



Presenters:

Merced Chancellor - Dorothy Leland

Merced Vice Chancellor, Planning and Budget - Daniel Feitelberg

CFO - Nathan Brostrom

Provost and EVP - Aimée Dorr

Agenda

- Campus statistics
- Financial data
- Student achievements
- Diversity



Campus statistics

STUDENTS (HEADCOUNT - FALL 2015)

Undergraduate students	6,237
Academic doctoral students	406
Academic masters students	42
Total	6,685
Undergraduate Access	
Pell grant recipients	61%
First generation students	67%
Ratio of CA freshmen to transfers	16.0

STUDENT DEGREES/ALUMNI

STEM undergraduate degrees	41%
STEM graduate degrees	83%
Alumni in California	4,920

Source: UC Information Center, Statistical Summary of Staff, and UC Merced website

PERSONNEL (HEADCOUNT - OCT 2015)

Ladder-rank faculty	201
Other faculty (excl. student assistants)	170
Other academic employees	534
Academic employees	905
Non-academic employees	2,121
All employees	3,026
Student-faculty ratio	18.1

RESEARCH

Expenditures in 2014-15	\$21,835,000
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HONORS

Hispanic Serving Institution

Carnegie Classification: Research University/High

Training Grant “Trifecta”
Received Undergraduate/Graduate training grants from 3 federal agencies in FY2016 (NIH, NSF, NASA)



Balance sheet indicators as of June 30

<i>(in millions of dollars)</i>	2013	2014	2015
Cash and Investments (at market value) ¹	\$88.0	\$123.3	\$127.9
Capital assets, net of depreciation ²	\$506.3	\$541.3	\$564.8
University and Campus Foundation endowments ³	\$30.4	\$36.0	\$39.5
Debt Outstanding ⁴	(\$446.3)	(\$467.3)	(\$497.9)



Source:

¹ Investment system, maintained by the Office of the President; includes Cash, STIP and TRIP balances as of June 30.

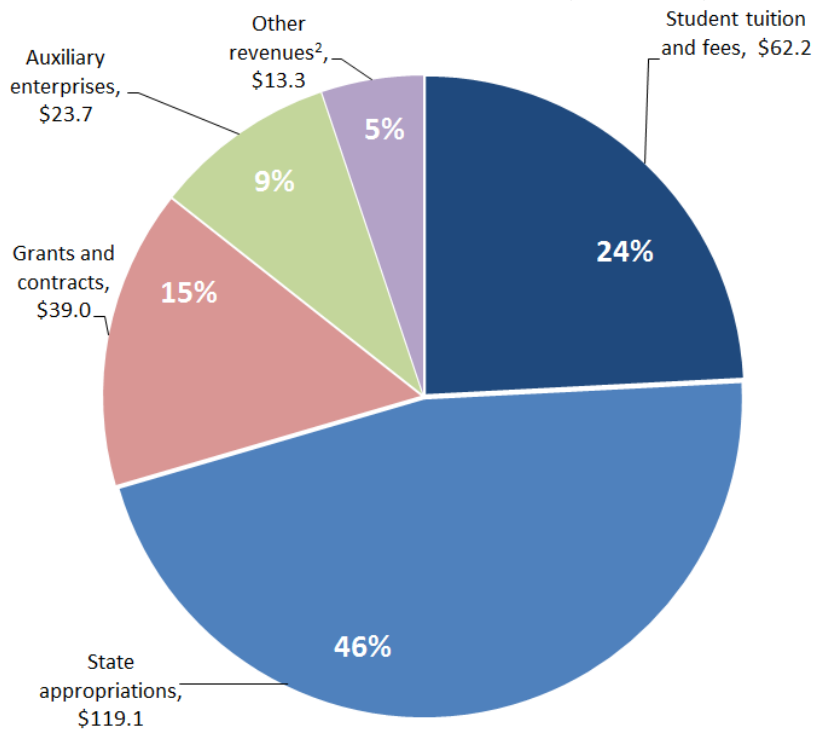
² Annual Audited Financial Statements, Campus Facts in Brief.

³ Campus portion is generated from Investment system, maintained by the Office of the President. Foundation portion from Foundation audited financial reports. Unrestricted portion of Campus and Foundation endowments was 1.3% for FY15.

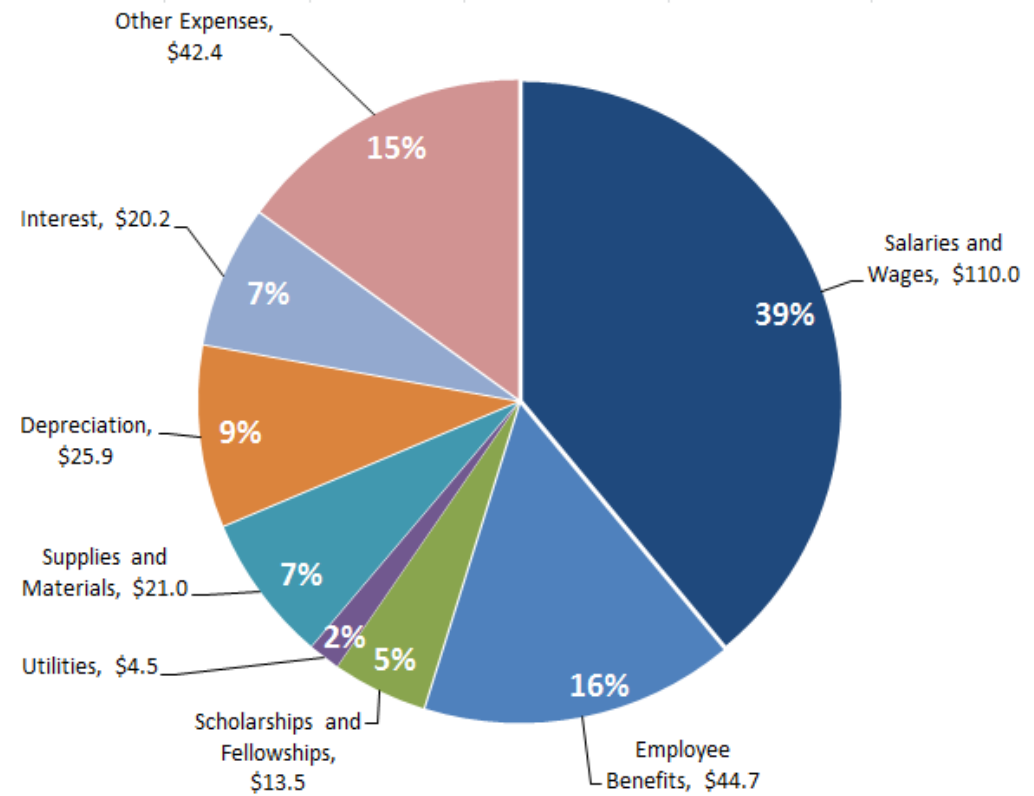
⁴ Debt Information System and funding database, maintained by the Office of the President; includes debt and commercial paper as of June 30.

Revenue and Expense Detail¹

2014-15 (in millions of dollars)



Total Revenue = \$257.3



Total Expense = \$282.2



¹ Source: Revenue and Expense Trend Report, adjusted for full endowment payout. <http://reportingtransparency.universityofcalifornia.edu/>

² Includes investments, private gifts, state financing appropriations and other operating/non-operating revenues.

Operating Results and Assumptions for the year ended June 30

<i>(in millions of dollars)</i>	2013 ¹ (Actual)	2014 ¹ (Actual)	2015 ¹ (Actual)	2016 ² (Estimated)
Revenues	\$211.4	\$229.5	\$257.3	\$276.0
Expenses	(217.9)	(237.0)	(282.2)	(287.8)
Income (loss)	(\$6.5)	(\$7.6)	(\$24.9)	(\$11.8)

<i>(in millions of dollars)</i>	2017 ² (Projected)	2018 ² (Projected)	2019 ² (Projected)	2020 ² (Projected)
Revenues	\$309.5	\$337.3	\$382.4	\$417.9
Expenses	(319.1)	(335.4)	(374.1)	(416.5)
Income (loss)	(\$9.6)	\$1.9	\$8.2	\$1.3

Campus comments:

2013: Ended campus practice of using internal loans from UCOP to pay for operating expenses

2014: In FY 2014, the Merced Corridor was established through a Memorandum of Understanding between the campus and the Office of the President to help guide the investments necessary for the 2020 Project.

2015: In FY 2015, the campus made significant investments in people and technology in preparation for the 2020 Project. In that year, the campus increased revenue in contracts, grants, auxiliaries and gifts and investment income by approximately 10 percent while increasing investments in instruction and research. Two new buildings, Science and Engineering 2 and Housing 4, also opened that year.



¹ Source: Revenue and Expense Trends, adjusted for full endowment payout. <http://reportingtransparency.universityofcalifornia.edu/>

² Assumptions used for projections can be found on following slide

Comments and Assumptions on Operating Results and Projections

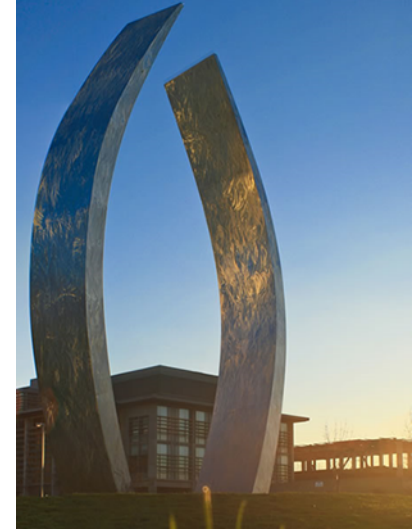
Revenue annual increase assumptions:	Expense annual increase assumptions:	Other annual expense assumptions:
<ul style="list-style-type: none"> • State General Funds: +4% • Student Services Fee: +5% • Tuition: +2.5% beginning in 2017-18 • Nonresident Supplemental Tuition: +8% in 2016-17, then +5% thereafter. • Student Financial Aid: Return to Aid resident undergraduate, graduate, and summer session rates of 33%, 50%, and 25% respectively. • Student Enrollments: Mirrors long-range enrollment plan, assuming completion of 2020 Project. 	<ul style="list-style-type: none"> • Salaries (including faculty and collective bargaining units): +3% • Academic faculty merits: +1.7% • Health benefits: +4% • Instruction Cost, Academic & Institutional Support: Scales with hires to achieve target long-term ratios. Includes inflation growth. • Target Long-Term Ratios: Student to Faculty 20.0x and Staff to Faculty 2.25x. • Grants & Research: Scales with hires. Includes inflation growth. 	<ul style="list-style-type: none"> • Employer’s pension contribution: 14% of payroll • OPEB assessment: 3.29% in 2016-17, then 3.51% thereafter • Inflation: +2.5%



Strengths and Opportunities

STRENGTHS

- Diverse student body matches future workforce demand
- Talented, high productivity faculty
- Nimbleness provides opportunity for innovation
- Development and application of long-term financial model
- Commitment to fiscal discipline



OPPORTUNITIES

- New program development to drive enrollment and revenue
- Operational excellence and efficiency
- Establishing building blocks for philanthropic support



Challenges and Needs

Challenges	Needs
<p>Staff support for student success and the research enterprise</p> <p>Moving from annual deficits to slight income surpluses through fiscal discipline requires reducing staff to faculty ratio, already the lowest in the system.</p> <p>The danger is that our low staffing ratio may impact research productivity and student success.</p>	<p>Implementation of Financial Model</p> <p>Implementation of sustainable financial model to holistically manage operating and capital expenses</p>
<p>Ensuring Student Success for Unique Population</p> <p>The success our unique student population requires more expensive, “high touch” support services</p>	<p>Identify Resources for Targeted Success</p> <p>Resources specifically targeted to the academic success of low income, first-generation, and historically underrepresented student populations</p>
<p>Nurturing our Philanthropic Infrastructure</p> <p>Ramping up external non-state industry and philanthropic support without the resources to invest in talent</p>	<p>Opportunistic Outside Resources</p> <p>Creation of seed funding mechanisms to quickly ramp up critical initiatives</p>



Efforts to advance degree completion and time to degree



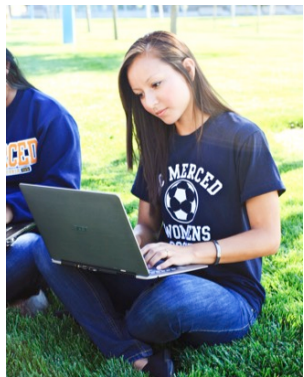
Summer in-lieu of Pell Grants

Summer scholarship support for low-income students to complete Writing 1 and Math 5 requirements in small cohorts supported through a peer mentoring network



Academic Advising

Academic Advising infrastructure has been revamped and tailored to address trends apparent in specific campus populations



Online Partnerships

Potential to partner with UC Irvine online courses for entry-level math requirements



Efforts to advance campus diversity

Student Diversity

- Targeted recruitment programs at key high schools
- Dedicated recruitment staff
- Expanded Scholarship Support
- Working with student groups to enhance recruitment, yield, and retention



Faculty Diversity

- Cluster hiring strategy tends to improve diversity outcomes
- Academic Personnel Recruit tool (“AP Recruit”) used to develop diverse pools
- Search committees will have faculty advisors trained to provide best practices support and avoid implicit bias
- Targeted networking

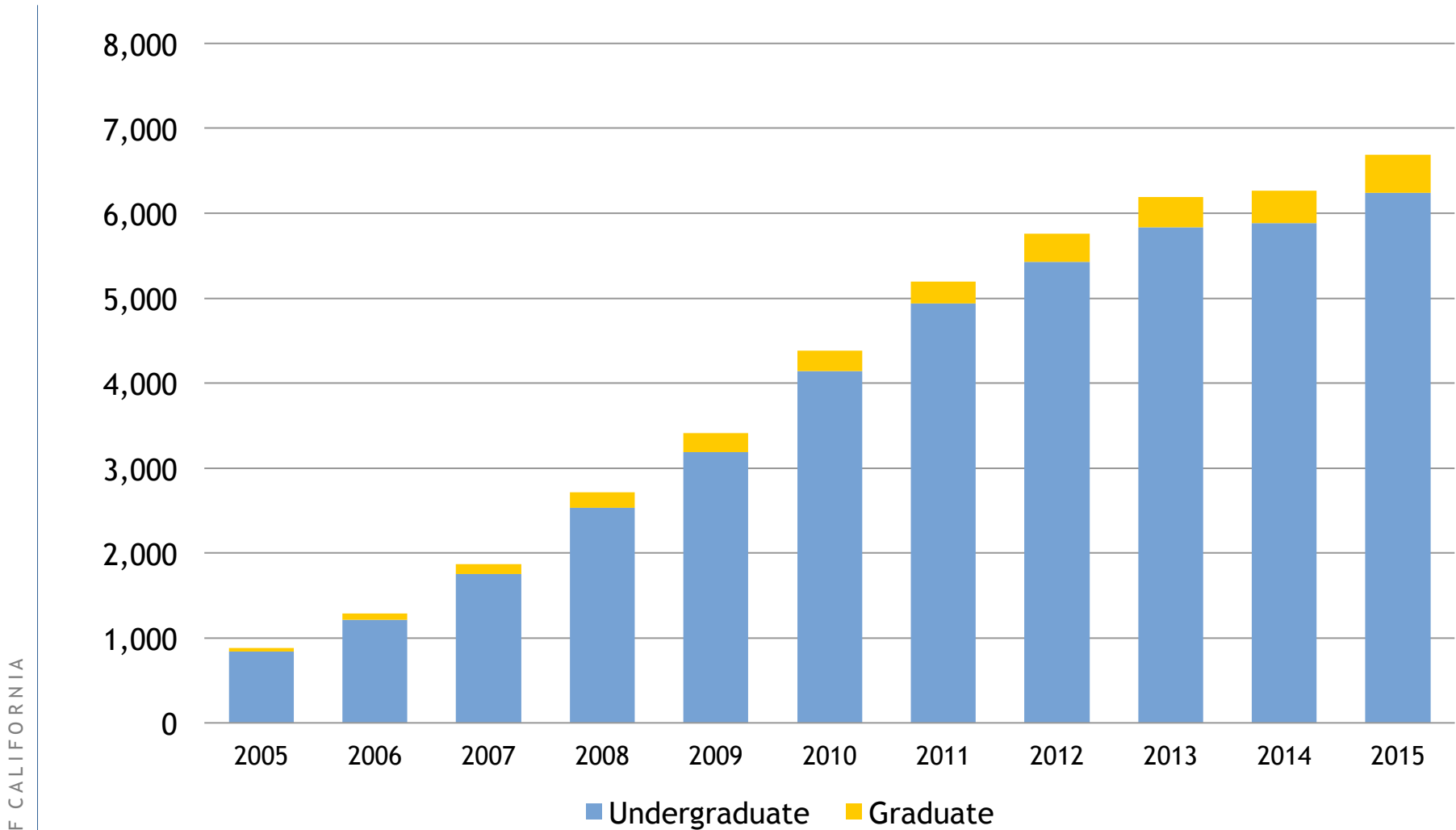




Questions?

Appendix

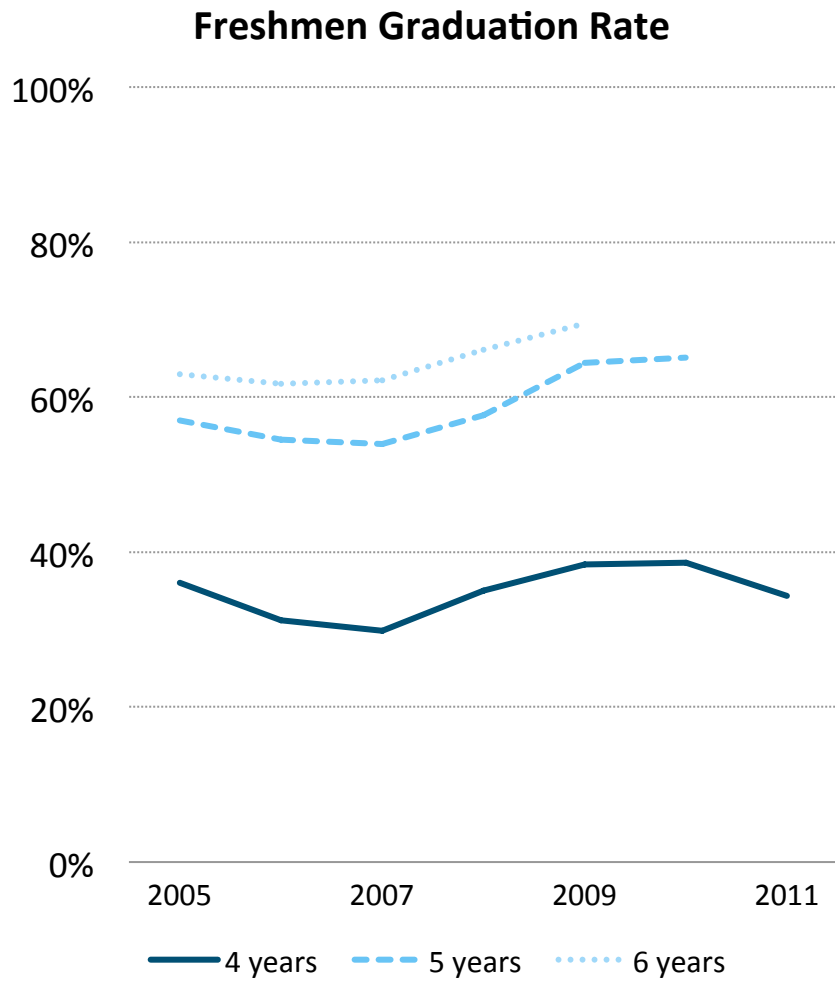
Fall undergraduate and graduate headcount enrollment



Source: UC Information Center (<http://universityofcalifornia.edu/infocenter/fall-enrollment-headcounts>)

Appendix

Graduation rate for freshman and transfer entrants



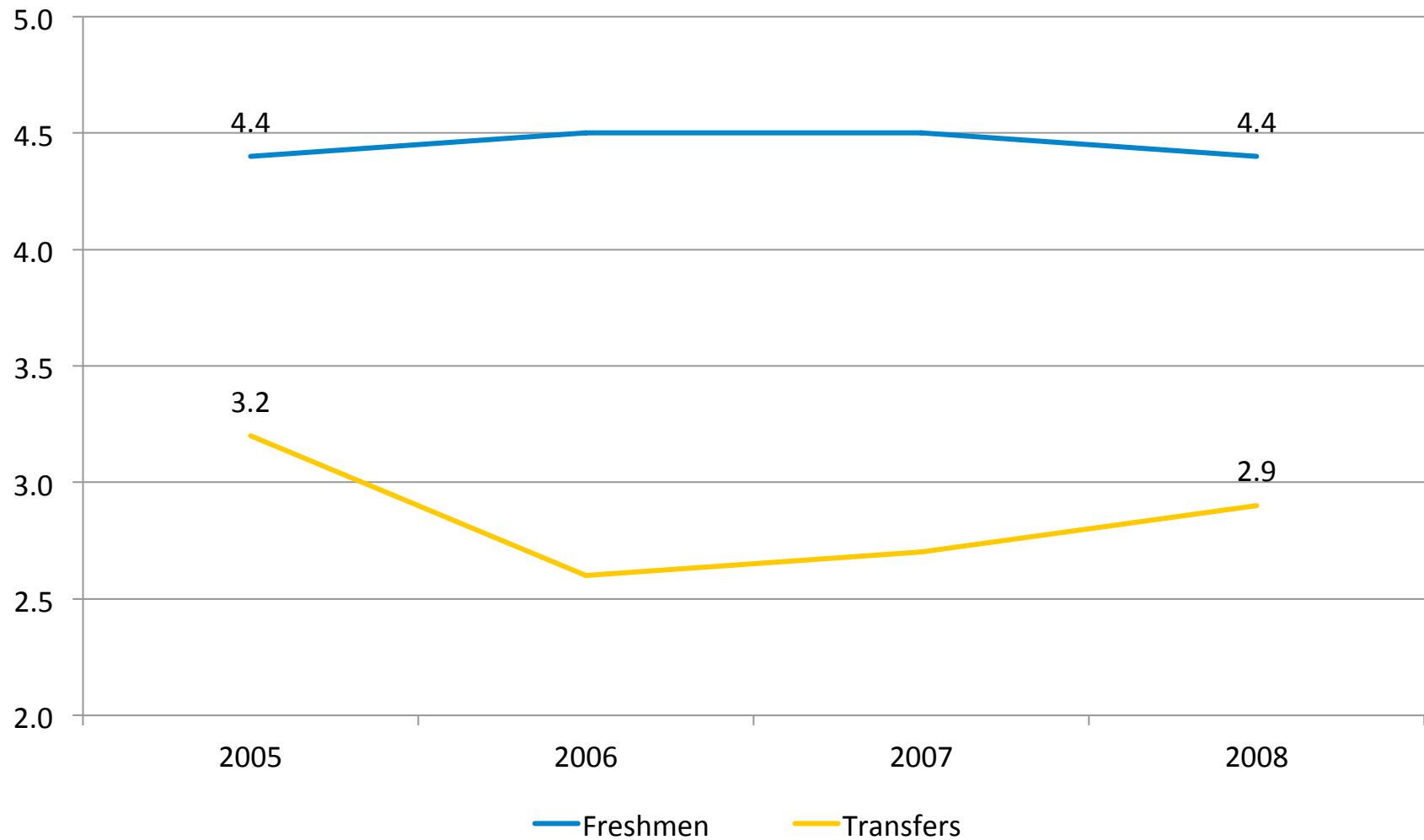
UNIVERSITY OF CALIFORNIA



Source: UC Accountability Report (indicators 3.1.1-3.1.3)

Appendix

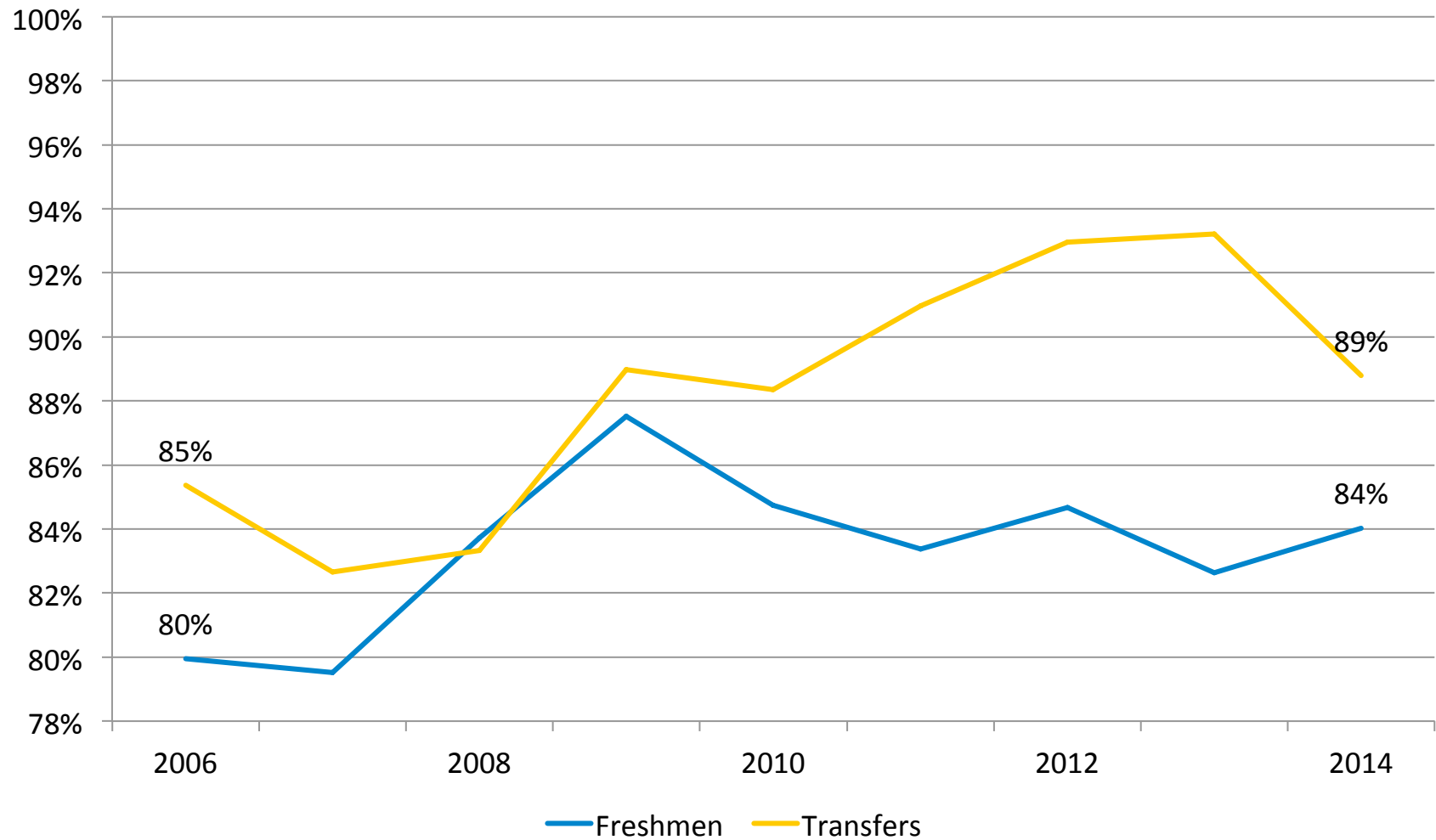
Time to degree for freshman and transfer entrants



Source: UC Accountability Report (indicator 3.1.4)

Appendix

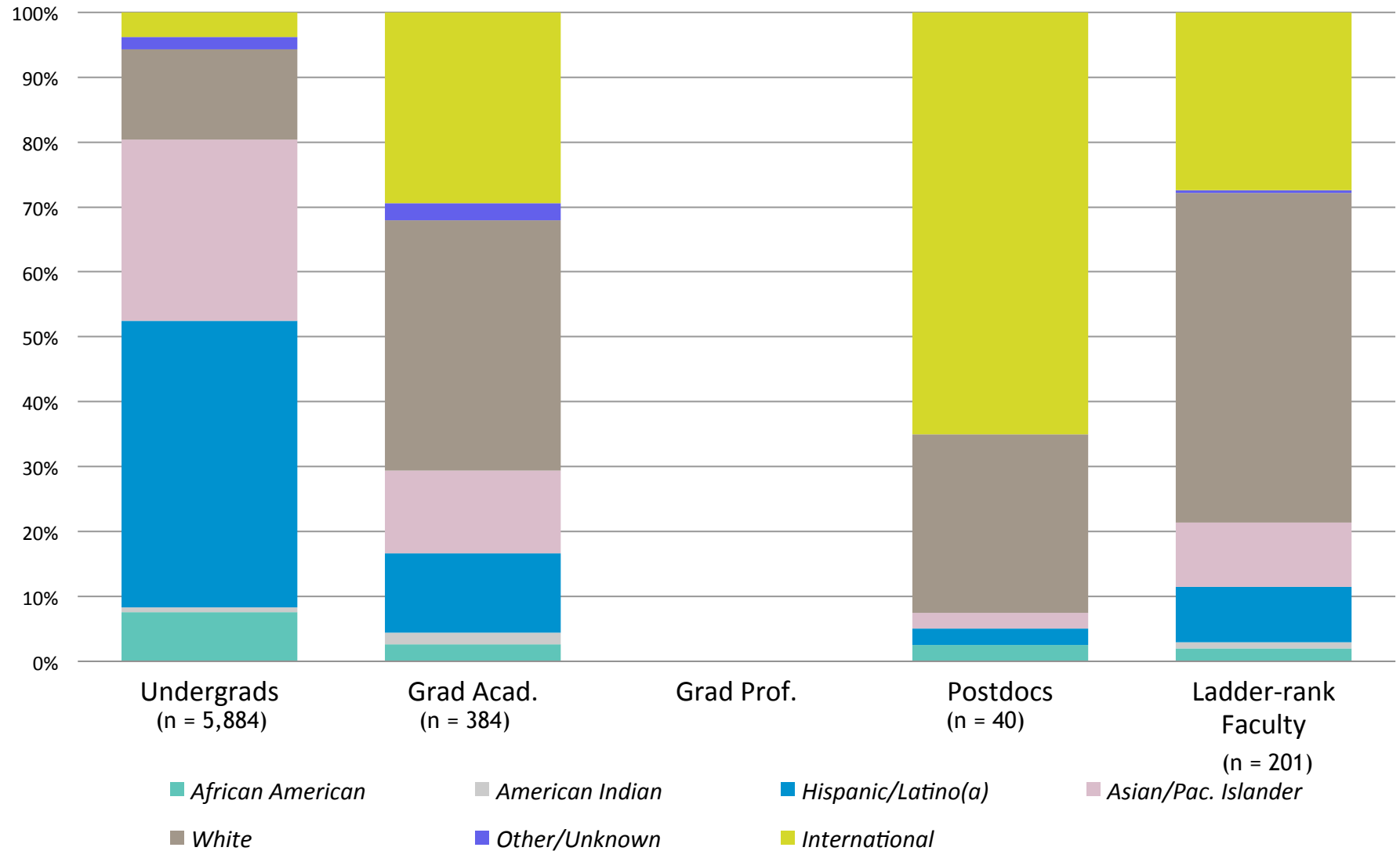
First year retention rate for freshman and transfer entrants



Source: UC Accountability Report (Indicators 3.2.1 and 3.2.2)

Appendix

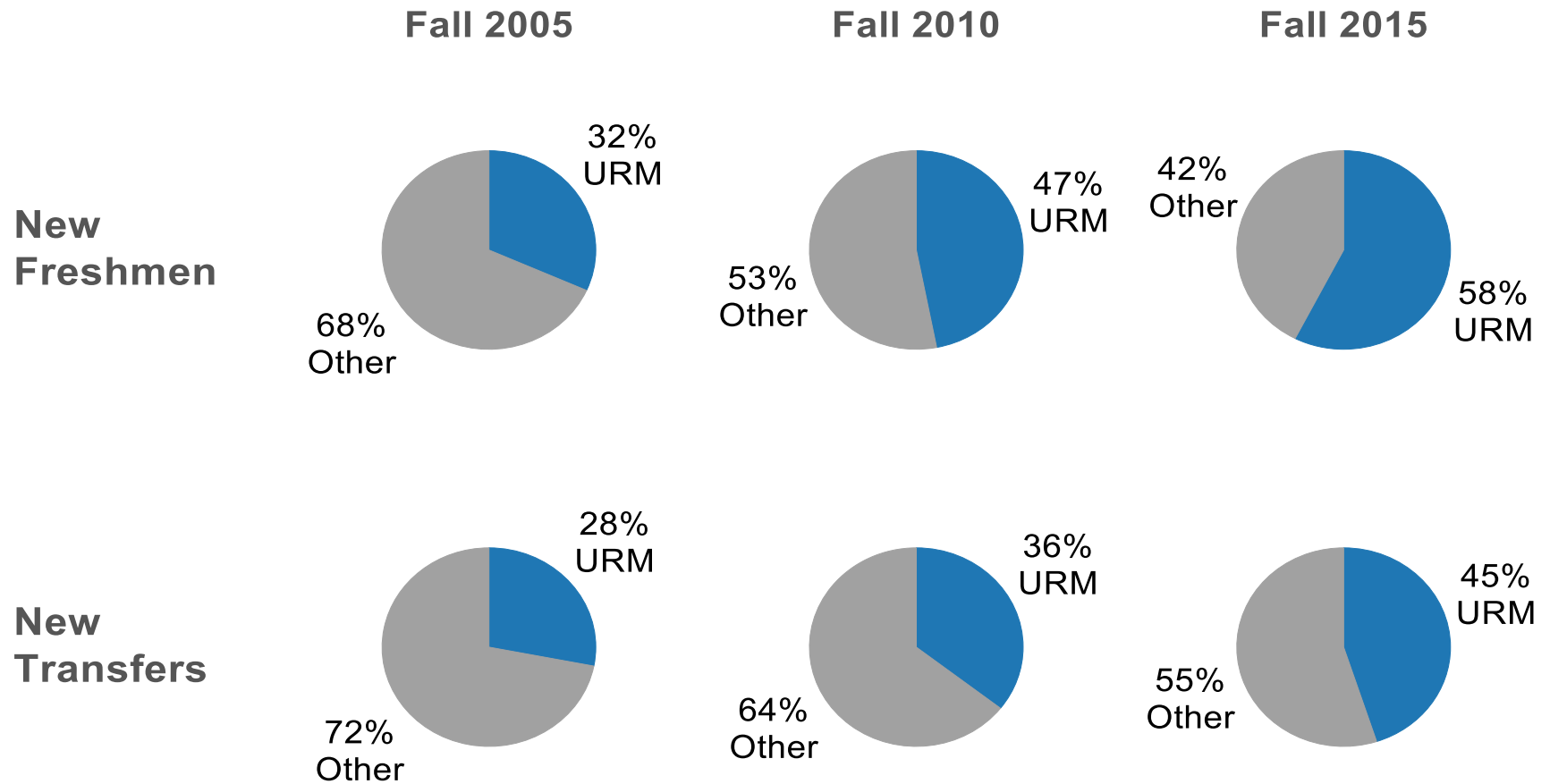
Racial/ethnic diversity among various academic populations



Source: UC Accountability Report

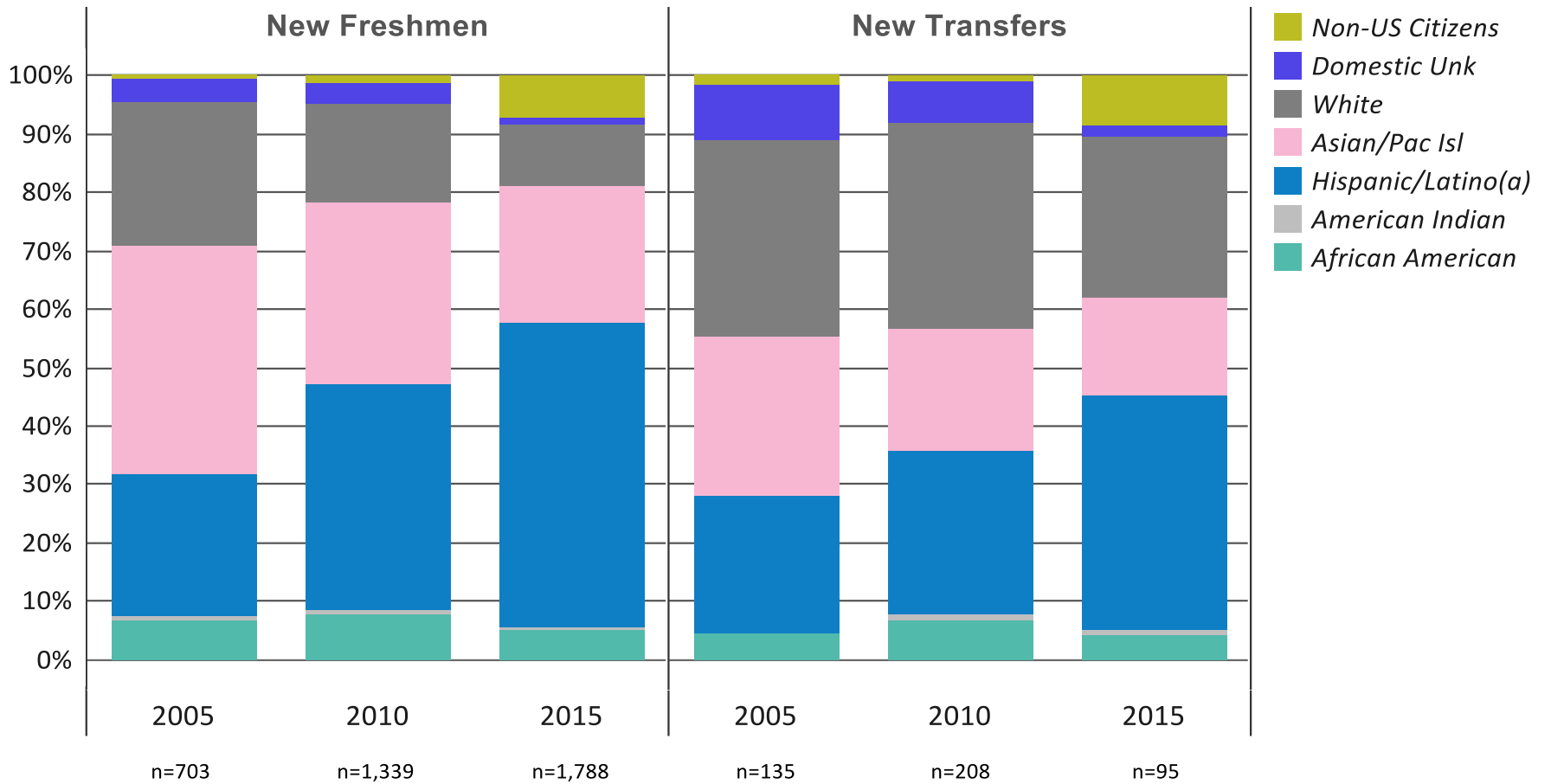
Appendix

New fall term undergraduates by URM status



Appendix

Racial/ethnic distribution of new undergraduates

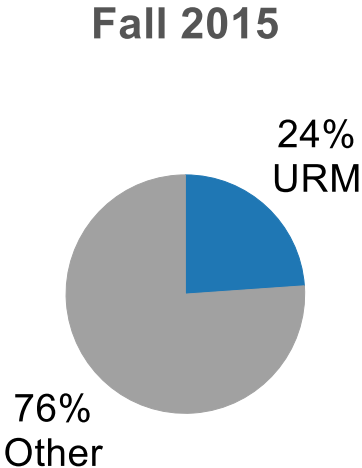
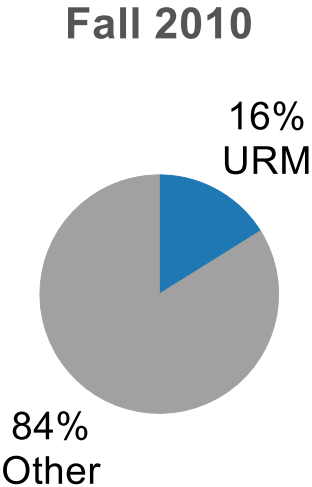
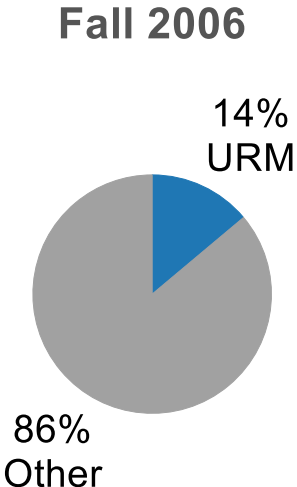


Source: UC Accountability Report

Appendix

New fall term graduate academic students by URM status

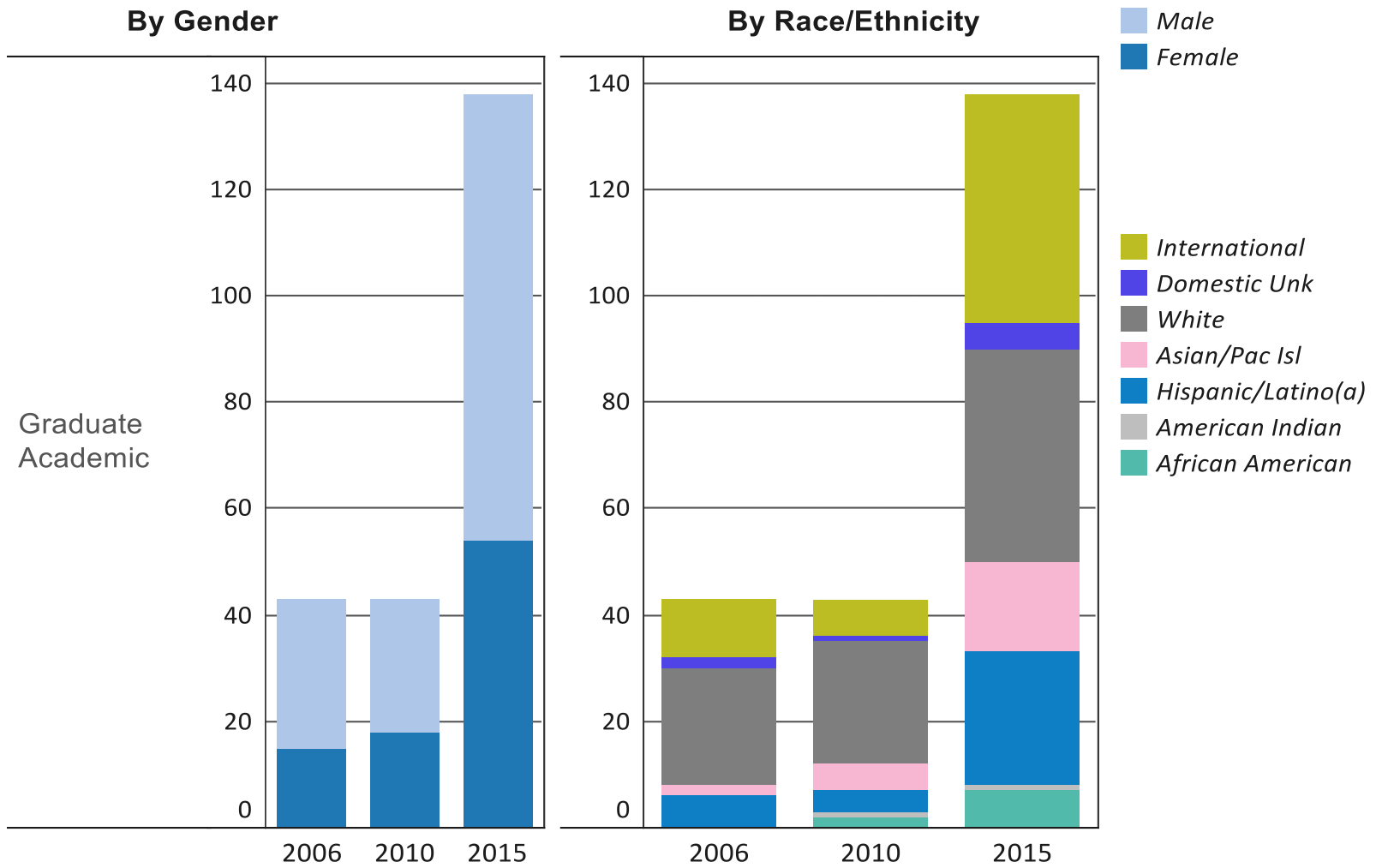
Graduate Academic



Source: UC Information Center

Appendix

New graduate academic students by gender and race/ethnicity



Source: UC Information Center

Appendix

New UC ladder-rank faculty hires by gender and race/ethnicity

