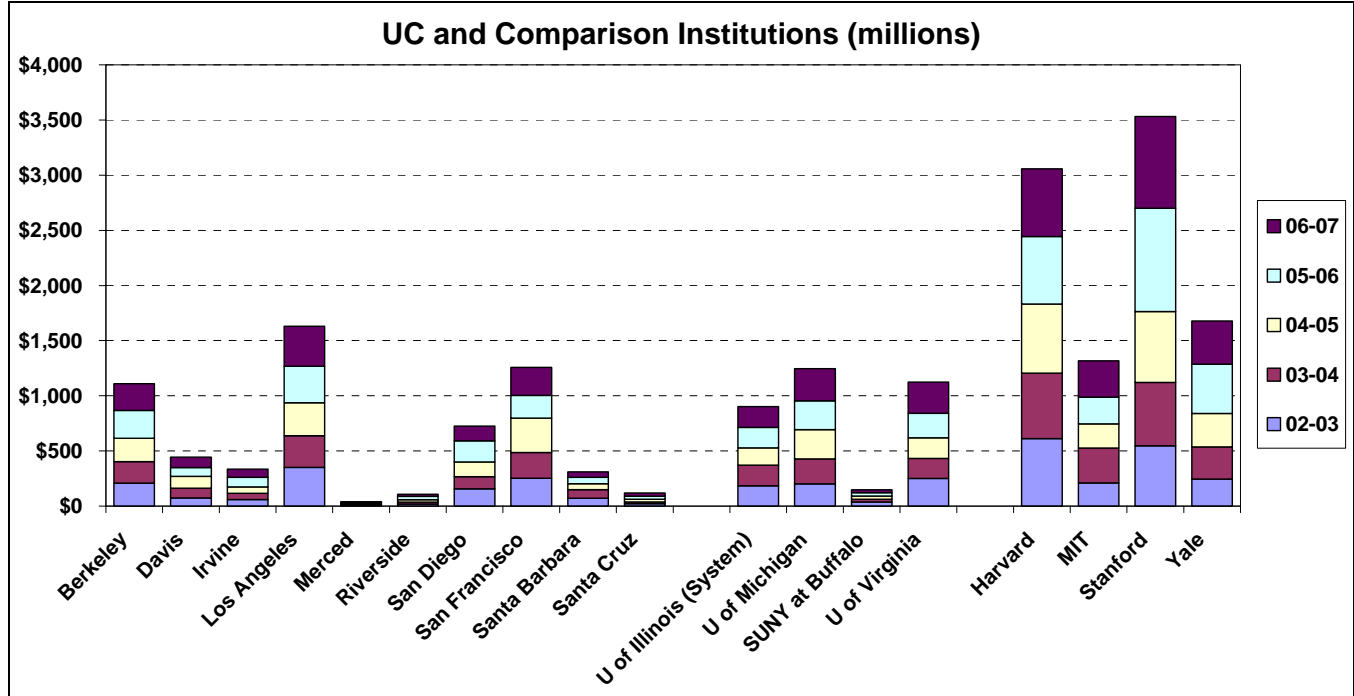
Merced opened in 2005-06 and has no retrofitting needs.



## Draft for Discussion

### Indicator 10.8

#### Total Five Year Giving , 2002-03 through 2006-07



University of Illinois does not report separately for its campuses.

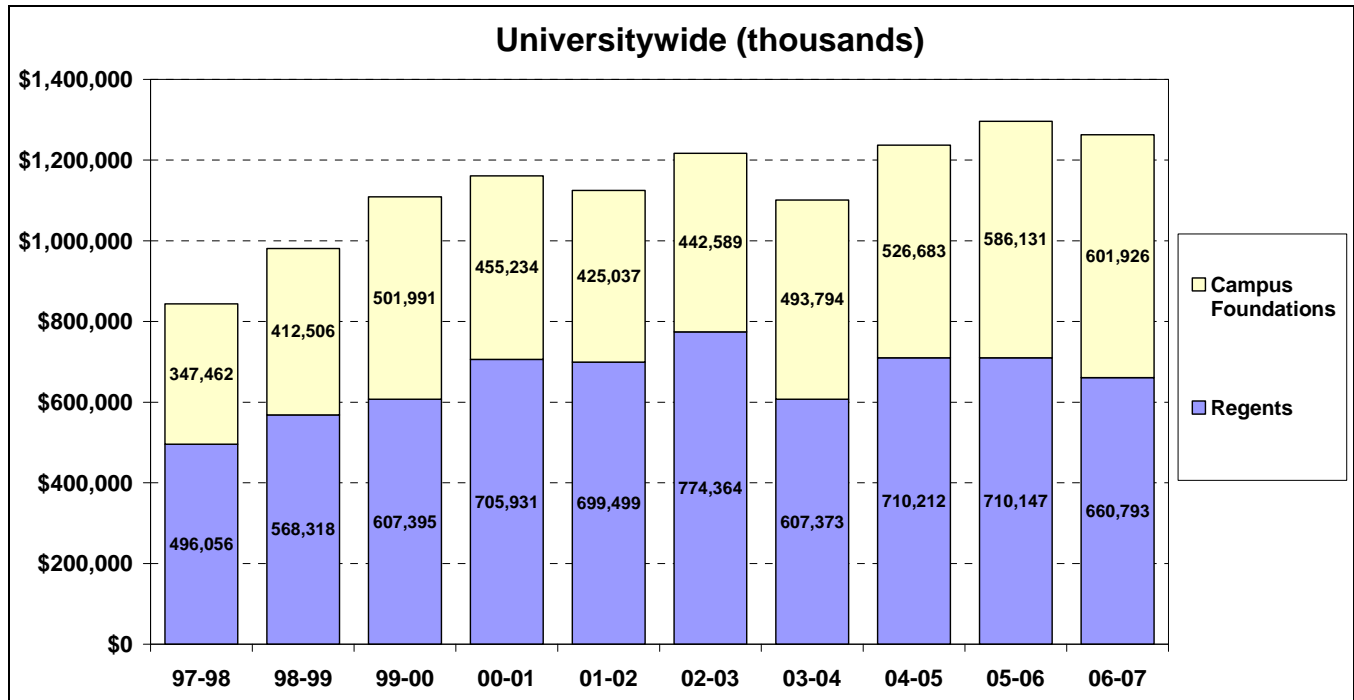
- These data clearly demonstrate the value of fundraising campaigns. In 2000-01, the Berkeley campus wrapped up a \$1.3 billion campaign. In 2004-05, UCLA completed a \$3 billion campaign and UCSF a \$1.6 billion campaign.
- Gift volume at UC is influenced by the age of the campus, size of its community (many of which grew with campus development) and number of health science programs (which attract almost half of all private support).
- Campus development programs are at different states of maturity.

Source: Council on Aid to Education Data Miner

# Draft for Discussion

## Indicator 10.9

### Total Annual Private Support, 1997-98 to 2006-07



Figures are in constant inflation-adjusted 2006-07 dollars.

- Fundraising at UC began in earnest in the 1960s at Berkeley and UCLA.
- As campus foundations have developed and matured, the balance of gifts, particularly for endowment, has shifted from Regents to the foundations.
- One of the goals of every campaign is to set a higher base level of support for the campus in the years following the campaign.

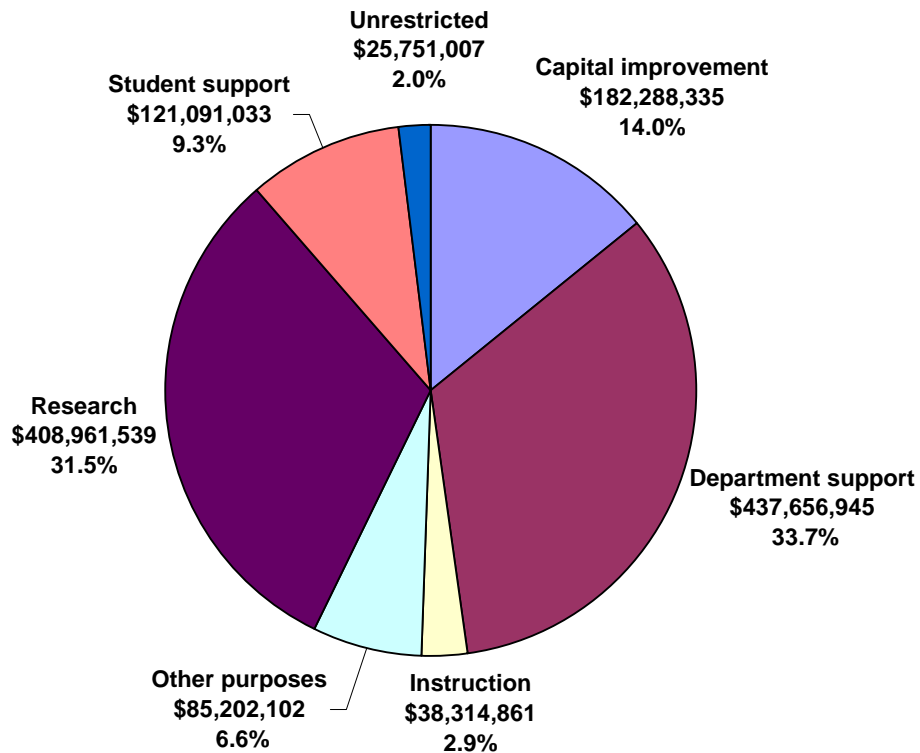
Source: UCOP Institutional Advancement Office

## Draft for Discussion

### Indicator 10.10

#### Donor Restrictions on Support, 2006-07

### Universitywide (thousands)



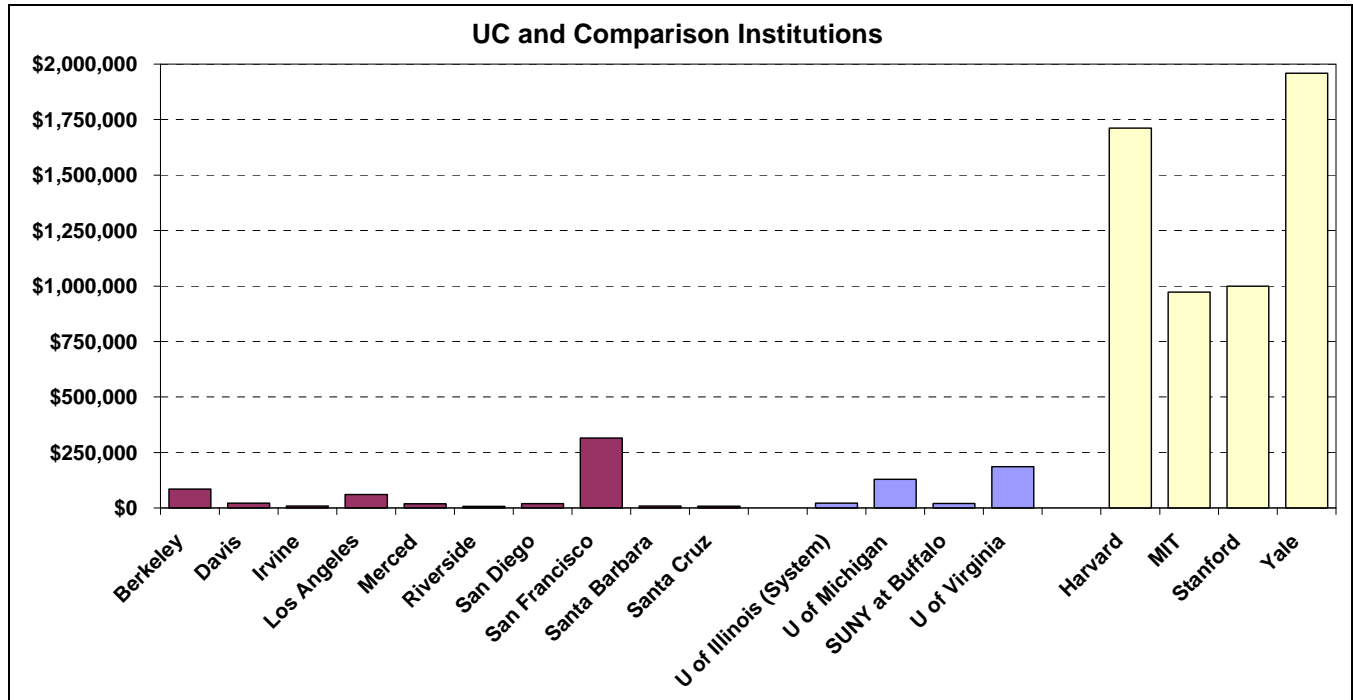
- In 2007, approximately 98 percent of gifts UC received had donor restrictions; only about 2 percent was given to UC without donor-imposed restrictions. In contrast, Harvard and Stanford received 9.9 and 6.7 percent respectively in unrestricted gifts, according to the 2007 Voluntary Support of Education Survey. The limited amount of unrestricted gift support that UC receives may be influenced by donors' preference to give to specific programs that may not be supported by state funds.
- The percentage devoted to the different areas— research, capital improvements, etc. — varies from year to year, however the percentages reflected in the chart above are typical.

Source: UCOP Institutional Advancement Office

## Draft for Discussion

### Indicator 10.11

#### Endowment per Student, 2006-07



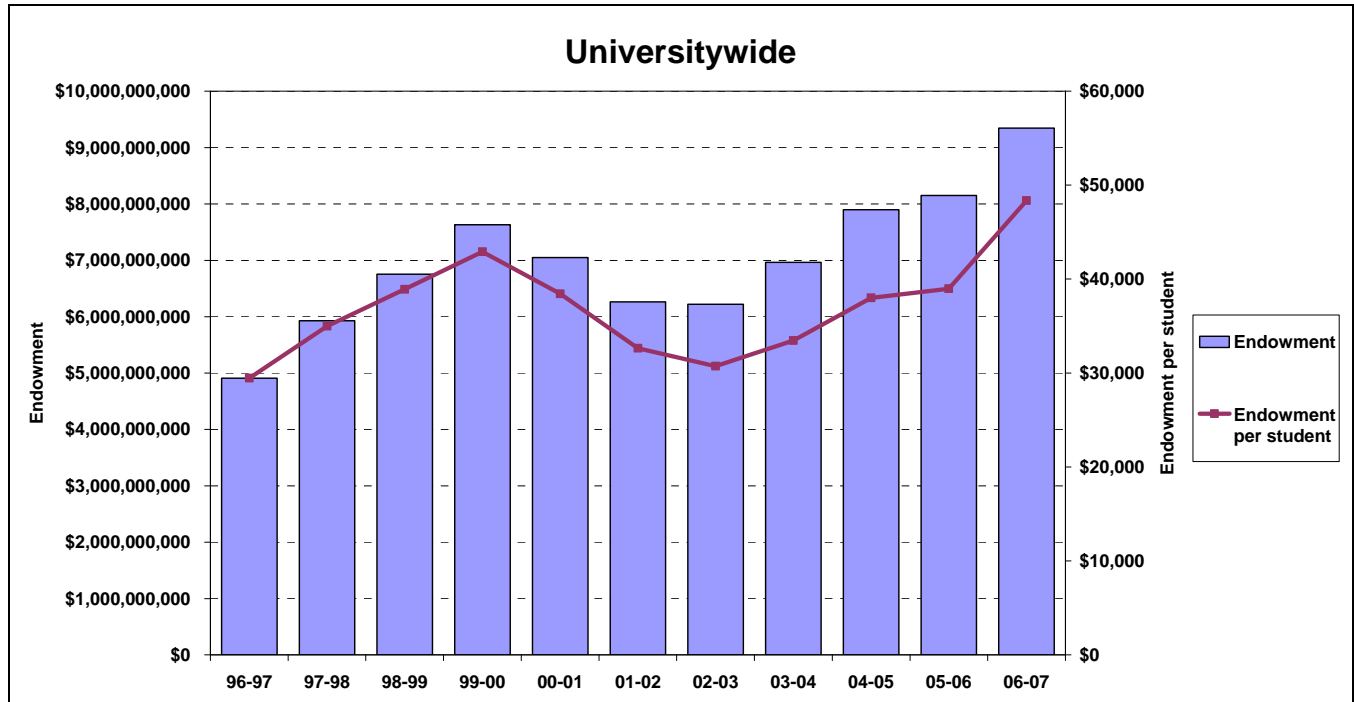
- The Regents and the campus foundations together hold approximately \$10 billion in endowment funds for the University of California.
- Although the total endowment is sizable, UC educates approximately 200,000 students per year, resulting in an endowment per student of approximately \$50,000 on a systemwide basis.
- The elite private schools have sought gifts for endowment for generations and educate far fewer students, resulting in significantly greater endowment per student.
- On the other hand, public schools such as UC have relied on state support in the same way that private schools have relied on endowments.
- In the past 20 years, the endowments at UC's private comparison institutions have grown substantially while state support has failed to keep pace.

Source: Council on Aid to Education Data Miner

# Draft for Discussion

## Indicator 10.12

### UC Endowment and Endowment per Student, 1996-97 to 2006-07



- UC endowments have grown significantly over the past decade; this growth is attributable to strong investment returns (despite the challenges encountered in certain years) and new gifts for endowment.
- Approximately 25 percent of endowment payout is directed for research, approximately 20 percent for instruction (including endowed chairs and professorships) and 20 percent for student financial support.
- Chair endowments have grown significantly; 30 percent of UC's endowed chairs have been established in the last four years.
- UC's task is to increase endowments without reducing the amount of current use gifts.

Source: UCOP Institutional Advancement Office

# Draft for Discussion

## 10.12 (continued) Endowment and Endowment per Student, 1996-97 to 2006-07

