

5 Key Financial Strategies for 2012-13



Berkeley

UNIVERSITY OF CALIFORNIA



1.

At Berkeley, We Continue to Change the World.

Despite continued cutbacks in state support, Berkeley did something unprecedented. We invested, while curbing expenses. Improved financial management is what enabled Berkeley to make strategic financial decisions to support our Access and Excellence.

In 2011-12, Berkeley became the first public university to provide a needs-based financial aid program—Middle Class Access Plan (MCAP)—to middle income families. We expanded common good curriculum to ensure faster time to graduation. And more than 10,000 students graduated from Cal. In addition, Berkeley launched Cal Planning to help us think differently in our campus budget discussions about ways we can do so much more...

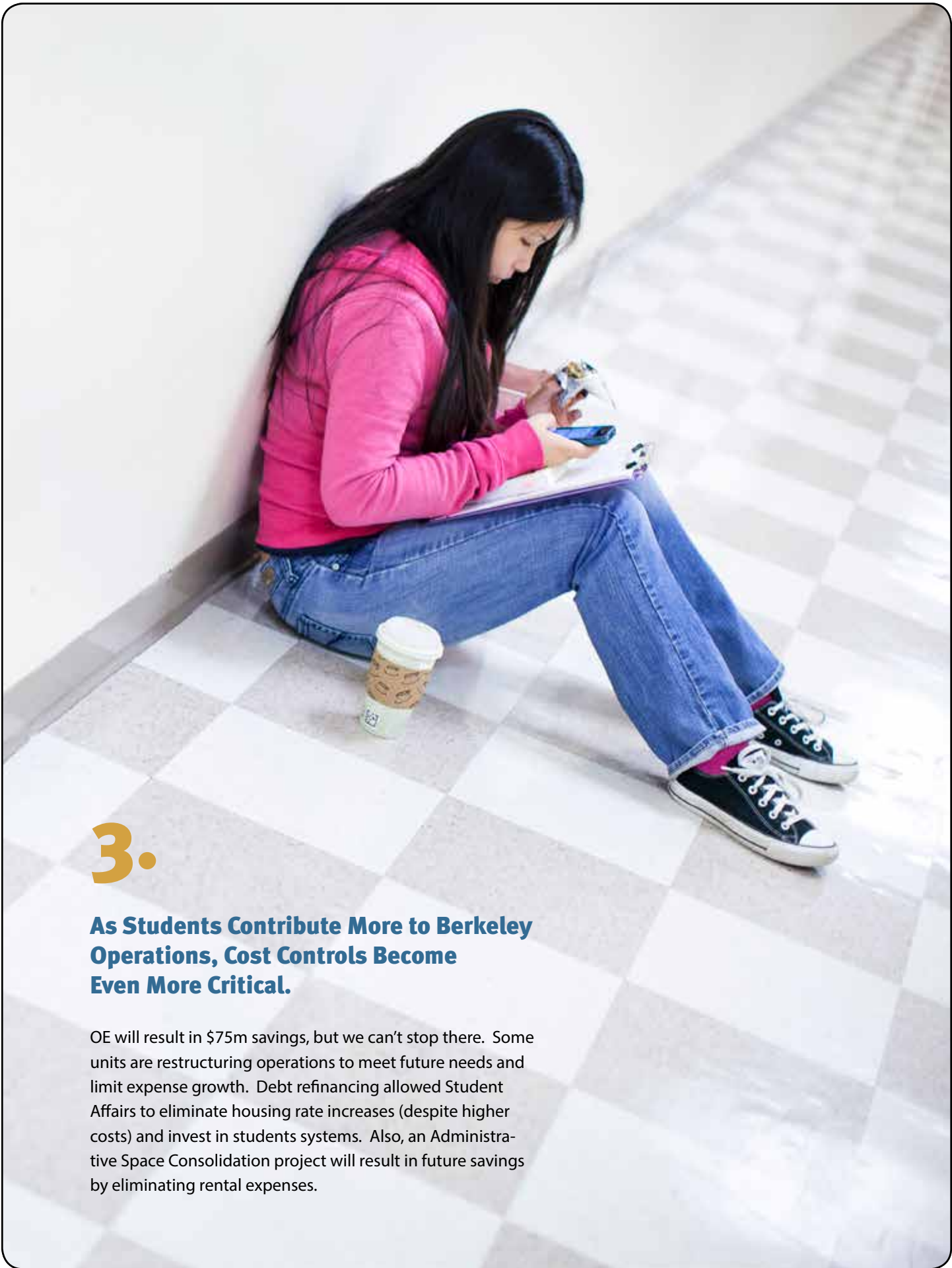
2.

Fundamental Changes in 2012-13 Budget Process

When we don't restrict our thinking by fund source, our discussions become more powerful. For example, the Academic Senate committee (CAPRA) prioritized its recommendations within a broader context of rethinking strategically about the critical needs of faculty and student leadership from the ASUC and Graduate Assembly, along with the committee on student fees consolidated student input on the budget. From that starting point, we need to recognize that we have more levers than state funds and student fees to support critical needs.

*Shifting from a Focus on Incremental State
Funds to an All-Funds Strategic Discussion*





3.

As Students Contribute More to Berkeley Operations, Cost Controls Become Even More Critical.

OE will result in \$75m savings, but we can't stop there. Some units are restructuring operations to meet future needs and limit expense growth. Debt refinancing allowed Student Affairs to eliminate housing rate increases (despite higher costs) and invest in students systems. Also, an Administrative Space Consolidation project will result in future savings by eliminating rental expenses.

A photograph of an outdoor cafe setting. In the foreground, a squirrel stands on its hind legs on a paved sidewalk, looking towards the camera. In the background, several people are seated at wooden tables and chairs, some looking towards the camera and others looking away. The scene is brightly lit, suggesting a sunny day.

4.

Eliminating the “Squirrel-ification” of Funds

With existing fiscal constraints, now is the time to allocate reserves within your budget. Equity & Inclusion plans to use reserves to cover projected service gaps in 2012-13, providing a couple years to find alternate funding sources. Prior to seeking new funds, units should use reserves to advance strategic decisions that will create future efficiencies, generate revenue and support faculty, students and staff (e.g., recognition programs). Berkeley needs to create incentives to support that behavior. Furthermore, as new programs seek funding, we need to shift from the practice of providing all funds up front to paying as we go.

A young man with dark hair, wearing safety glasses and a plaid shirt, is shown in profile, looking intently at a piece of scientific equipment. The equipment features a white vertical column with various valves and a prominent orange circular component. The background is a bright, clean laboratory environment.

5.

Investing in the Future

Berkeley's On the Same Page program has the incoming class of students envision UC's future. As a campus, we must do the same as we determine future investments we need to make to keep Berkeley strong. For example, Facilities Services goal to reach \$4/mgsf to support the operations of facilities will complement a plan to improve deferred maintenance and invest in our capital infrastructure. University Relations is planning to continue to invest in fund raising infrastructure and strategy. The progress we made in our 2012-13 budget process is just the beginning. Through Cal Planning and strategic discussion, we can support sound financial decisions, along with a roadmap to help achieve campus goals and to support Berkeley efforts to continue to change the world. GO BEARS!