

**Display 2**  
**University of California**  
**2004-05 Governor's Budget**  
(\$ in millions)

|   |                   |
|---|-------------------|
| <b>2003-04 State General Fund Budget per State Budget Act prior to 2003-04</b>  | \$ 2,898.0        |
| <b>Mid-Year Reductions</b>  |                   |
| <b>Increase Student Share of Funding for Educational Expenses and Reduce State Funds</b>  |                   |
| Increase undergraduate student fees \$500 (10%)--limit return to financial aid to 20%   | \$ (63.6)         |
| Increase graduate academic student fees \$2,088 (40%)--limit return to financial aid to 20%   | (57.4)            |
| Increase professional school fees to reduce State subsidy overall by 25%--no return to financial aid  | (42.2)            |
| Increase nonresident tuition \$2,746 (20%)--assumes 20% return to financial aid   | (32.6)            |
| Charge students an excess units fee for units that exceed a threshold of 10% above minimum number of credit units needed to graduate                          | <u>(9.3)</u>      |
| (Note: A \$15.7 million unallocated mid-year reduction grows to \$47.2 million in the budget year and is included in the student fee increase offsets above.) |                   |
| <b>Subtotal, State General Fund Cuts Offset by Increases in Student Fees</b>  | \$ (205.1)        |
| <b>Reduce Enrollment</b>  |                   |
| Reduce freshmen enrollment by 10% (3,200 FTE)   | \$ (24.8)         |
| Provide counselors for redirection of freshmen to community colleges  | <u>1.6</u>        |
| <b>Subtotal, Enrollment-Related Changes</b>   | \$ (23.2)         |
| <b>Other Budget Cuts</b>  |                   |
| Increase student/faculty ratio from 19.7:1 to 20.7:1  | (35.3)            |
| Reduce academic and institutional support 7.5%  | (45.4)            |
| Reduce research 5%  | (11.6)            |
| Eliminate State funding for Institute for Labor and Employment (mid-year reduction of \$2 million grows to \$4 million in 2004-05)                            | (4.0)             |
| Eliminate State funding for outreach (mid-year reduction of \$12.2 million grows to \$33.3 million in 2004-05)  | (33.3)            |
| Eliminate State funding for California Digital Project (K-12 Internet)  | <u>(14.3)</u>     |
| <b>Subtotal, Other Budget Cuts</b>  | \$ (143.9)        |
| <b>Subtotal, All State General Fund Reductions</b>  | <b>\$ (372.2)</b> |
| <b>Other Budget Adjustments and One-Time Actions</b>  |                   |
| Restore one-time \$80.5 million unallocated cut from 2003-04 budget   | \$ 80.5           |
| Provide one-time funds for UC Merced (increase one-time funding from \$7.3 million to \$10 million)   | 2.7               |
| Funding for annuitant health care benefits cost increase  | 34.4              |
| Lease revenue bond payments   | <u>27.1</u>       |
| <b>Subtotal, Other Budget Adjustments and One-Time Actions</b>  | \$ 144.7          |
| <b>Partnership Funding Not Provided</b>   |                   |
| 4% increase to the base for salaries, benefits, and other cost increases (\$114.2 million)  | 0                 |
| 1% increase to the base for core needs (\$28.5 million)   | 0                 |
| Normal funding for 5,000 FTE enrollment growth (\$40.0 million)   | 0                 |
| Funding for State-funded summer instruction at four remaining campuses (\$31.0 million)   | 0                 |