

Core Funds Budget Restructuring Plan 2024-25 & 2025-26

Staff Conversations with the Dean

January 29, 2025



College of the Law, San Francisco (Item 6600)

Appropriation Status 2024-25 & 2025-26

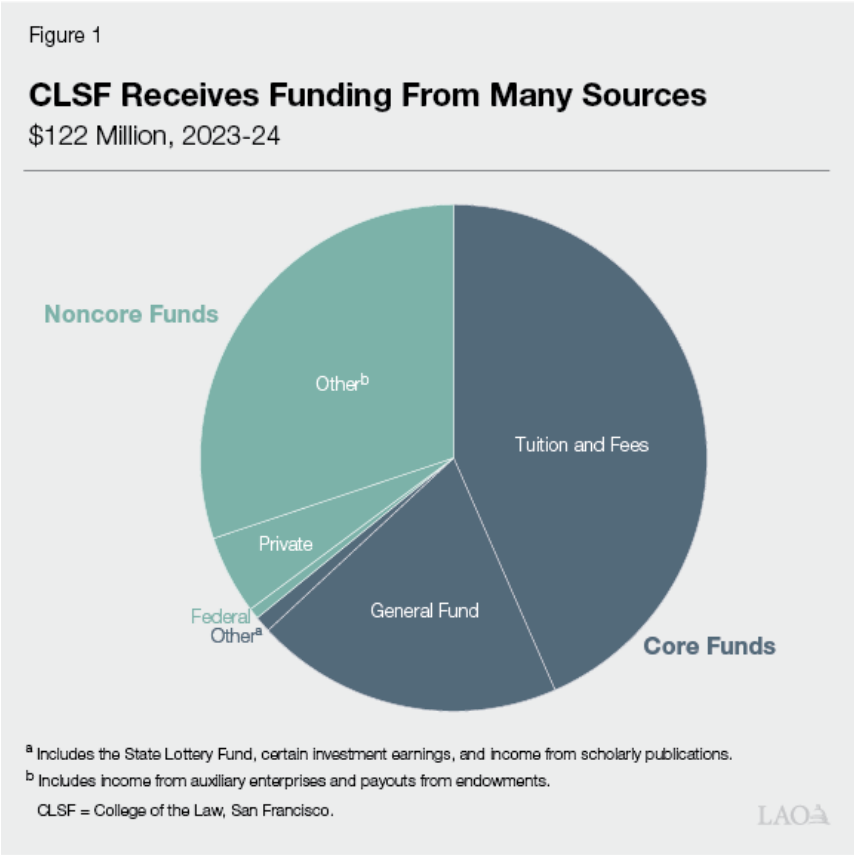
The final budget for 2024-25 as approved by the Governor and Legislature includes the following adjustments:

- Approves Governor's Budget proposal to provide \$2.2 million ongoing General Fund to support a 3% workload base increase
- Approves \$3.3 million to support debt service for 333 Golden Gate Avenue (lease-revenue bond funded)
- Approves Governor's May Revision proposal to reduce ongoing General Fund support by -7.95% (or, \$1.8 million) in 2025-26 subject to future action
- Preserves Fund Balances for Previous One-time Appropriations
 - Bench to School Initiatives
 - California Scholars Program
 - McAllister Tower Seismic Upgrade Project
- No replenishment of funding previously appropriated supporting Urban Alchemy

Core & Noncore Funds

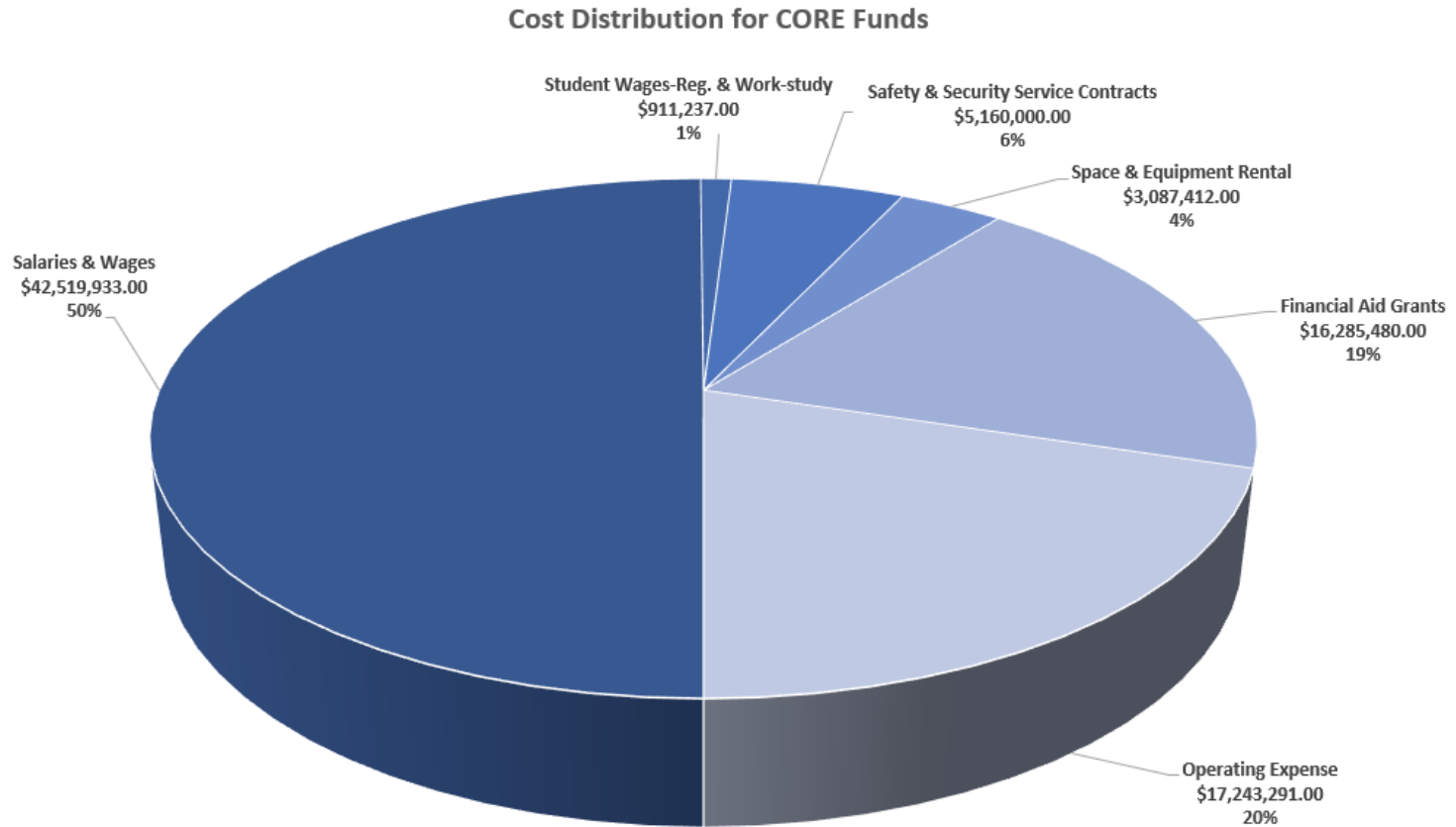
Revenue Summary – Enterprise Wide 2023-24

- Tuition & Fees
 - JD Program 95%
 - Non-JD Programs 5%
 - Tuition is lower than average tuition charges at other UC's
- Diversified Noncore Revenue Flows
 - Grants and Contracts
 - Private Giving
 - Auxiliary Enterprises
- Beginning reserves for 2024-25:
 - Operating - \$29.8 million
 - Plant Fund - \$6.2 million



Cost Distribution for CORE Funds – Base Budget 2024-25

Total - \$82.5 million



Five Year Budget Model

Core Planning Assumptions

CORE OPERATIONS						
	Preliminary					
	Year-end	Projection	Projection	Projection	Projection	
	2023-24	2024-25	2025-26	2026-27	2027-28	
Core Operations						
Revenues	79,978,945	81,415,025	82,099,457	88,207,413	93,905,237	
Expenditures	64,047,889	67,854,602	69,566,819	71,299,674	73,209,156	
Student Financial Aid	14,492,255	16,661,889	18,262,723	19,059,038	20,010,746	
Income/(Loss)	\$1,438,802	(\$3,101,466)	(\$5,730,085)	(\$2,151,299)	\$685,335	
As a % of Revenue	1.8%	-3.8%	-7.0%	-2.4%	0.7%	

Key Assumptions:

1. State funding growth resumes in 2026-27 at 3% of workload budget (\$2.4 million).
2. Student fees for the JD program increase annually at 5%.
3. Operating expense growth is capped at 1.5% annually.
4. No new support staff.
5. Faculty hiring program is maintained.
6. Employee compensation growth - represented and nonrepresented increases are limited to 3%.
7. Financial aid tuition discounting is capped at 30%.
8. Excludes realized/unrealized gain/loss on investments.

Core Funds – Base Budget – 2024-25 Deficit Forecast to Actual

	Category	5 Year Plan		\$ Variance		
		2024-25 Forecast	Base Budget 2024-25	Five Year Plan to 2024-25 Budget	Percent Variance	
<ul style="list-style-type: none"> Deficit of \$3.9 million (-4.8%) Shortfall closely aligns with 5-Year Budget Plan Base budget preserves 3% comp pool (\$527,000) Excludes wage growth for represented staff over 3% Beginning Operating Reserve of \$29.8 million 	Revenue					
	State Appropriations	23,414,000	23,414,000	-	0.0%	
	Student Enrollment Fees	56,241,157	56,430,157	189,000	0.3%	
	Other	1,759,868	1,811,827	51,959	3.0%	
	Total	\$ 81,415,025	\$ 81,655,984	\$ 240,959	0.3%	
	Expenses					
	Salaries & Wages	32,454,717	33,135,777	681,060	2.1%	
	Staff Benefits	10,580,349	10,630,860	50,511	0.5%	
	Operating Expense	24,819,536	25,531,835	712,299	2.9%	
	Financial Aid	16,661,889	16,285,480	(376,409)	-2.3%	
	Total	\$ 84,516,491	\$ 85,583,952	\$ 1,067,461	1.3%	
	Surplus/Deficit (Base Budget)					
		\$ (3,101,466)	\$ (3,927,968)	\$ (826,502)	27%	

Note: Budget includes \$527,000 funding for 3% compensation pool effective 10/1/2024 and \$133,000 in Special Funding Requests.

