

UC Santa Cruz Quarterly Projection Report Overview

As of December 31, 2024 (Q2)

This is the initial version of UC Santa Cruz's new quarterly projection report. Going forward, reports will be prepared and published quarterly to monitor operational performance.

UC Santa Cruz's total [2024-25 operating budget](#) is just over \$1 billion. The following report provides an overview of how Core Funds, which comprise about 55% of the total budget, are estimated to perform (projected actuals) this year in comparison to the budget. A key component of this report is tracking the university's progress to address the recurring deficit.

Core Funds Revenue

Revenue is on track and estimated to exceed the recurring budget by \$35.3 million, with projected core funds revenue of \$591.6 million anticipated this year. While revenue is outperforming the recurring budget, it is important to note that most of the additional revenue is from one-time sources, such as investment earnings and one-time state allocations. In addition, one of the categories currently outpacing the budget is indirect cost recovery (facilities and administrative costs for federal grants), which could change dramatically by year-end given current uncertainty at the federal level. This is an area we will continue to monitor closely and is subject to change in our 3rd quarter report.

The only categories projected to underperform budget expectations are the tuition and fee categories given that enrollment is estimated to end up below the levels used in budget projections. Future year budget planning assumptions have been updated to use more conservative enrollment projections.

Core Funds Expenditures

Projected core funds actual expenditures include a combination of recurring spending and one-time spending activity, predominantly via carryforward funding. In total, projected spending of \$676.7 million is expected this year. Salary savings are projected at almost \$15 million, signaling that reduced hiring is slowing spending in this category. Significant savings are also projected in the supplies, equipment & other expenses category; however, this is a category that will be watched closely as spending patterns could vary from previous years in light of current considerations, which could render projections less accurate.

Core Funds Deficit

Current projections indicate progress is being made to reduce the deficit this year, with a projected reduction of \$25.6 million from the original estimated recurring deficit. While the reduced deficit is largely attributable to projected additional one-time revenue sources, there are also early indications that implemented reductions and spending curtailment measures are beginning to ease spending. Since this projection is for activity as of December 31, 2024, there are still six months remaining in the year that could alter these projections, but initial indications reflect positive progress.

UC SANTA CRUZ CORE FUNDS REPORT - Q2 PROJECTION THROUGH YEAR-END BY ACCOUNT TYPE

Period: July 1, 2024 - June 30, 2025 (Projected)

(in millions)

	Recurring Budget	Projected Budget Adjustments*	Projected Total Budget	Projected Actuals
Revenue (Sources)				
State and UC General	274.4	9.8	284.2	284.2
Tuition (net of scholarly allowance)	158.3	(5.5)	152.7	152.7
Non Resident Suppl Tuition	50.1	(6.3)	43.8	43.8
Core Student Fees	27.0	(0.9)	26.1	26.1
Indirect Cost Recovery	32.1	7.5	39.6	39.6
Lottery Funds	2.3	-	2.3	2.3
Other Core Unrestricted	12.0	21.0	33.0	33.0
State Claims	-	20.8	20.8	9.8
Total Revenue	556.2	46.3	602.5	591.5
Expenditures (Uses)				
Salaries	385.9	2.8	388.7	371.1
Benefits	152.3	5.0	157.4	157.9
Supplies, Equip & Other Expenses	119.1	46.5	165.6	109.8
Student Aid	109.1	28.3	137.4	137.4
Scholarly Allowance Adj	(99.6)	-	(99.6)	(99.6)
Total Expenditures (Uses)	666.9	82.6	749.6	676.7
Net Surplus / (Deficit)	(110.7)	(36.3)	(147.0)	(85.1)

*Budget Adjustments include Carryforward

Projection Assumptions:

Revenue projections based upon budget and manually adjusted for known or anticipated variation from budget.

Payroll projections from UCPath system snapshot dated 1/7/2025 for all anticipated expense activity through 6/30/25 +2.5%

Non-payroll expense projections based on actuals through Q2 projected according to historical 3 year average spending rate at the unit level.