

Campus Budget Office

CalPlanning

Bridging the Gap

Laurent Heller &

Eileen Foster

June 11, 2014

Office of the Chief Financial Officer (OCFO)

We are Berkeley!

The world's top public university with a rich history of academic excellence and political engagement



Despite disinvestment by the State,

Berkeley has continued to excel

Academic Ranking of World Universities

Top 10 universities in 2013

1 – Harvard, 100

2 – Stanford, 72.6

3 – Berkeley, 71.3

4 – MIT, 71.1

5 – Cambridge, 69.6

National Science Foundation Graduate Research Fellowships (cumulative 2001-2011)

1	University of California, Berkeley	1,333
2	Massachusetts Institute of Technology	1,242
3	Stanford University	1,070
4	Harvard University	847
5	University of Michigan	399

Berkeley is the #1 Public University

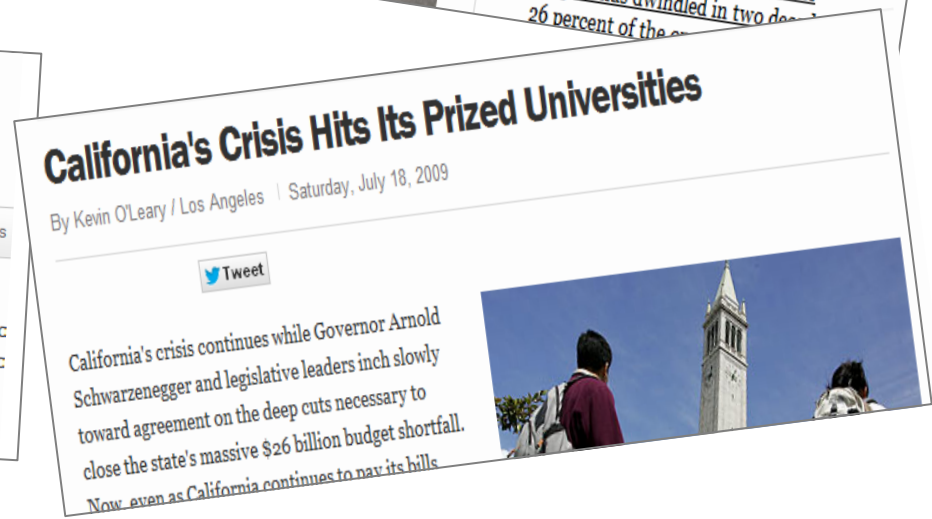
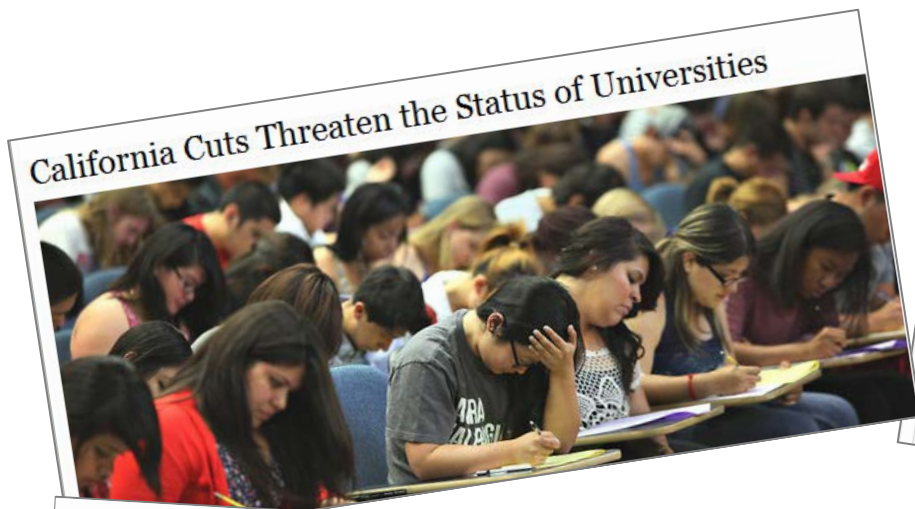
according to US News

Berkeley is ranked 3rd in the world according to the Shanghai Jiao Tong University methodology, which focuses on quality of faculty and research.

Berkeley has the highest number of National Science Foundation Graduate Research **fellowship recipients** of any university.

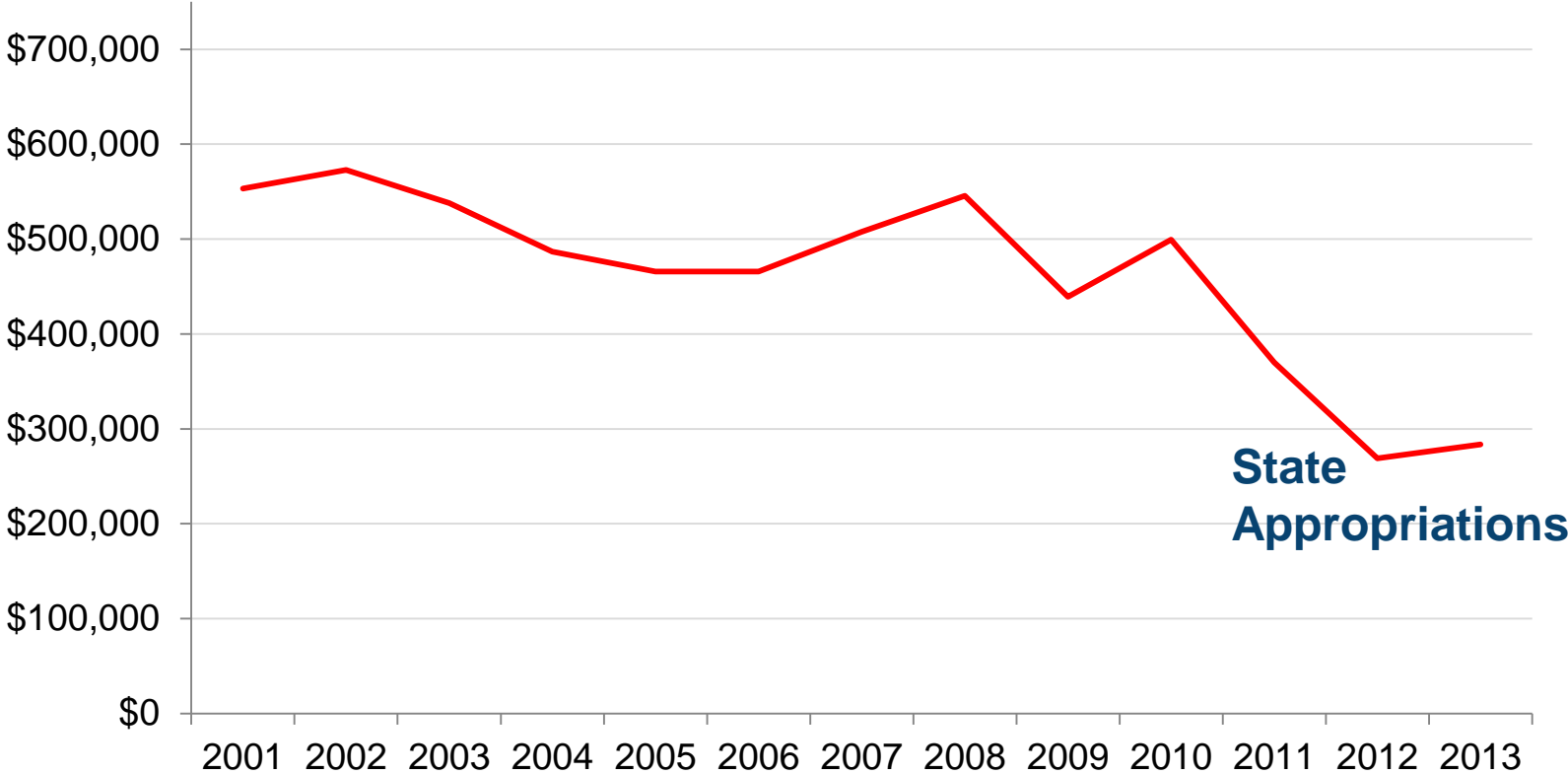
But this is not always the face the public gets to see...

Remember these headlines?



Berkeley's state support was cut by roughly half in nominal terms over a 10-year period

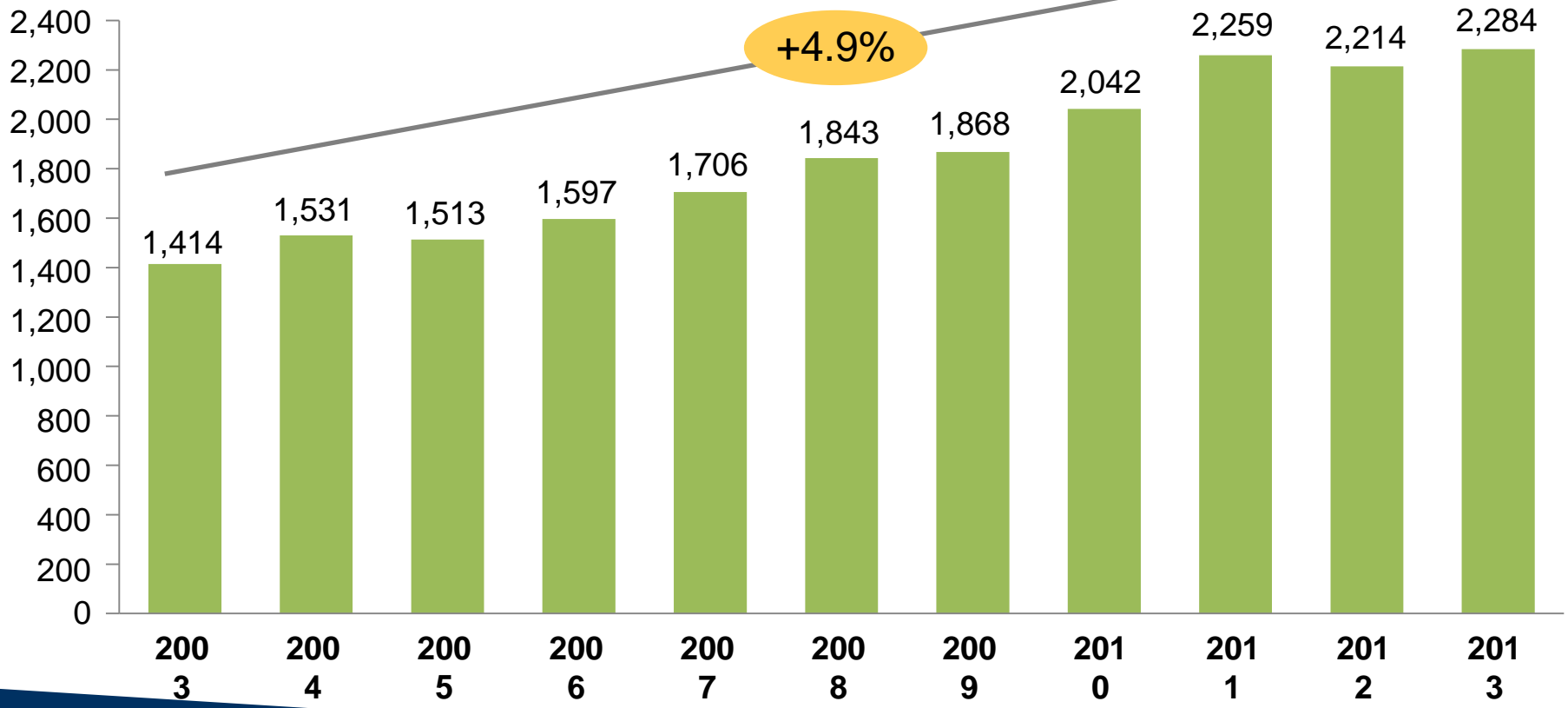
Primary Operating Revenues by Source in (000s)



Even in the challenging financial environment, **revenues** have grown steadily over the past decade

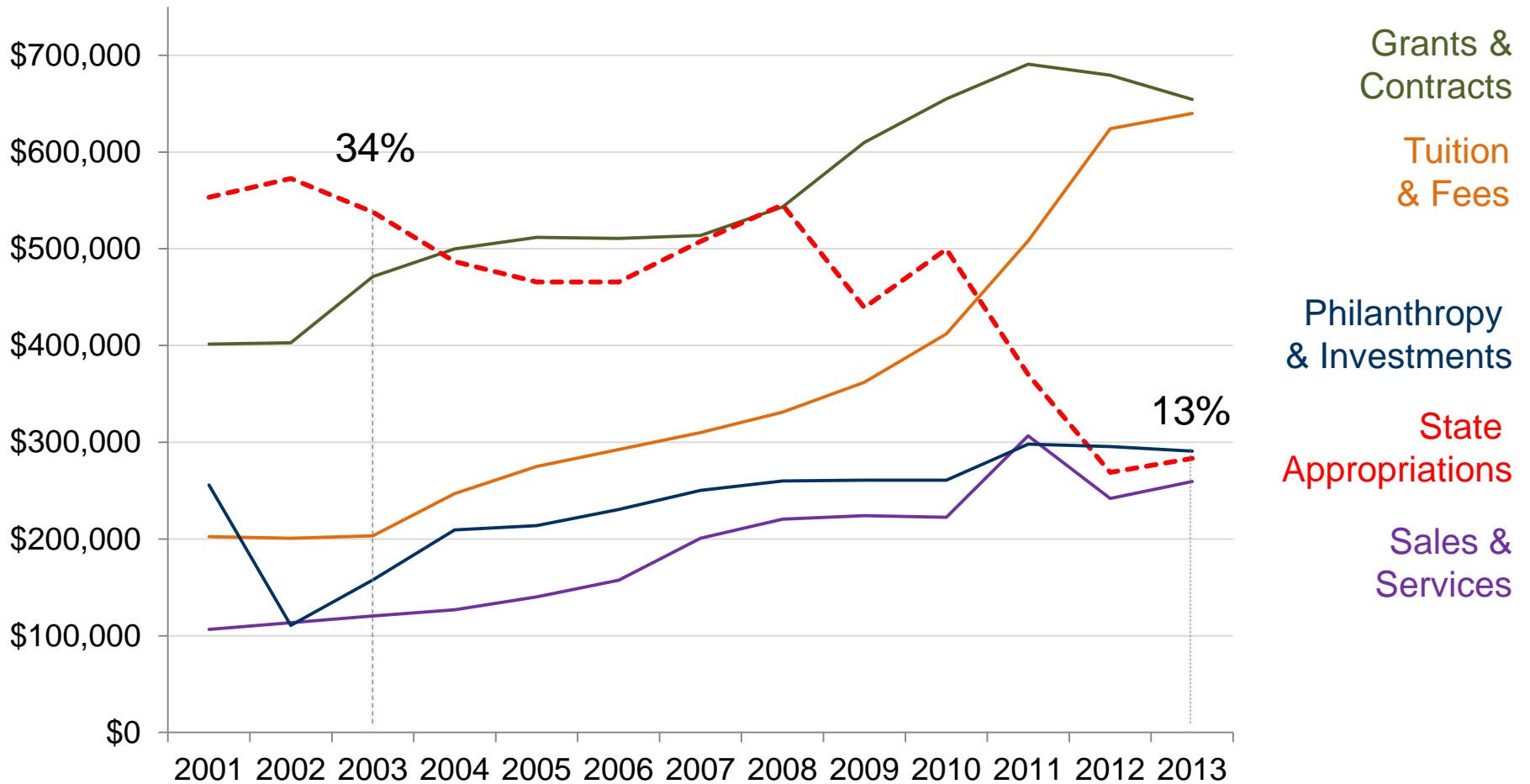
Revenues Supporting Core Activities

2003-2013 in \$ Millions



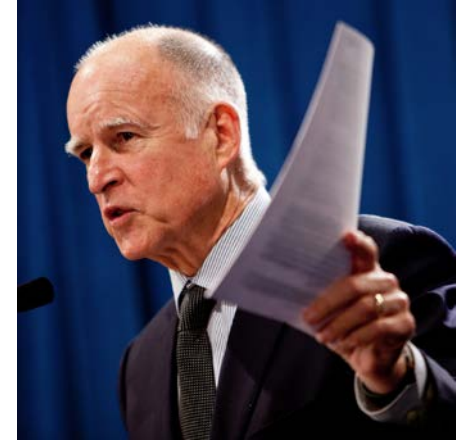
But the revenue mix has changed drastically

Primary Operating Revenues by Source in (000's)



What does the future hold?

More state funds... but less financial flexibility



Let's not forget the system lost \$1 Billion of state funding in recent years

Limited state reinvestment

...but with strings attached



Contribution Increase*

5% in 2014 and 2015

4% in 2016 and 2017

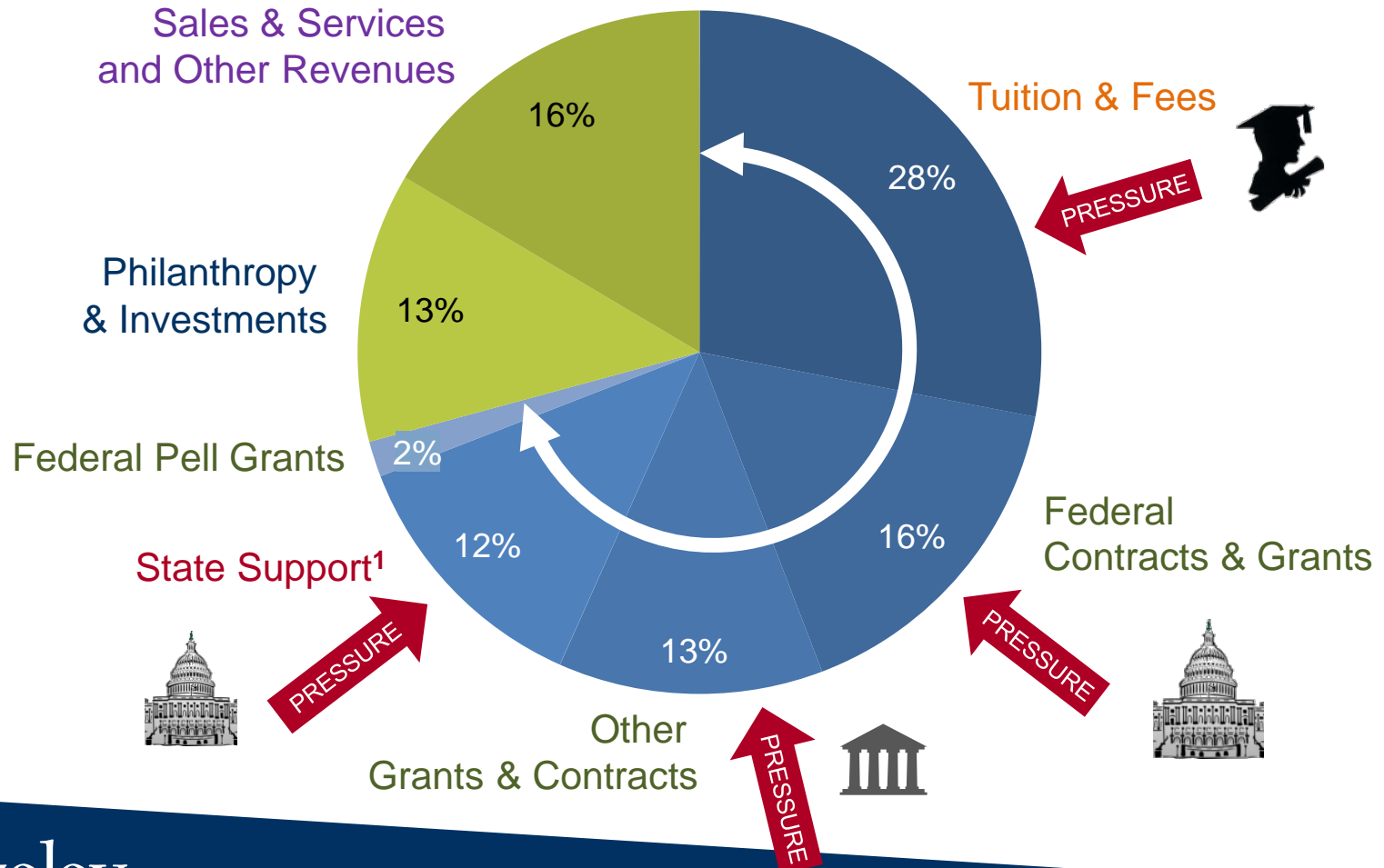
Requirement

No Tuition increase from 2014 to 2017

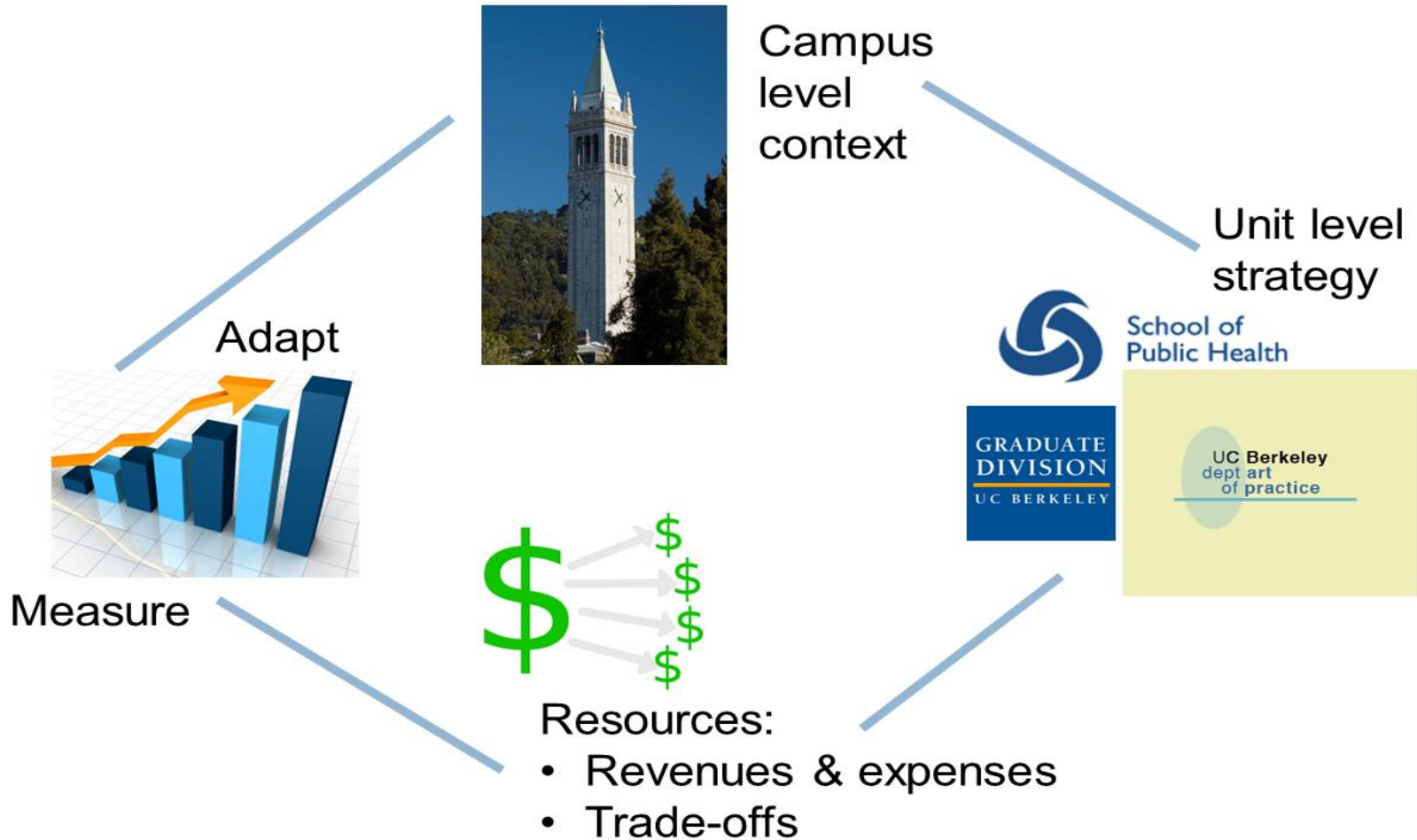


With constraints on 71% of our key revenue streams,
we have limited financial flexibility

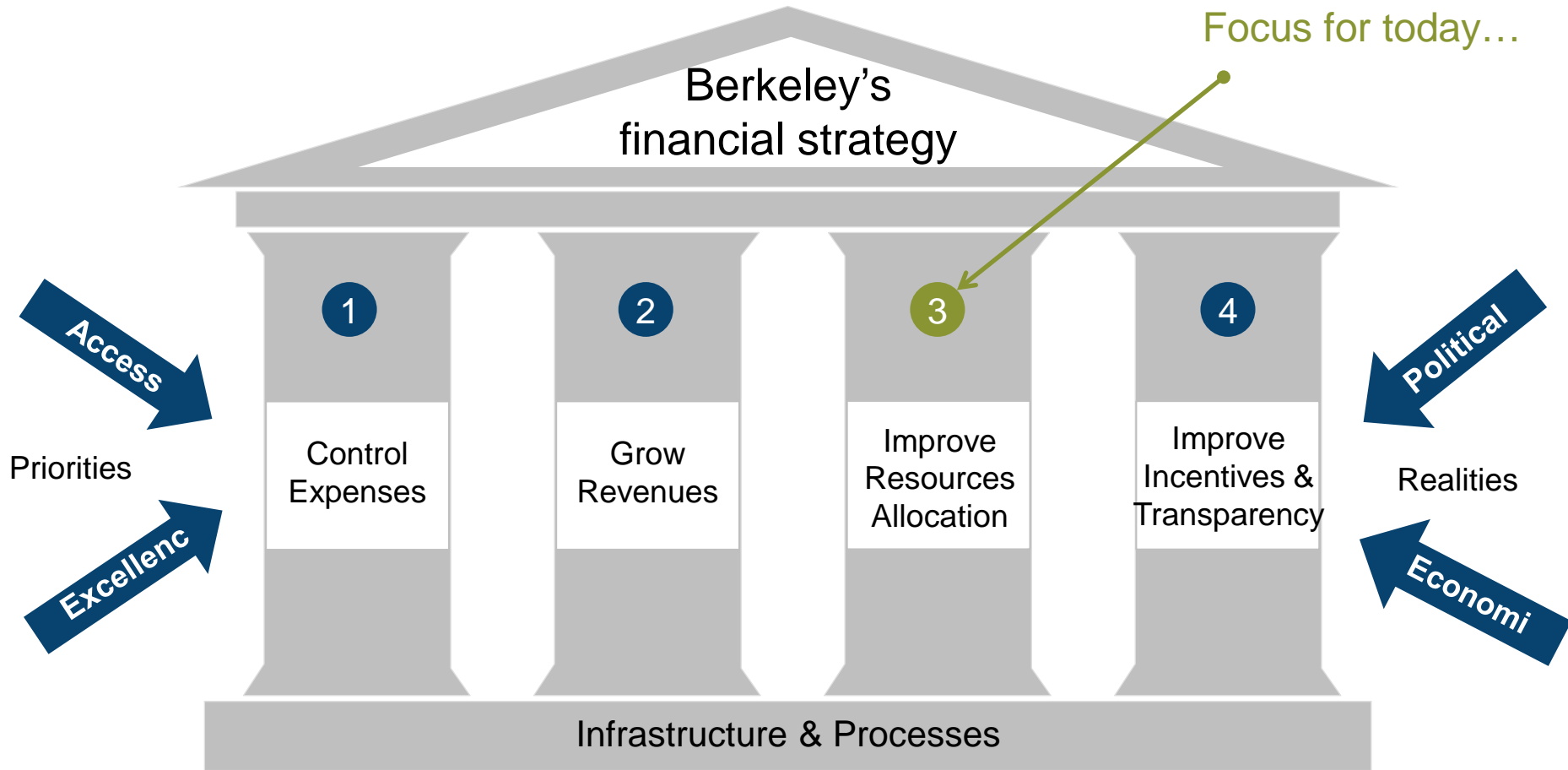
Operating Revenues from core activities
Actuals - 2012-13



Berkeley's new financial strategy was designed to help us
adapt to our new fiscal reality



Four pillars to support this strategy and
achieve financial sustainability

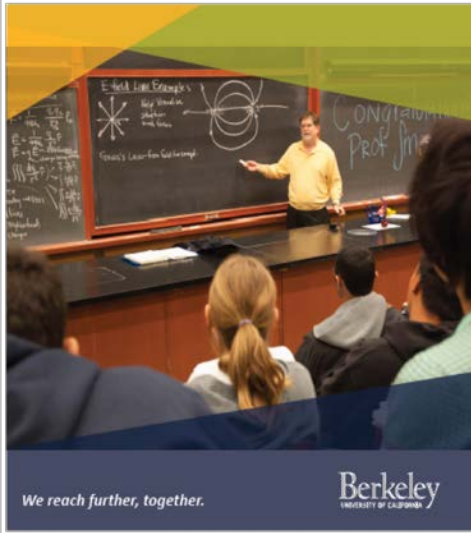


Improve resource allocation, incentives, transparency

New CalPlanning budget system and Berkeley's first public, all-funds budget

2013-14 UC Berkeley Budget Plan

2013-14 UC BERKELEY BUDGET PLAN



U.C. Berkeley Consolidated Budget for Current Funds, 2013-14

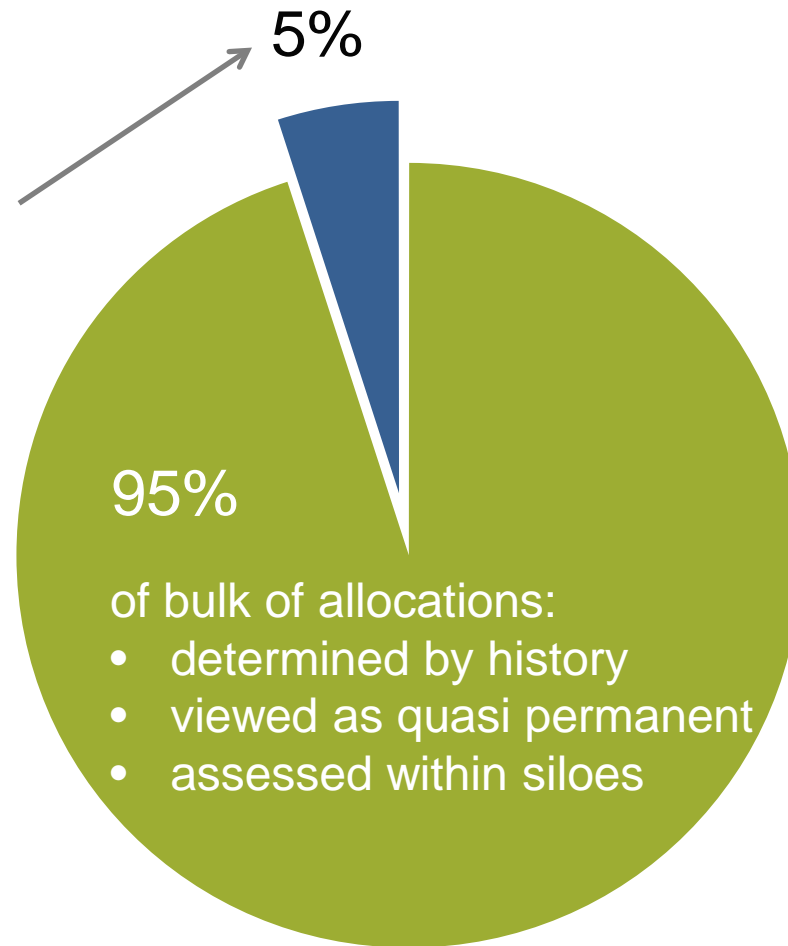
[in thousands]	Total FY 2013-14	Unrestricted		Restricted		
		Current Funds		Restricted Gift Funds	Restricted Endowments and FFEs Funds	Contracts and Grants
		Unrestricted	Designated			
Revenues						
State Support	319,934	319,910	24	0	0	0
Net Tuition and Fees	667,267	633,545	33,722	0	0	0
Contracts & Grants	651,624	0	0	0	0	651,623
Private Gifts for Current Use	199,263	21,372	0	128,138	49,753	0
Investment Income	125,301	40,868	0	20	84,075	337
Sales and Services of Educational Activities	300,514	297,147	3,367	0	0	0
Nonoperating Revenue	82,245	4,345	27,400	0	0	50,500
Total Revenue	2,346,147	1,317,188	64,513	128,158	133,828	702,460
Operating Transfers	0	0	0	0	0	0
Total Revenue & Transfers	2,346,147	1,317,188	64,513	128,158	133,828	702,460
Expenses						
Total Compensation	1,457,502	1,067,402	85,315	39,806	42,701	222,279
Total Non Compensation	681,130	302,273	(51,447)	54,182	66,952	309,171
Total Expenses	2,138,632	1,369,674	33,868	93,988	109,653	531,449
Net Operating Surplus/(Deficit)	207,516	(52,487)	30,645	34,171	24,176	171,011
To/From Plant Funds	(186,983)	(120,551)	(23,203)	(27,452)	(1,254)	(14,523)
To/From Regents Endowment Pool	1,510	0	0	0	1,510	0
To/From All Other Fund Balance	(55,515)	126,104	(15,080)	(5,512)	(4,538)	(156,488)
Changes in Fund Balance	(240,988)	5,553	(38,284)	(32,964)	(4,282)	(171,011)
Change in Net Assets	(33,472)	(46,934)	(7,639)	1,206	19,894	0
Beginning Balance	1,020,258	595,663	35,105	252,476	137,014	0
Ending Balance	986,786	548,729	27,467	253,682	156,907	0

All Funds Perspective

We need to manage our budgets

strategically, not incrementally.

Decisions focus on incremental changes without consideration of the full picture



(The “Perm Budg” and “Temp Budg” Paradigm)

THINK
DIFFERENTLY

Thinking Differently!

How do I hide that money from ____?

Have we overspent this CoA combo?

How do we control spending?

I'm saving that money for ____!

Thinking Differently!

What can we deprioritize?

Is this program delivering value?

If we build it, will they come?

Which departments have the best student outcomes per \$\$?

CalPlanning Tools

HCP

Review and enter planned Compensation Expense for Employee and Position.

H CPRptg

Review Compensation Expense budget data from HCP by Employee and Position.

CalPlan

Review and enter plan for Revenue, Transfers, and Non-Comp Expenses and view summarized Compensation Expense plans from HCP.

CalRptg

Review budget data from CalPlan and detailed Actuals from BFS.

CalPlanning Benefits

Berkeley financial analysts can now:

- Create operating budgets and forecasts using data-entry screens, automated calculations, and task lists to guide the work
- Focus more time on financial analysis and decision-making support
- Quickly generate reports using templates (e.g. forecast vs. Actuals to track financial performance versus plan and make needed adjustments)
- Plan for, report on, and analyze future salary and benefits costs – the largest expense category on campus
- Access data, perform queries with drilling capability, and store results, in Excel
- Export reports into MS Word or PowerPoint to share with teams and leaders

CalPlanning Benefits (Cont'd)

Other benefits to Berkeley:

- CalPlanning also contributed to an improved campus budget process and the new annual publication of our UC Berkeley Budget Plan.
- Plus, by institutionalizing a single way of viewing and reporting budget data across campus units, analysts' financial skills will become more transferrable across units and beyond Berkeley.

CalPlanning Demo



CalPlanning Challenge!



Questions?

Campus Budget Office (CBO)

budget@berkeley.edu

<http://budget.berkeley.edu/>

CalPlanning

calplanning@berkeley.edu

<http://budget.berkeley.edu/calplanning>