
University of California

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University of California COVID-19 Fiscal Impacts from March through April 30, 2020

COVID-19 Related Costs Are Nearly \$1.2 billion

\$484 million in losses to campuses

- \$24.1 million in direct expenditures for campuses
- \$460 million in lost revenues to campuses
 - \$392.5 million to the general campus operations
 - \$67.5 million to medical education and campus clinical operations

\$700 million in losses to medical centers

- \$135.6 million in direct expenditures for UC Health
- \$564.5 million in lost revenues to UC Health

Federal Assistance Covering a Portion of Costs (\$425.1 million to date for UC)

- Campuses have received \$137.3 million from CARES Act
- UC Health has received \$287.8 million from CARES Act
- Students have received a total of \$130 million in financial aid from CARES Act
- FEMA may reimburse 75% of direct expenditures

COVID-19 Related Costs Will Continue

- Lost revenue for medical centers slowing down
- Unknown if campuses can repopulate fully for Fall 2020

University of California COVID-19 Impacts	Amount (\$'000)
General Campus	
1 Lost revenue	\$ 392,469
2 Emergency Medical Services (Student Health Clinics only)	3,416
3 Facilities and Cleaning Costs	5,191
4 Additional online/remote courses (campus closures)	14,314
Subtotal General Campus and OP/ANR	\$ 415,390
Schools of Medicine, Clinical Operations	
1 Lost revenue	\$ 67,546
2 Emergency Medical Services	825
3 Facilities and Cleaning Costs	16
4 Additional online/remote courses (campus closures)	366
Subtotal SOM, Clinical Operations	\$ 68,753
Total Campus and OP/ANR	\$ 484,143
Medical Centers	
1 Lost revenue (for other svcs) due to COVID-19 Treatments	\$ 564,561
2 Emergency Medical Services	115,598
3 Facilities and Cleaning Costs	7,320
4 Additional remote costs - coordination, telemedicine, consulting	12,729
Total Medical Centers	\$ 700,208
Total University of California	\$ 1,184,351

University of California Funding per Student Increasingly Restricted and Uncertain

Funding per Student Decreasing for 2020-21

- Nonresident Tuition (in UC General Funds) uncertain
- State Funding Reduction of 10% Proposed by Governor

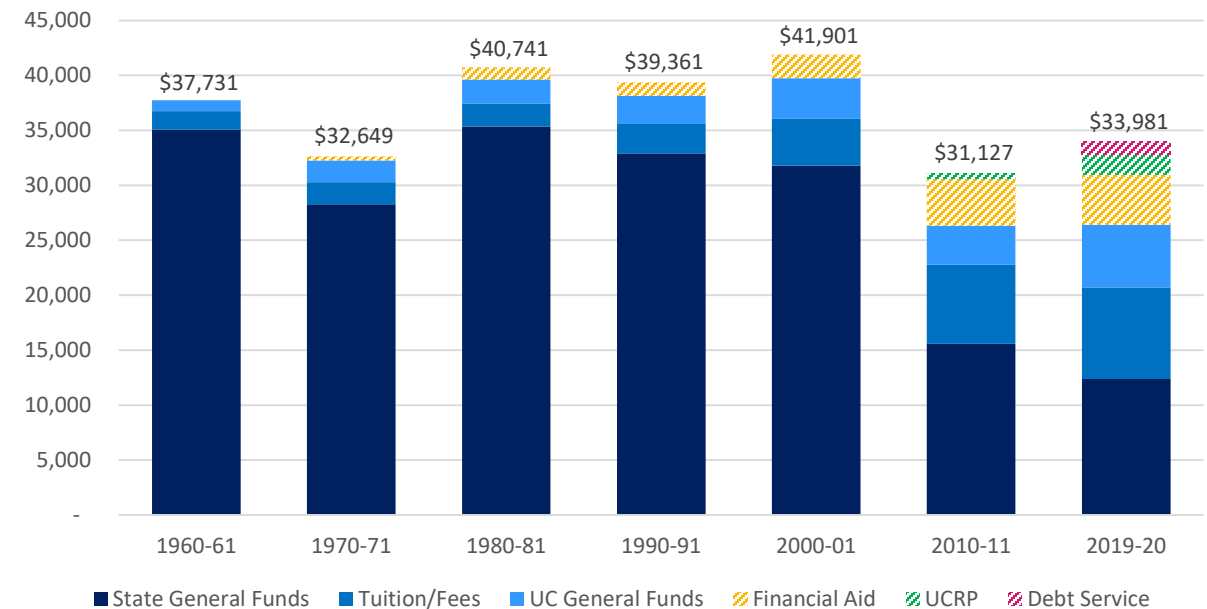
Enrollment Support in 2020-21 and Beyond Uncertain

- New students for Fall 2020 have already been accepted
- California Undergraduate Enrollment Growing in 2020-21
- Available Core Funds per Student in 2019-20 are \$26,401

Reserves Should Not be Fully Used in One Year

- \$323 million in available reserves at campuses
- Campuses will have little ability to rebuild reserves

PER STUDENT CORE FUNDS WITH NEW COST PRESSURES (ADJ.)



In 2019-20 Cal Grants provide approximately \$3,400 per student to the per student core funds amount

University of California Responses to COVID-19 and Revenue Losses

UC Focus on Employees

- UC is the 3rd largest employer in the state
- UC career employees are guaranteed employment until June 30, 2020 regardless of the COVID-19 impact on the revenue sources

UC Cost Containment Actions

- Salary freeze for non-represented staff employees
- Salary scale freeze for academic employees (non-student)
- Reduce Chancellor and President Salaries by 10 percent
- Renegotiating professional service agreements
- Eliminating non-essential travel
- Additional actions under consideration at future Regents meetings and at the campuses

University of California May Revise Budget Adjustments

Governor's January 10 Budget Proposal

- \$217.7 million for ongoing core operations and medical education investments
- \$55.3 million for one-time program investments

Rescission of the Following Proposed Governor's Budget January 2020 Funding Adjustments:

- \$169.2 million for campuses (5%)
- \$3.6 million for UC ANR (-5%)
- \$5.3 million for Student Mental Health
- \$4 million for UC Extension Degree Completion Efforts
- \$3 million for UC San Diego Center for Public Preparedness Multi-Campus Research Initiative
- \$1.3 million for California Subject Matter Project Computer Science Training

May Revise Proposed General Fund Budget Adjustments

- Reduction of Ongoing Support by \$372 million (-10%)
- Reduction in Summer Financial Aid by \$4 million
- Provides UC Riverside School of Medicine \$11.3 million (Jan 10 proposed \$25 million)
- Provides UCSF Fresno – UC Merced Medical Education Partnership \$1.2 million (Jan 10 proposed \$15 million)
- Provides UC Davis animal shelter grant program \$5 million one-time

Hastings College of the Law (Item 6600)

Major General Fund Budget Adjustments

- Reduction of Ongoing Support by \$1,523,000 (-10%)
- Rescission of Governor's Budget January 2020 Funding Adjustment of \$1,389,000 (-8%)
- Lease Revenue Debt Service Adjustment of \$3,452,000 for Academic Building at 333 Golden Gate Avenue

Budget Impacts for 2020-21

- Pre May Revise anticipating the fiscal implications of COVID-19, Hastings is implementing a plan to eliminate a \$2.6 million operating deficit by reducing non-payroll, non-financial aid allocations by 10%, hiring freezes including not filling vacant faculty lines, a voluntary separation program, and limited layoffs (7 from a total of 255 FTE's).
- Hastings is developing plans to further absorb the \$2.9 million in state funding cuts; options being assessed include further staffing reductions, furloughs and other compensation reductions, and more targeted program adjustments.
- Hastings is not currently considering increasing tuition given timing considerations and uncertainty on how the instructional program for Fall 2020 will be structured; i.e., remote learning.
- Graduate housing, parking and other revenues generated by auxiliary enterprises are expected to be adversely impacted.