



Law Students Association

BUDGET POLICY COMMITTEE

2014-15 Report

Rebecca Vorpe (Co-Chair, 2L Representative)
Laura Flynn (Co-Chair, 2L Representative)
Rebecca Ferguson (3L Representative)
Adam Bolt (3L Representative)*
Meredith Hankins (2L Representative)
Russell Sternshein (1L Representative)
Isaac Walrath (1L Representative)
Hayes Hyde (LSA President)

* Adam Bolt became a member-at-large of the BPC in March 2015

TABLE OF CONTENTS

| | |
|--|----|
| About the Budget Policy Committee | 3 |
| BPC Member Biographies and Incoming Membership | 5 |
| The Year in Review: 2014-2015 | |
| I. Summer 2014 Developments | 8 |
| II. Fall 2014 “Budget and Beer” Event | 9 |
| III. BPC Meeting with Financial Aid | 9 |
| IV. Financial Aid Information Session | 13 |
| V. UC Tuition and Professional Degree Supplemental Tuition | 14 |
| VI. Other BPC Activities | 16 |
| VII. Frequently Asked Questions | 18 |
| Additional Resources | 24 |
| List of Attachments | 26 |
| A. Budget Advisory Committee Presentation, October 9, 2014 | |
| B. “Beer and Budget” Event Handouts and Poster | |
| C. Table: Debt Comparison to Law Schools in the State of California | |
| D. Financial Aid Information Session Poster | |
| E. Letter in Response to UC Tuition Increase, from the LSA and BPC | |
| F. Questions Posted on Facebook and BPC Answers | |
| G. Sources & Use of Funds Report: Quarters 1 & 2 (reporting 2013-2014 actuals and 2014-2015 estimates) | |

ABOUT THE BUDGET POLICY COMMITTEE

Who We Are

The Committee is a group of UC Davis Law School students who are interested in the financial integrity of King Hall. Members are elected or appointed in order to represent the diverse views of the King Hall student body.

The Committee is comprised of seven voting members: two 3L members, three 2L members, and two 1L members in order to keep an odd number of votes for clear majority. The eighth member is the LSA President, who is a non-voting member.

Since 2013, the BPC candidates are elected on the same term as LSA members: based on candidate statements and open forum for question and answer. Thus, the 2L and 3L representatives are voted upon by current students. Since 1Ls are not confirmed until the next fall semester, the elected BPC members accept applications and conduct interviews to select the 1L members.

Please refer to BPC member and incoming member biographies beginning on page 5.

Having eight unique members on the committee allows for:

- Diverse perspectives
- Relevant background and qualifications
- Student accountability
- Informed and objective representation of legal and policy interests

Our Mission

The LSA formed the Budget Policy Committee (BPC) in order to have an organized student voice and to be included as stakeholders in budgetary decisions at King Hall. The BPC agenda is shaped by:

- Committee goals codified in the LSA bylaws
- Input from the King Hall student body
- King Hall administration budgetary dates, considerations
- Professional Degree Supplemental Tuition timeline
- Other factors or bodies affecting the UC, main campus, and the law school

Our bylaws require the BPC to work with the King Hall administration to collect information on King Hall expenditures and advocate on behalf of students regarding budgeting decisions.

Specifically, the bylaws require us to collect information on the following topics: the total cost of attending King Hall, the Professional Degree Supplemental Tuition plans, the expenditures and revenues of the law school, and the availability and distribution of financial aid. The Committee must then make that information public. The existence of the BPC does not preclude any other student or student organization's efforts to obtain

information and advocate alternative positions to budget decisions.¹ The BPC is a relatively new organization at King Hall, and the first of its kind among national law schools. Consequently, the BPC is still shaping its role at King Hall and developing strategies to better serve the King Hall community.

Meetings are **open to the public**. Any King Hall affiliate may observe and participate in regular BPC meetings. We do our utmost to engage with the student body and all external views and perspectives are welcome, including those of King Hall alumni.

The BPC meets every other week (at least twice a month) at lunchtime. Meeting days are announced via the LSA President's weekly emails in the beginning of the school year. Thereafter, the meetings will be at regular intervals and any changes are announced in the weekly emails. In order to get on the agenda to ensure timely discussion of a topic, anyone may submit topics by email to one of the BPC Co-Chairs directly or to kh-budget-policy-committee@googlegroups.com.

The BPC meets in the student conference room in the basement of King Hall. If certain meetings require larger room capacity, the room reservation will be announced on LSA's weekly emails.

The BPC regrets that we were not able to host a final town hall event for the 2014-2015 school year. We originally scheduled a town hall for mid-April. However, the Financial Aid Office decided to hold an information session on LRAP for public interest students at the same time. The Committee decided that we should not draw attendance away from this important information session. Although we recognize that it does not equal the unique benefits of a town hall event, we have included a FAQ section in this publication, which we hope will answer questions that may have been posed at the town hall. We also plan to aggressively distribute this publication and solicit as much feedback as possible in the limited time left in the 2014-2015 school year, during the summer, and in Fall 2015.

Please communicate any questions, concerns, or insights to the BPC via your choice of forum:

Email us as a group: kh-budget-policy-committee@googlegroups.com

Post to our Facebook page: <https://www.facebook.com/kinghallbudget>

A new, comprehensive website to be launched in the 2015-2016 school year

¹ For example, the King Hall chapter of the National Lawyers Guild has been the most vocal student organization at King Hall regarding tuition issues. We are supportive of these efforts, as long as they do not spread misinformation to the student body. We encourage student organizations to contact the BPC to confirm any information, especially regarding plans for PDST increases.

CURRENT MEMBER BIOGRAPHIES

3 L Representatives



Rebecca Ferguson

I was appointed to the Budget Policy Committee in August 2013 and have served as a Representative for the Class of 2015 since. Before law school, I received my degree in Economics. My studies were primarily focused on public policy, statistical analysis, and accounting. While serving on the BPC, I have worked to promote transparency and fiscal responsibility at King Hall by summarizing and presenting key information to the student body and critically evaluating the way resources are allocated at King Hall. The BPC has made great progress, but there is still more work to be done. I hope that the Committee will continue to work for greater fiscal transparency and accountability at King Hall by encouraging the informed participation of the entire King Hall community.



Adam Bolt

I am a founding member of the Budget Policy Committee, a current co-chair of UC Davis Services and Fees Administrative Advisory Committee (SSFAAC), and an overall education policy nerd. An alumnus of UC Berkeley, I first became involved higher education tuition reform efforts and financial transparency following the UC undergraduate fee protests of 2010. As co-chair of SSFAAC, I have been able to concurrently follow main campus budgeting practices and to apprise BPC members about pending fees and issues.

2 L Representatives



Rebecca Vorpe, Co-Chair

I joined BPC as a 1L in hopes of making a significant contribution to law school tuition matters that affect each of us personally. I believe the BPC can provide a meaningful student voice in budgeting, tuition, and financial aid decisions at King Hall, as well as press the administration for greater financial transparency. As a former financial analyst at UC Davis, I am familiar with UC budgeting practices, policies, and politics. As the current Co-Chair of the BPC, I hope to improve communication about the myriad factors that go into the creation of the King Hall budget, provide advice to the administration from a student perspective on tuition and spending, and improve communication about financial policies with the student body, alumni, and prospective students.



Laura Flynn, Co-Chair

As a 1L, I joined BPC to be a student advocate for budget and tuition decisions made at King Hall. I believe that greater student participation and oversight in budget setting and decision-making results in better student outcomes. I have spent 8 years in the UC system as an undergraduate, graduate, and law student. This experienced showed me first-hand the challenges of getting student voices heard. As the current co-chair of the BPC, I have pushed for greater information sharing between the Administration and students, and more transparency in budget and tuition decisions.

**Meredith Hankins**

I joined BPC after seeing a big information gap between the amount of loans being taken out by law students and the understanding of what that money was actually used for. I bring 2 years of experience as a negotiator for a public employee union at my pre-law school job, where I gained familiarity with budget negotiations and cost-cutting measures. Besides BPC, I'm a co-Editor in Chief of the Environs Environmental Law and Policy Journal and a board member on the Environmental Law Society.

1 L Representatives**Russell Sternsheim**

I joined BPC because I wanted to learn more about what tuition fees consist of and where the money we all pay goes to. Being on the committee has given me more of a voice in trying to create transparency in the budget process and informing the student body on what they want to know. My goal as a member is to provide students with easy access to answers to questions about where their tuition goes, and what they can expect it to be in the upcoming years.

**Isaac Walrath**

I joined the Budget Policy Committee as a first-year law student because I'm personally invested in King Hall and I feel strongly about the BPC's mission to provide transparency and student insight into school practices. Prior to law school, I served as chief paralegal for a boutique firm specializing in medical device and pharmaceutical product liability litigation. I was heavily involved with the DePuy ASR Hip Implant Litigation and DePuy Pinnacle Hip Implant Litigation, as well as other nationally coordinated proceedings. I received a

Bachelor's of Science in Environmental Policy Analysis and Planning from UC Davis in 2009, with a minor in Economics.

LSA President**Hayes Hyde**

My goals for this past year were to increase transparency and streamline communication between the different organizations, student groups, and the Deans' office. I hoped to increase the availability of information for students and make access easier. This year we worked on increasing communication and I hope that my successor continues this progress through unifying sources of information on the website and streamlining information transmission.

Incoming members 2014-15

| | 2014-15 | 2015-16 |
|---------------|---------------------------|--------------------------------------|
| 3 L | Adam Bolt | Laura Flynn |
| 3 L | Rebecca Ferguson | Meredith Hankins |
| 2 L | Laura Flynn | Russell Sternshein |
| 2 L | Rebecca Vorpe | Isaac Walrath |
| 2 L | Meredith Hankins | Maxwell Calehuff |
| 1 L | Russell Sternshein | (pending matriculation, appointment) |
| 1 L | Isaac Walrath | (pending matriculation, appointment) |
| LSA President | Hayes Hyde | Samantha Mandell |

**Maxwell Calehuff, incoming 2L Representative**

I am joining the Budget Policy Committee as a second year law student because I want to represent the students of King Hall in making sure that their tuition money is used in a way that most benefits the students. As tuition costs continue to rise, the Budget Policy Committee is becoming an increasingly important part of student government at King Hall. As someone who used to work in wealth management, I understand the need for prudent management of collective finances in promoting the greater good. I hope to put my degree in economics to good use to ensure that King Hall spends its money in the most cost-effective way. I want to reach out to the student body and enhance awareness about how money is collected and allocated, so that students have a better idea of where their money is going.

**Samantha Mandell, incoming LSA President**

My goal is to make sure that student concerns are represented in the BPC's investigations into tuition matters. Similarly, I want to make information regarding decision-making on tuition issues are well-publicized to students so that each student feels that he or she knows where his or her money is going, and how the decision was made to apply that money to resources. I want to continue to increase visibility of the BPC so that students are more connected with their information resource on campus. I look forward to working with the accomplished members of the BPC in accomplishing these goals, and more, this coming year.

2014-15: THE YEAR IN REVIEW

I. Summer 2014 Developments

During the summer of 2014, members of the Budget Policy Committee (Becky Vorpe, Laura Flynn, Rebecca Ferguson, Hayes Hyde) met with Dean Burns via telephone conference to discuss budget and tuition developments that occurred after the 2013-2014 school year ended. Early in the summer, Dean Burns made a presentation to the UC Davis Provost to request a larger funding allocation for King Hall. At the time of the telephone conference, Dean Burns had not yet learned the Provost's decision.²

We discussed student aid and the plans of the BPC for the coming school year. One main goal for Fall 2014 was to address student aid, specifically the financial aid program and its mechanisms. In response to reports from current King Hall students of frustration, confusion, and disillusionment with financial aid packages and procedures, we informed Dean Burns that we intended to look closer at student aid in order to improve transparency, student understanding, and student expectations regarding the Financial Aid Office. Dean Burns suggested having Dean Kristen Mercado and Director Laurence Gallardo at an early BPC meeting in the fall, which we enthusiastically adopted. (See Section III for the report on our meeting with Financial Aid).

Dean Burns highlighted the budgetary opportunities and challenges going forward: student aid and faculty salaries are a large percentage of the budget. In discussing allocations to student aid, Dean Burns stated that approximately 9.2 million of the total 2014-2015 King Hall budget would be devoted to student aid. This was an increase of about 1.4 million over the typical amount allotted. Dean Burns cautioned that this rate of increase was not sustainable given the fact King Hall has been operating on a budget deficit, covering the deficit with rapidly dwindling reserves. (See Section V for more information). Additionally, 5 faculty positions had opened up, and the school had been approved by central campus to recruit 2 faculty members for the 2015-2016 school year. He also suggested the possibility of attaching a Higher Education Price Index to the PDST in the future as a way of providing a more accurate measure of changes in tuition. Dean Burns provided the BPC with a draft of the line-item budget for the school that would later be uploaded to the intranet. (See the Intranet for the line-item budget).

Dean Burns and the BPC discussed having a town hall event early in the fall in order to discuss the 2014-2015 budget and plans for 2015-2016 with students. This evolved into the Beer and Budget Event, which was held in late October. (See Section II for our report on the event). Although late October was later than envisioned for the town hall, the delay resulted from a desire to fill the vacant BPC positions and familiarize the new members with the operation of the BPC before engaging with the student body.

² The School of Law requested an additional \$2.1 million in base budget funding from the Provost for 2014-2015. In response, the Provost granted an additional \$849,000 in base budget funding, plus an additional \$500,000 (non-base) for student aid (recruitment and retention). For a breakdown of the request, please see page 14 of the Budget Advisory Committee Presentation, included as Attachment A.

II. Fall 2014 “Beer and Budget” Event

On October 28, 2014, BPC hosted the first annual Beer & Budget Event in the lower King Hall courtyard. BPC members set a goal for the 2014-2015 school year to spend more effort educating and providing information to students. The purpose of the event was to educate students, particularly first year students, about the King Hall budget and tuition issues in a casual and fun environment. The event was marketed by posting signs around the school, placing an event notice in the LSA Weekly Events email for two weeks, through a Facebook “event,” and word of mouth.

BPC provided pizza, homemade pie, and beer. All BPC members were on hand to answer students’ questions and provided handouts that illustrated the budget expenditures per student, as well as other relevant information. (See Attachment B for informational handouts that were distributed). One handout detailed the possible fee increases for the 2015-2016 school year, as explained by Dean Burns. (See Section V for more information on the 2015-2016 possible fee increases). Dean Burns also attended the event and answered many students’ questions.

Approximately 30 students attended the event, the majority of them first-year students. BPC received positive feedback from students and the event introduced many students to the work of BPC. The event helped give a face to the nascent committee, and was good for improving BPC’s name recognition.

Students wanted to know more information about where their tuition dollars went at King Hall, and found it helpful to see the pie chart breakdown. Next year, it would be better to have more handouts and takeaway information available. The casual nature of the event helped draw many students. Also, hosting the event in the beginning of the year helped ensure a higher turnout. The event benefited new BPC members as it gave them a chance to familiarize themselves with budget and tuition information. Committee members concluded that the event was successful and should happen every year if funding is available.

III. BPC Meeting with Financial Aid

On November 6, 2014, the Budget Policy Committee met with then-Director of Financial Aid Lawrence Gallardo and Dean of Admissions Kristen Mercado. The objective of this meeting was for BPC to get more information on the financial aid process, and for BPC to voice the concerns of the student body on the lack of transparency in the awarding of financial aid. The BPC had previously given the Financial Aid office a list of question that we wanted to address:

- 1. How can UC Davis maintain its ranking as 2nd in generosity of financial aid?*
- 2. Where do we rank in comparison to other UCs and private schools in terms of cost (tuition) and return to aid?*
- 3. What are the sources of financial aid other than the 33% from PDST fees?*
- 4. How do you decide how to award financial aid monies?*

5. *How does the financial aid office balance need-based and merit-based aid? Does merit aid impact need aid?*
6. *When awarding aid for the first year, is it based on the estimated income from the prior year (and thus awards are expected to increase the following year)? Or is it based on a three-year projection and thus expected to remain the same each year?*
7. *Is aid that comes from student fees treated any differently than aid that comes from donations/outside sources? (i.e. do these categorizations of aid differ in terms of need vs. merit?)*
8. *How does the financial aid office project class sizes in awarding aid prior to receiving commitments? Does aid come from one large pot, or are there distinct boxes for each year? (i.e. is it possible that the aid office could overcommit to draw in a larger 1L class and then have to reduce upper class awards to compensate?)*
9. *Would the office be open to releasing (anonymous) financial aid information in order to further transparency and allow us to get a better idea of how aid is awarded? So much of financial aid info that we have is based on our own individual experiences, it would be nice to be able to draw larger class-and school-wide conclusions.*

First, Dean Mercado provided an overview of recent changes in the financial aid process. The most recent admissions cycle was the first year that Financial Aid and Admissions were in the same office. Dean Mercado indicated that coordination between Financial Aid and Admissions was something that the school intended to work on, and noted improvements in timeline and communication in the admissions process and financial aid award notifications for the class of '17 versus the prior year for the class of '16. Combining the departments has also allowed for streamlining in the need/merit aid award process, discussed below. She stated that she welcomes feedback on how they can improve their performance. Dean Mercado then began to move down the list of our provided questions, and other issues we raised at the meeting (roughly categorized below by topic).

Average Indebtedness

Dean Mercado stated the goal regarding indebtedness was for King Hall to be as financially accessible to as many students as possible. She noted that average indebtedness of King Hall students had decreased for the most recent year (from \$103K to \$93K), and attributed this decrease to a combination of increased merit-based aid and a higher number of all-cash students.³ BPC asked for a calculation of average indebtedness without all-cash students. (*Note, this was never received).

Sources of aid include PDST, UC tuition, philanthropic donations, and some campus monies, with the return-to-aid portion of the PDST being the biggest source of aid.

³ According to U.S. News and World Report for 2016, King Hall ranks as the lowest in indebtedness among all California law schools. However, these numbers do not take into account debt from undergraduate institutions. (See Attachment C for table comparison and sources).

Named Scholarships/Donor Awards

Dean Mercado noted that this type of aid had not previously been awarded through application. Some are subject to donor specs (e.g. highest grade in Antitrust) or are limited to certain specifications like demographics or area of law. Previously, the Financial Aid office used a Faculty Scholarship Committee to award these monies. The Financial Aid office is moving towards making the distribution of these scholarships a more transparent process (possibly by application).

The Financial Aid Award Process

First, Dean Mercado emphasized that merit-based aid and need-based aid come from different pots of money. The award process is based on projections of the incoming class size and the school's overall budget. She noted that the 2L/3L aid is set aside from the 1L pool, and thus continuing students are "taken care of" first. Enrollment targets for the 1L class are based on historic data on the distribution of need. The Financial Aid Office first makes need-based aid distributions based on these enrollment estimates, then Dean Mercado and the Admissions Office make merit-based determinations. This way, the Admissions Office sees the whole picture when making merit determinations and tries to "smooth out" the total financial aid package for each individual student. The goal of the Office is to provide a total, combined aid package (need + merit) as soon as possible after an individual has been admitted.

Lawrence Gallardo indicated that in the "vast majority of cases" that initial aid award would remain the same or increase over a student's 3 years at King Hall. He indicated that the only exceptions to that general rule were for students in households with second incomes and nontraditional students with prior careers, at which point the Financial Aid office would exercise "professional judgment" in awarding aid. When asked if that professional judgment could result in *decreased* need-based aid, he indicated that this would only occur if students had missed deadlines, or had subsequently gotten married. But, he did note that any "professional judgment" used in the first year could not be used again. Dean Mercado stressed that the Financial Aid Office does not make downward adjustments to a student's need-based grant based upon the amount of merit-based award he/she receives from the school (or an outside source).

BPC emphasized our concern that an alarming number of students had unexpectedly received cuts in their aid packages between their first and second years, and pushed both Dean Mercado and Director Gallardo on this point. Director Gallardo indicated that students who knew they had changed financial circumstances should meet with Financial Aid in the spring to discuss the situation and go over possible funding options. Dean Mercado indicated that moving forward, Financial Aid would be making more of an effort on the "customer service" aspect of financial aid and planned to individually reach out to any students in which prior professional judgment could result in decreased aid going forward.

Takeaways and BPC Action

BPC members engaged in robust conversation after the meeting about the implications of what had been discussed. Concern was expressed that the policy of “smoothing out” overall financial aid, despite differences in socio-economic backgrounds, could undermine any policy of awarding aid based on need. On the other hand, rewarding less merit-based aid to those not eligible for significant need-based aid could put King Hall at a competitive disadvantage in the law school market. BPC members were also concerned with the “professional judgment” aspect of awards, and all agreed that more transparency was needed moving forward. In addition to transparency, we all recognized that there was a serious need for greater communication with students about how aid could change over time and what students should do if it does.

BPC communicated these concerns to Financial Aid, and it was agreed that the BPC should sponsor an information session so that the Office could communicate what they had shared with us to the entire law school community. We felt this was the best and most direct way to share the information we had received during the meeting with Dean Mercado and Director Gallardo.

The Financial Aid office requested that we hold off on scheduling the meeting until a new Financial Aid Director could be appointed, and BPC decided that having the meeting early in the Spring made more sense than holding it in late November so close to finals. Also, in the Spring students would be more concerned with financial aid while filling out their taxes, FAFSA etc. (See Section IV for further discussion of the Financial Aid Information Session hosted by BPC on February 20th). At the suggestion of the BPC, the Info Session was held before the appointment of a new Financial Aid Director, as we were (rightly) concerned that it would be too late in the Spring by the time a new Director was hired.

BPC further acted on our concerns from this meeting by participating in the interview and selection process for the new Financial Aid Director. At the request of Dean Mercado, one BPC member, Becky Vorpe, sat as the student representative on the interviewing committee for the new Director. The BPC as a whole brainstormed on which issues were most pressing from a student perspective regarding the new Director. These issues included the candidates’ thoughts on: communication with students, the customer service role of the Financial Aid Office, communication with central campus, the role of “professional discretion,” and the importance of reliable and systematic policies so students can predict future aid.

Once two finalists were chosen, multiple BPC members attended meet-and-greets held with the final two candidates and provided feedback to Dean Mercado on each candidate. The BPC is hopeful and optimistic that the new Director, Shari King, will prioritize communication with students and help guide the Financial Aid Office toward becoming a more transparent and reliable resource for King Hall students.

IV. Financial Aid Information Session

On February 20th, 2015, the Budget Policy Committee hosted a Financial Aid Information Session presented by Dean Mercado, with Dean Burns and Interim Financial Aid Director Robyn Reid also in attendance. Prior to the Information Session, two members of the BPC met with Dean Mercado to discuss the objectives of the event. The purpose of the meeting was to answer frequently asked questions related to financial aid, provide an opportunity for students to ask questions, and disseminate some of the information provided to the BPC in the fall. The event was marketed by posting posters around the school, placing an event notice in the LSA Weekly Events email, through a Facebook “event,” and word of mouth. Approximately 20 students attended the event.

The presentation was not designed to give statistics about financial aid, but rather to inform 1Ls and 2Ls about financial aid processes. The main topics discussed during the meeting included: distribution of student aid, renewing aid (grants, loans, and scholarships), resources for current students, types of services for current students, accessing services, and an update on the search for the new financial aid director.

Dean Mercado described the timing and allocation of the student aid budget. She explained that the financial aid office tries to inform admitted students of their financial aid awards within a week of their offer of admission. Then she highlighted the steps and timing for accepting aid packages, and where online students can find deadlines.

Both Dean Mercado and Interim Director Reid responded to questions about whether aid can change over the years. Scholarships will never change unless the conditions for their renewal are not meant, or they are explicitly stated to be for a certain time. Need based aid is the only type of aid that can change, and is based on the level of need as reported on the FAFSA. Although not required, current students can fill out the “Need Access” form each year if financial circumstances change (although there is a charge to fill out the form). Dean Mercado stressed that scholarships do not impact need, and any future scholarships awarded to students are deducted from the student’s highest interest loans.

Students were also shown how to navigate the financial aid website, and how to access the services provided by the financial aid office. Dean Mercado described how she hoped to improve the customer service aspect of the Financial Aid Office, primarily through new online resources, financial literacy programs, increased efficiency, and improved communication with students. The financial aid staff is available by appointment, drop-in hours, or by email.

V. UC Tuition and Professional Degree Supplement Tuition

Information Presented to the BPC in Fall 2014

On October 9th, 2014, Dean Burns made a presentation to the BPC that summarized past budget information and addressed both current and future budgetary concerns.⁴ (See Budget Advisory Committee Presentation, Attachment A). This presentation included the following topics:

- source and use of funds for 2013-2015
- carry forward and reserve balances
- 5 year budget projection
- 2014-2015 projected sources and uses for core funds (as of August 2015)
- proposed fees for 2015-2016

Likely of most interest to students is page 10 of Dean Burns's report, discussing the proposed fees for 2015-2016. (See Attachment A). The law school requested approval for a possible increase in Professional Development Supplemental Tuition (PDST) of up to 3%, amounting to an additional \$966.00 to be paid annually. This increase was based on a higher education cost-of-living calculation. Our current PDST is \$34,182 — the highest of UC Davis' professional programs.⁵ The proposed increase is up to \$1,025, and would raise our total tuition and fees from \$47,904 to \$48,929.

The administration requested approval from central campus for the possible increase before the 2014-2015 school year started. In August, the BPC was informed of the possible "application of a price index to the PDST for the 2015-2016 school year." Dean Burns discussed the school's request for the 3% increase in PDST with the Co-Chairs on September 24, 2015. Dean Burns stressed that the school only requested approval of a *possible* increase, *up to 3%*, but that no increase had yet been adopted. The school had previously only committed to temporary freeze in PDST levels, so the requested increase is not entirely unexpected.

The potential PDST increase was justified by the administration as necessary to address the school's rapidly decreasing reserves and by the desire to avoid large increases in later years (i.e. a 10%-15% increase instead of a series of smaller 3% increases). King Hall currently runs on an annual structural deficit of between \$1 million and \$2 million. We have so far relied on reserves (or "carryforward") to cover this shortfall, but this is not sustainable and will not be an option in the near future. Because 33% of the PDST increase would be used to help financial aid programs ("return-to-aid"),⁶ the law school would use the remaining \$324,000 to help offset the structural deficit of the law school.

⁴ This document was based on the Budget Presentation that was presented in April 2014. Numbers for fund sources were based on presumptions and projections, and some numbers do not match the actual. Please see Attachment G, for a more accurate representation of amount of funds.

⁵ Figures can be found at: <http://budget.ucdavis.edu/studentfees/professional-degree/proposals.html>

⁶ See page 10 of Dean Burns's Budget Presentation included as an attachment for more in-depth analysis.

However, the announcement of the UC Regents' Mandatory Systemwide Fee increase complicated discussions of the PDST increase. The UC tuition increase of 5% would result in a \$612 increase in our fees. In the event that the 5% increase is approved, the law school planned to reduce the PDST increase to only 1% or \$341.00, or to forego the increase until the 2016-2017 year.

Dean Burns's Budget Presentation and the proposed fee increase was shared with the King Hall Community and was one of the subjects discussed at our Budget & Beer Event in the fall.

In November of 2014, after careful review, the Budget Policy Committee signed on to the LSA's letter expressing our opposition to the UC tuition increase. (See Attachment E). This letter was sent to the UC Regents in January 2015.

Current State of Proposed Fee Increases

As of Spring 2015, the King Hall administration is holding off any PDST increase until the ongoing budget showdown between Governor Jerry Brown and the UC system is resolved. Governor Brown and Janet Napolitano, president of the UC system, have been working as a "committee of two" to "fix" the UC system's budget issues. Governor Brown has offered a 4% increase of state funding, or roughly \$120 million, to the UC system in exchange for a freeze on tuition.⁷ The UC Regents insist that the proposed increase is insufficient. The UC system plans to increase tuition by 5%. The "committee" has yet to publicize any meaningful progress.

Unfortunately, it is impossible to predict the outcome of the "committee of two" showdown — any tuition increase hinges on their meetings — which are held behind closed doors. If Governor Brown's plan is implemented, our tuition will not change. If the UC system plan is implemented, there will be at least a 5% tuition increase every year for the next 5 years. Unfortunately, UC students are essentially held hostage during these tuition negotiations.

Regardless, the King Hall administration is requesting an increase in funding from the central campus. Dean Burns will make another presentation to the UC Davis Provost's Office as he did last year, asking for increased financial support given our ongoing budget deficit. But, it is also impossible to predict if how much funding the Provost will allocate to the School of Law.

The administration has confirmed their position that if the 5% increase in UC tuition is approved, they will reduce the PDST increase to only 1% or \$341.00, or forego the increase until the 2016-2017 year. If the 5% increase is not approved, the PDST *could* increase, but any increase in part depends on the Provost allocation for 2015-2016. Dean Burns will present the Provost presentation to the BPC for feedback before the end of the school year, and he will be in contact with BPC representatives this summer once more

⁷ Governor's Budget 2015-2016, Proposed Summary Information for Higher Education, at 41, available at <http://www.ebudget.ca.gov/2015-16/pdf/BudgetSummary/HigherEducation.pdf>

information is known. The amount of the Provost allocation is not likely to be known until July at the earliest.

Our Position

The BPC is in favor of the tuition freeze proposed by Governor Brown — even if it means King Hall will have a budget shortfall. Further, we feel King Hall should implement measures other than increasing tuition to solve the budget shortfall: either by increasing our funding, or, if necessary, reducing our operating expenses. We have communicated our willingness to participate in this process, where possible.

We applaud the King Hall administration's efforts to increase our budget allocation from the main campus. But, we doubt the main campus will solve our budget shortfall. In light of the likely budget shortfall, we encourage the King Hall administration to consider reducing some budget expenditures back as soon as reasonably possible. The administration has expressed a willingness to work with the BPC to identify possible areas of cost realignment. We also strongly encourage King Hall students, student organizations, or alumni who have concerns about tuition and fees to **contact the BPC** and make your specific concerns, suggestions, or questions known.

Further, the BPC is considering drafting a letter to Governor Brown showing our support for a tuition freeze, even if it may lead to a budget shortfall at King Hall.

VI. Other BPC Activity

Tabling at Student Organization Fair

This year, the BPC decided to attend the Student Organization Fair at the beginning of the school year in order to encourage 1L applicants for the two 1L representative positions, and to inform students about the BPC. Becky Vorpe, Laura Flynn, and Adam Bolt manned the table and provided handouts about the BPC and some basic budget information.⁸

New BPC Website

The BPC has been working to create a BPC website that will serve as a center of information for King Hall affiliates. Currently, information regarding the budget and tuition is dispersed between the Intranet, our Blog Site, our Facebook page, and various School of Law and central campus websites. 3L Representative Rebecca Ferguson has been working with King Hall IT to create our own website that will be linked to the LSA student organization page. The BPC intends to publish minutes of our meetings and provide as much information as possible on this website. While information will remain on the Intranet, we hope this website will provide a main destination for anyone searching for information on the King Hall budget.

⁸ The BPC would like to acknowledge that Adam Bolt had a particular affinity for steering people toward the BPC table during the tabling event.

UC Regent Pérez

Two members of the BPC were invited, along with a number of other King Hall students, to attend a meeting with UC Regent John Pérez. Regent Pérez discussed a variety of issues regarding the UC system, one of which was student tuition. The BPC submitted a number of questions regarding fees and tuition, and Regent Pérez encouraged law students to share their experiences with tuition and debt with legislators in Sacramento.

Update on the Loan Repayment Assistance Program (LRAP)

The BPC invited the two student representatives on the LRAP Committee to attend a BPC meeting in the Spring. We wanted any updated information on the proposed changes to LRAP since we had not heard of any movement from the LRAP Committee. LRAP student representative Kareem Aref attended the February 3, 2015 BPC meeting to provide an update. Kareem reported that the LRAP Committee had not addressed the overhauled plan presented at the LRAP Town Hall in Spring 2014. The only changes to LRAP decided on were 1) there would be a 6 month period for loan forgiveness instead of a 12 month period (although it was not decided if this would be retroactive), and 2) the time to apply after graduation would increase to 3.5 years and this time period tolls if a graduate accepts a clerkship.

The BPC then discussed the issues surrounding the future of LRAP, including: how much should King Hall invest in LRAP versus other student aid; how do we approach the situation of negative amortization; how much is LRAP actually helping students, or does LRAP exist primarily for publicity purposes; and, how is the school going to address the reality that the cost of the program is rapidly rising. The BPC did not come to any conclusions on these issues, but agreed that the LRAP program needs to be addressed as soon as possible. We offered our support to the student representatives on the LRAP committee and asked that we be kept apprised of any developments, of which there were none for the rest of the year.

Feedback and Communication with King Hall Alumnus

In Spring 2015, we were contacted by King Hall alumnus Abenicio Cisneros, '14, who had a number of questions and suggestions for the BPC. We value alumni input and were glad to engage in a dialogue with Abenicio. Some of his questions and our answers can be found on Facebook: <https://www.facebook.com/events/421683191327612/> (See Attachment F for a copy of these questions and answers). Below is a summary of BPC correspondence with Abenicio:

Over the months of February and March, the BPC and Abenicio corresponded via email, addressing a number of different issues and requests. Abenicio provided the BPC with a copy of his paper published by the National Lawyers Guild discussing the rapid increase of law school tuition. He noted that the 5 year plan budgeted for increases in faculty expenditures, and questioned the value of the "all time low" student-to-faculty ratio at King Hall. He also questioned how much time professors spent teaching versus producing research, and if that was the best use of our tuition. Abenicio stated he does not question the importance of scholarship, but how much scholarship the students should

fund through fees. He urged us to call on the administration to reduce tuition. Abenicio also formally requested the BPC to call on the administration to release a budget that cut tuition by 5% per year for the next 5 years to show students what kind of cuts this would result in.

The BPC discussed all of Abenicio's concerns and requests, and examined the information he provided. We responded to Abenicio by stating that to our knowledge, the trend is a reduction in faculty, not an increase, and that the administration will continue this trend where it can. The BPC also felt that before we can realistically demand a tuition reduction, King Hall needs to operate under budget. This is not an endorsement of a PDST increase, only a realistic assessment of the fact that King Hall is operating on a budget shortfall and rapidly decreasing reserve funds. There will be opportunities to cut some budget items, and if we can make budget cuts now, we can make realistic demands for tuition reduction in the near future. We declined to adopt Abenicio's request for a budget reflecting 5% increases for 5 years, as we decided it would not be a particularly valuable exercise for the student body.

Ultimately, we did not think the primary goal of the BPC is to be a tuition reduction advocacy group. The LSA considered such a model at the conception of the BPC, but decided that there are other groups at King Hall and outside King Hall that can provide this advocacy and that the BPC should primarily focus on transparency. We will, of course, take a position on PDST increases and work to make sure the administration considers other alternatives to reduce the deficit. We intend to continue to examine the budget and provost allocations each year, and work with the administration to identify expenditures we feel should be reduced, to the benefit of the students. We also will continue to aggressively press the administration for more financial information and more effective dissemination of that information to the prospective and current students, as well as alumni.

After our responses, Abenicio reiterated his concerns and expressed disappointment in the BPC's position. He asked us to challenge the administration's narrative regarding the budget. He suggested the BPC believes tuition increases are appropriate and that the BPC is "supportive of a status quo of perpetual fee increases." We **strongly disagree** with his assessment of our stance on tuition increases. We agree that we should challenge the administration on proposed increases, but we are not a tuition reduction advocacy group.

VII. Frequently Asked Questions

These questions have been compiled from questions the BPC posed to Dean Burns, questions received from students, and anticipated student questions. We of course welcome further questions from the King Hall community, and will attempt to provide answers as soon as reasonably possible.

1. Why is tuition so high?

There are a number of factors driving King Hall tuition. At UC Davis, the state provides less than 10% of the revenue of the School of Law. In order to maintain academic

excellence, the administration has committed to high levels of student aid and compensation for faculty that is comparable to our peer institutions.

Tuition levels at law schools has sky-rocketed in the past decade, and there are many resources online discussing the reasons and possible solutions. We encourage everyone to read about law school tuition and engage with the BPC or the administration about financial priorities at King Hall.

2. What will tuition be next year?

Unfortunately, it is currently impossible to say for sure. A number of different unresolved factors will affect the level of tuition, including: the Provost allocation, the outcome of negotiations between Janet Napolitano and Jerry Brown, and how these two factors will affect the administration's decision regarding the PDST. (See Section V). These issues will most likely not be resolved until mid-summer, at the earliest.

We also want to make sure people are aware of the increase in the student health insurance (GSHIP) next year. The GSHIP will increase significantly and will be part of your tuition unless you are able to opt out. Please see the main UC Davis health insurance page for information on opting out, and contact our GSHIP rep in the fall with questions.

3. What is the BPC's position on proposed fee increases?

The BPC is in favor of Governor Brown's proposed tuition freeze and opposed to President Napolitano's proposed increases. In November, we signed on to the LSA letter to the Regents expressing our opposition to the proposed fee increases. The "five year stability" plan seriously undermines the UC's mission, and demonstrates that the Regents' priorities do not include the financial availability of a quality education.

Regarding the PDST, we feel King Hall should find means other than increasing tuition to solve the budget shortfall: either by increasing our funding, or, if necessary, reducing our operating expenses. We have communicated our willingness to participate in this process, where possible, and hope to engage with the administration on these issues in the fall. Please see Section V of this publication for more discussion of this issue.

4. Why did the BPC not communicate earlier about the proposed increases?

The BPC did engage with the student body regarding the possibility of fee increases in late October at the "Budget and Beer" event. A fair number of students attended, including many 1Ls. There were a lot of uncertainties at that time (and there still are) regarding the UC fees and if there would even be a PDST increase, but the possibility of up to a 3% increase in PDST was communicated. (See Section V; see also Attachment B).

In the Spring, the BPC focused on examining the processes of the Financial Aid Office and trying to provide relevant financial aid information to students. We wanted to follow up on the information we received from Dean Mercado in November, and the tuition and PDST issues remained unresolved. On March 16, a member of the BPC attended a Tuition

Crisis event hosted by NLG in order to share the latest PDST information with concerned students.

The BPC is constantly evaluating how best to engage the student body and suggestions are welcome. We also hope that this publication will offer the student body insight on tuition and financial issues, as well as the opportunity to make their voices heard to the administration.

5. What is the biggest driver of the budget shortfall?

Most of the budget is spent on student aid and overall compensation for staff and faculty. Much of the compensation for staff and faculty is mandated by either contractual obligations or negotiated yearly increases due to cost of living. In addition, there has been a change in revenue due to reduced admissions. Please review the Provost Presentation on the Intranet for a more detailed breakdown on revenues and expenditures.

6. How is the current budget shortfall accommodated?

We are currently covering our shortfall by using our reserve funds (carryforward).

7. How did King Hall set the present budget expenditures?

From Dean Burns: The current level of expenditures is set by meeting with each department head in the School of Law and evaluating their budgets for the upcoming year. We ask that each department head develop a budget using a hybrid approach to “zero-based” budgeting. We provide them actuals for the prior two years, however we ask that each department justify all line item expenditures/revenues.

8. Any chance of reducing cost of operations and lowering tuition altogether, after adjusting for inflation?

From Dean Burns: Yes, there is a chance of lowering tuition if we diversify our revenue streams to a higher level beyond PDST fees. Our discussion with the Provost will focus on our over reliance of fees to support the School of Law and will advocate for more institutional funding. In response to reducing costs, the School of Law is looking to improve efficiencies all the time to better steward our resources. Last year [2013-2014] we were able to reduce our expenses by approx. \$1.5 million by finding efficiencies in our operating process.

9. Where can I find information about the King Hall budget?

Information about the budget is available on the Intranet. Click on the “Community” tab, then on “Budget Info.” This will take you to a series of documents going back to 2011. In the fall, the BPC will also have a comprehensive website which we hope will centralize a lot of budget information. Look for emails in the fall about how to access the website. You can also contact Dean Burns at bcburns@ucdavis.edu with questions.

10. How can students get involved with the BPC?

Students can contact the BPC via email, our Facebook page, or contacting members directly. Students can also come to meetings and attend BPC hosted or co-sponsored events. Reach out to your class representatives if you have questions or issues that you feel we should address. Students can also run for 2L or 3L positions in the Spring and become a member of the BPC.

Dean Burns is also always happy to speak with students, and he can bring your concerns to the BPC. Schedule an appointment with him (email: Debbie Hicks at debhicks@ucdavis.edu) or email him directly (bcburns@ucdavis.edu).

BPC questions in response to Dean Burns's Budget Presentation on October 9, with Dean Burns's answers:

Question 1:

On page 6 of the presentation, the cost realignment for 2013-2014 included an "Increase in LLM Program" of \$480,000, achieved by increasing our LLM class by 20 students. That translates to \$24,000 per additional student. How did you arrive at this figure? Tuition for LLM students is listed as \$49,450 (see: <https://law.ucdavis.edu/llm/masters-program-information.html>). Also, I do not see a "fee-per-student" breakdown for LLM or international students as shown on page 5.

Answer:

The LLM Program is administered by the University of California, Davis Extension Program (UNEX), not by the Law School. The agreement with University Extension is that they (UNEX) pay all expenses related to the LLM program and provide the School of Law 50% of gross revenues (roughly half of LLM tuition) from the program (any additional margin after expenses are paid). As a side note, we are revisiting this agreement during the 2014/2015 fiscal year.

For the "fee-per-student" breakdown for LLM or international students, UNEX provides us a budget template each year, we can ask them to provide a similar breakdown.

Question 2:

Resident & Nonresident PDST - I can see on page 10 that CA residents pay roughly \$3,000 more for PDST. Why is that? I suspect we need to see a breakdown of CA PDST, Nonresident PDST, and the Nonresident Supplemental Tuition to find the discrepancy.

Answer:

Attached is the student fee schedule for Law Students 2014/2015. In total there is a differential of a little over \$9,000 dollars between CA residents and non-residents. We create this number based upon market factors, state support, law school expenses, other law school revenue, to name a few.

<http://budget.ucdavis.edu/studentfees/current/documents/2014-2015/2014-15%20Law.pdf>

Question 3:

Regarding the 5% or 3% fee increase, how much clout do we carry in that process?

Answer:

As mentioned numerous times throughout the budget process and engagement with students over the last couple years your input is extremely important to the School of Law. The School has great clout over the PDST Fees, however, the 3% is a recommendation that we provide to central campus and the Regents. We (the School) have much more influence on the PDST. The UC Tuition (5%) is set by the Regents with little input from the School of Law.

Question 4:

It would be helpful to see the breakdown of student aid (Gift Based Aid, Merit Based Aid, LRAP, etc.). I think it could be valuable to see those figures going back to at least 2012. Student aid is a significant portion of our fees and it seems curiously opaque.

Answer:

Assistant Dean Mercado will be attending a meeting in early Nov. to discuss the student aid program in great detail.

Question 5:

What were the kinds of travel that were cut and what room is there for other cuts? Same question for library reorganization and reduction in OE&E.

Answer:

Travel was cut across the school: faculty, students, and staff. There is always room for additional cuts, however, we must balance this against keeping a high quality educational experience. Same goes for the library and OE&E, we can always cut more in certain areas, however, this must be balanced against the integrity of the program in place. Note: In the Library we have some fixed costs that make it a bit more of a challenge to reduce expenditures.

Question 6:

How did the carry-forward amount originate? Were there previous years the school took in more tuition than it paid expenses?

Answer:

The carry-forward received a substantial boost last year because we re-financed the debt on the facility. We re-financed the building in July 2013 and received \$3.4 million that was placed in our carry-forward.

In reviewing past financial statements, there were not previous years where the school took in significantly more tuition than expenses paid.

Question 7:

Can Davis ask for state funding to rival the amounts that other UC schools are receiving?

Answer:

Absolutely, the Dean and myself will continue to work with central campus administration to advocate for the more institutional funding for the School of Law. Last year I believe we had modest success in our advocacy by increasing our Provost allocation by almost \$1.4 million.

ADDITIONAL RESOURCES

Information on the Intranet (Community → Budget Info; Community → Financial Aid):

- 2014-2015 School of Law Budget, as of 10/08/2014
- Draft of the Carryforward/Reserve Balances at the School of Law, as of 10/17/2014
- 2013-2016 Multi-Year Fee Plan — Planning Assumptions
- Budget Presentation from Spring 2014
- Budget Presentation from Fall 2014 (included here as Attachment A)
- Sources & Use of Funds Report: Quarters 1 & 2 (reporting 2013-2014 actual and 2014-2015 estimates) (included here as Attachment G); Quarter 3 should be uploaded in May 2015
- 2013-2014 Budget Policy Committee Publication
- Financial Aid Continuing Student Checklist
- Graduating Student Checklist
- 2015 Exit Loan Counseling Presentation

Information from the Legislative Analyst's Office on The Budget for Higher Education:

- <http://www.lao.ca.gov/reports/2015/budget/higher-education/hed-budget-analysis-022715.pdf>

UC Davis Budget and Institutional Analysis — PDST Information:

- <http://budget.ucdavis.edu/studentfees/professional-degree/index.html>

University of California Office of the President — Budget Analysis and Planning:

- <http://ucop.edu/operating-budget/index.html>

Governor's Budget Proposal — Higher Education

- <http://www.ebudget.ca.gov/2015-16/StateAgencyBudgets/6013/agency.html>
- Proposed Budget Summary information for Higher Education:
<http://www.ebudget.ca.gov/2015-16/pdf/BudgetSummary/HigherEducation.pdf>

U.S. News & World Report Infographic: Which schools award the highest grants to students and cost the most to attend (stating UC Davis and University of Virginia had the largest median grants among public schools for 2013-2014):

- <http://www.usnews.com/education/best-graduate-schools/top-law-schools/articles/2015/03/11/infographic-2016-best-law-schools>

News articles

- "Regents pass tuition increase amid student protest," *The Daily Californian*, November 20, 2014. Available at: <http://www.dailycal.org/2014/11/20/regents-pass-tuition-increase-amid-student-protest/>

- “Governor Jerry Brown has plenty of weapons to fight UC’s Janet Napolitano,” *The L.A. Times*, November 23, 2014. Available at: <http://www.latimes.com/local/politics/la-me-cap-brown-napolitano-20141124-column.html>
- “The University of California will need to find \$100 million more than Brown allotted in budget plan to avoid implementing tuition increase,” *The Daily Nexus*, January 15, 2015. Available at: <http://dailynexus.com/2015-01-15/brown-releases-2015-2016-state-budget-plans/>
- “Jerry Brown’s budget battle starts with \$120 million threat to UC,” *SF Gate*, January 9, 2015. Available at: <http://www.sfgate.com/news/article/Gov-Jerry-Brown-fires-back-at-UC-tells-it-to-6004634.php>
- Op-Ed from Janet Napolitano in the Sacramento Bee: “A better plan to set tuition at UC,” *The Sacramento Bee*, November 6, 2014. Available at: <http://www.sacbee.com/opinion/op-ed/soapbox/article3585204.html>

LIST OF ATTACHMENTS

- A. Budget Advisory Committee Presentation, October 9, 2014**
- B. “Beer and Budget” Event Handouts and Poster**
- C. Table: Debt Comparison to Law Schools in the State of California**
- D. Financial Aid Information Session Poster**
- E. Letter in Response to UC Tuition Increase, from the LSA and BPC**
- F. Questions Posted on Facebook and BPC Answers**
- G. Sources & Use of Funds Report: Quarters 1 & 2 (reporting 2013-2014 actual and 2014-2015 estimates)**



**BUDGET
ADVISORY
COMMITTEE
PRESENTATION**

Thursday, October 9, 2014
King Hall, Law Students Association Workroom (rm. 0113)
12:15 PM. - 1:00 PM.

ABOUT THE SCHOOL

AT A GLANCE

FACTS

| | |
|------------------------|----------|
| Established: | 1965 |
| Accreditation: | ABA/AALS |
| Student:Faculty Ratio: | 11:1 |

FULL TIME FACULTY

| | |
|--|----|
| Total Ladder Rank Faculty: | 37 |
| 35 Tenured, 2 Untenured | |
| Lecturers: | 10 |
| <i>Clinical & Legal Research and Writing</i> | |
| Senior Lecturers: | 1 |
| with Security of Employment | |

CLASS ENTERING IN FALL 2014

| | |
|--|-----|
| J.D. students (<i>3 year program</i>): | 164 |
| L.L.M. students (<i>1 year program</i>): | 53 |

J.D. ENTERING CLASS SIZE BY YEAR

2012: 191 2013: 142 2014: 164

APPLICATIONS BY YEAR

2012: 3,537 2013: 2,443 2014: 3,007

STUDENT BODY

| | |
|---------------------|---------------------------------------|
| Overall Enrollment: | 513 J.D. Students 55 LL.M Students |
| Women: | 53% |
| Students of Color: | 34% |

ACADEMIC CENTERS

Aoki Center for Critical Race and Nation Studies
California Environmental Law & Policy Center
California International Law Center
Center for Science & Innovation Studies
(*with Letters & Sciences, Social Sciences*)

CLINICAL LEGAL EDUCATION PROGRAMS

California Supreme Court Clinic
Civil Rights Clinic
Immigration Law Clinic
Prison Law Clinic
Social Justice Clinic

CERTIFICATE PROGRAMS

Environmental Law
Intellectual Property
Public Interest

OUR MISSION

The mission of the School of Law of the University of California, Davis, is to be a nationally and internationally recognized leader in the development and dissemination of legal knowledge, as well as the education of students to become socially responsible lawyers committed to professional excellence and high ethical standards, and to provide significant public service through law reform and professional activities. Through its faculty, students, and graduates, the School of Law seeks to make substantial contributions toward solving the complex legal problems confronting our society.

2012-2013 BUDGET CONTEXT AND SOURCES

The School received nearly 90 percent (\$24 million) of its funding from student fees. The School's revenues are vulnerable to enrollment decreases.

Tuition is about \$5.8 million of the \$7.6 million General Funds and Tuition component of the funding sources.*

PDST comprised nearly three-fourths of the School's budget. The School has limited control over the PDST level, which is proposed by the School to the

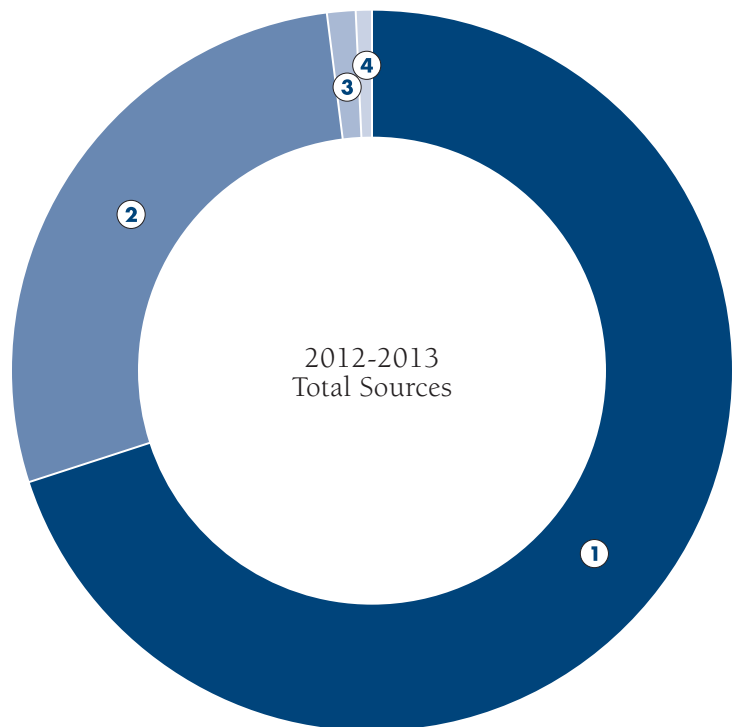
Chancellor, but approved by the Regents.

The School's sources & uses amounts include PDST financial aid because the School manages those funds directly. During 2012-13 the School directed 37 percent (\$6.9 million) of PDST revenue into financial aid.

Current year allocations were for instructional costs, faculty salaries, scholarships, and contracts.

2012-2013 SOURCES OF FUNDS

| | | | |
|--|---------------|--------|---|
| Professional Degree Supplemental Tuition | \$ 18,592,000 | 70.0% | ① |
| General Funds & Tuition | \$ 7,588,000 | 28.0% | ② |
| Other Student Fees | \$ 233,000 | 1.0% | ③ |
| Other | \$ 153,000 | < 1.0% | ④ |

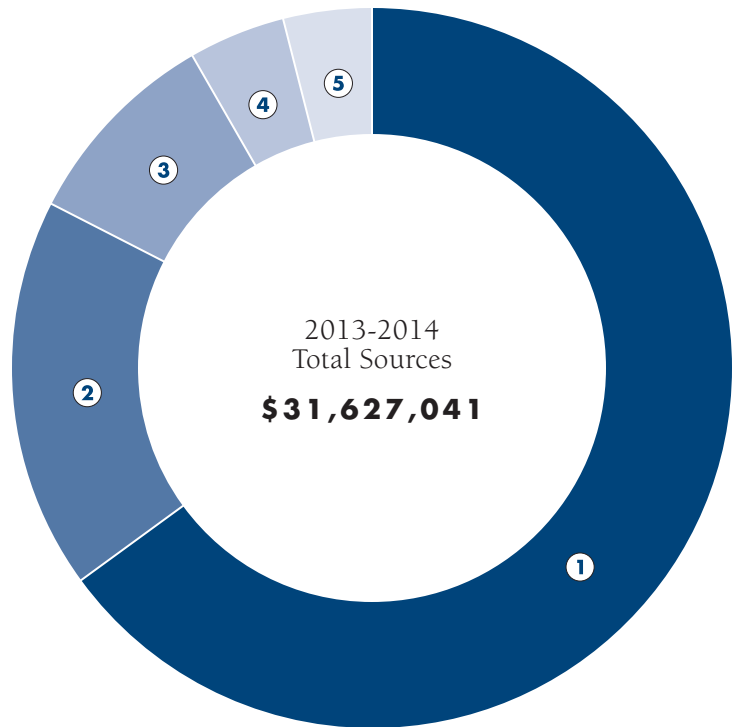


* See Appendix A, "Budget Context" for full details

2013-2014 PROJECTED SOURCES AND USES FOR CORE FUNDS

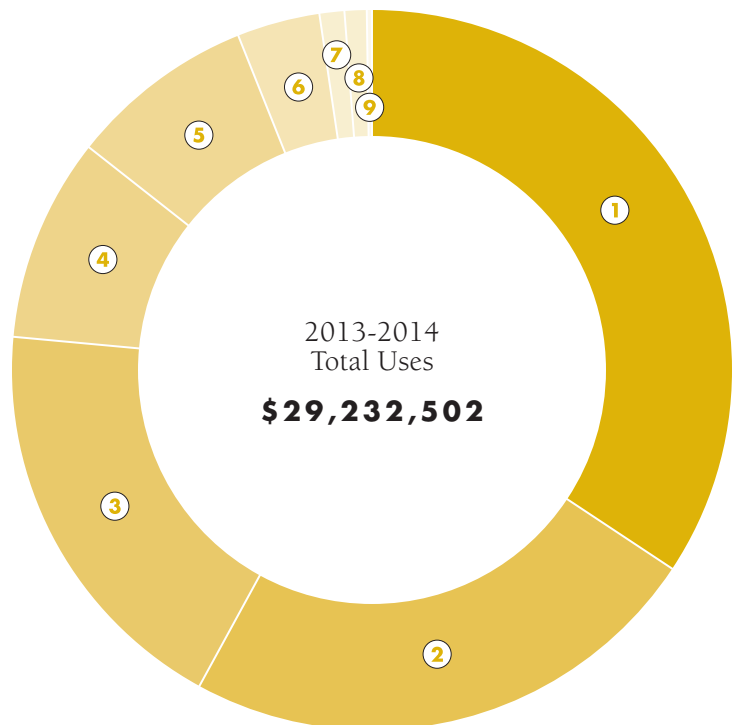
2013-2014 PROJECTED SOURCES OF FUNDS

| | | | |
|--|---------------|--------|---|
| Professional Degree Supplemental Tuition | \$ 17,022,000 | 64.97% | ① |
| Base Tuition | \$ 4,600,000 | 17.56% | ② |
| Provost Allocation | \$ 2,400,000 | 9.16% | ③ |
| LLM Fees | \$ 1,115,000 | 4.34% | ④ |
| Other | \$ 1,026,000 | 3.92% | ⑤ |
| Carry Forward from FY 12-13 | \$ 3,571,000 | | |



2013-2014 PROJECTED USES OF FUNDS

| | | | |
|-------------------------------------|--------------|--------|---|
| Faculty Salaries & Benefits | \$ 9,387,000 | 34.3% | ① |
| Student Aid | \$ 6,473,000 | 23.65% | ② |
| Staff Salaries & Benefits | \$ 5,067,000 | 18.51% | ③ |
| Other Instructional Salaries | \$ 2,502,000 | 9.14% | ④ |
| Library Operations | \$ 2,282,000 | 8.33% | ⑤ |
| OE & E | \$ 1,020,000 | 3.72% | ⑥ |
| Other | \$ 305,000 | 1.1% | ⑦ |
| Debt Service on Building Renovation | \$ 272,000 | 1.0% | ⑧ |
| Capital Expenses | \$ 60,000 | 0.2% | ⑨ |



$$\mathbf{\$31,627,041 - \$29,232,502 = \$2,394,539}$$

Total Sources - Total Uses = Carry Forward

Totals include \$1,858,000 of funds Returned to Aid

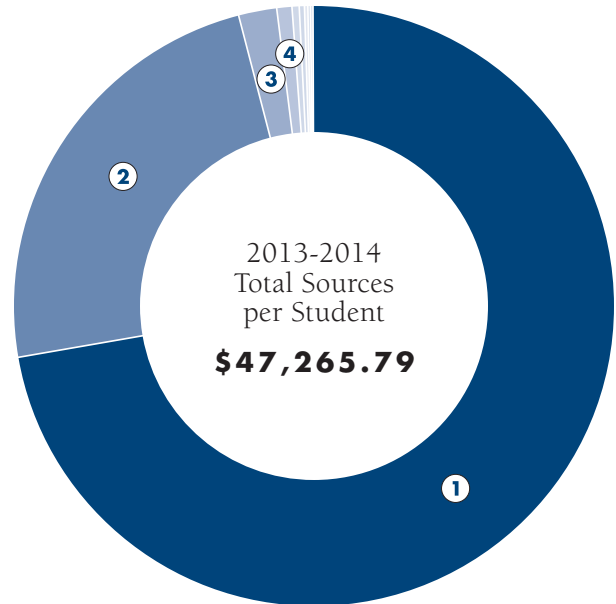
See Appendix B, "Budget for 2013-14 & 5-year Financial Plan" for full details

SOURCES AND USES PER STUDENT, 2013-2014 NOT YET CALCULATED FOR 2014-2015

FEES PER STUDENT, 2013-14

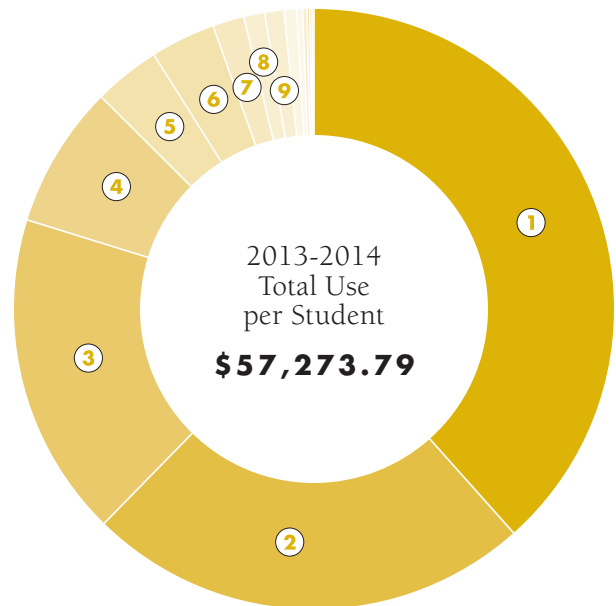
| | | | |
|--|---------------------|-------|---|
| Professional Degree Supplemental Tuition | \$ 34,182.00 | 72.3% | ① |
| Tuition- 19900 | \$ 11,200.00 | 23.7% | ② |
| Student Services Fee | \$ 972.00 | 2.1% | ③ |
| Legal Education Enhancement and Access Program Fee | \$ 384.82 | 0.8% | ④ |
| Campus Expansion Initiative | \$ 183.47 | 0.3% | |
| Student Services Health Fee | \$ 132.00 | 0.2% | |
| Memorial Union Fee | \$ 85.50 | 0.1% | |
| Student Facilities Safety Fee | \$ 66.00 | 0.1% | |
| LSA Fee | \$ 60.00 | 0.1% | |
| Total Fees - California Residents | \$ 47,265.79 | | |

| | | | |
|---|--------------------|--|--|
| State Support - 19900 | \$ 3,500.00 | | |
| Other Sources (Grants, Programs, Institute, etc.) | \$ 1,800.00 | | |
| Additional Development | \$ 800.00 | | |
| Additional Sources | \$ 6,100.00 | | |



USE PER STUDENT, 2013-14

| | | | |
|--|---------------------|-------|---|
| Instructional Expenditures (Faculty, Lecture, etc.) | \$ 22,000.00 | 38.4% | ① |
| Student Aid Program (Financial Aid) | \$ 13,700.00 | 23.9% | ② |
| Staff and Administrative Expenditures | \$ 10,000.00 | 17.4% | ③ |
| Library Operation | \$ 4,400.00 | 7.7% | ④ |
| OE & E (Supplies, Travel, Events, Competitions, Symposium, etc.) | \$ 2,050.00 | 3.6% | ⑤ |
| Clinical Expenditures | \$ 2,000.00 | 3.5% | ⑥ |
| Student Services Fee - Campus Fee (former Reg Fee) | \$ 972.00 | 1.7% | ⑦ |
| University of California OP Assessment 1.6% | \$ 640.00 | 1.1% | ⑧ |
| Capital Investment / Capital Expenditures | \$ 600.00 | 1.0% | ⑨ |
| Legal Education Enhancement and Access Program Fee | \$ 384.82 | 0.7% | |
| Campus Expansion Initiative - Campus Fee | \$ 183.47 | 0.3% | |
| Student Services Health Fee - Campus Fee | \$ 132.00 | 0.2% | |
| Memorial Union Fee - Campus Fee | \$ 85.50 | 0.1% | |
| Student Facilities Safety Fee - Campus Fee | \$ 66.00 | 0.1% | |
| LSA Fee - Student Programming | \$ 60.00 | 0.1% | |
| Total Use Per Student | \$ 57,273.79 | | |



| | |
|------------------------------------|----------------------|
| Total Sources from Tuition & Fees | \$ 47,265.79 |
| Total Sources from Other Sources | \$ 6,100.00 |
| Total Sources Per Students | \$ 53,365.79 |
| Total Use Per Student | \$ 57,273.79 |
| Total Sources Per Student | \$ 53,365.79 |
| Total Shortfall Per Student | \$ (3,908.00) |

See Appendix C, "School of Law - Student Fees" for full details

COST REALIGNMENT TARGET - \$1.8 MILLION

ORGANIZATIONAL EFFICIENCIES - \$ 558,000

The School of Law reorganized staffing levels to accommodate for not filling five vacant positions. In addition, we renegotiated our rate for custodial services.

INCREASE IN LLM PROGRAM + 480,000

With JD enrollment for the 1L class lower than normal levels, we increased our LLM class by 20 students. We will continue to enroll a larger LLM class for FY 2014/2015. We will be admitting 60 students next year.

REDUCTION IN TRAVEL/ENTERTAINMENT - \$ 230,000

In FY 2013/2014 we reduced the student, staff, and faculty travel down to manageable levels.

REDUCTION IN STUDENT OUTREACH PROGRAM - \$ 200,000

The program was funded with a combination of SAPEP funds and PDST. The outcome of the program did not directly support outreach to the UC Davis School of Law. We are currently evaluating the Outreach Program to better produce results that support legal education at UC Davis.

LIBRARY REORGANIZATION - \$ 200,000

Reorganized the Library to reflect evolving landscape of providing research tools for faculty and staff.

REDUCTION IN OE&E - \$ 120,000

Blanket reduction in OE&E for the School.

TOTAL REALIGNMENT \$ 1,788,000

Many of the items listed above were realized over FY 2013/2014. We will continue to evaluate the cost realignment strategies on an annual basis.

OTHER COST REALIGNMENT VARIABLES

- Retiring faculty, 5-2 new faculty in recruitment
- Continue to “grow the pie”: Campus support, development, new programs, collaborations

CARRYFORWARD AND RESERVE BALANCES

| | 2011-12 | 2012-13 | 2013-14 | 2013-14 | 2013-14 |
|--|---------------------------------|---------------------------------|---------------------------------|----------------------------|------------------------|
| | Carryforward as of July 1, 2011 | Carryforward as of July 1, 2012 | Carryforward as of July 1, 2013 | Committed Obligations COBL | Known Obligations KOBL |
| STATE FUNDS/TUITION/FEES | | | | | |
| General Funds and Tuition | \$ (393,000) | \$ 2,841,000) | \$ 321,000 | | |
| Summer Session Fees | | | | | |
| Professional Degree Fees | \$ 2,070,000 | \$ 5,380,000 | \$ (155,000) | | |
| Student Services Fee | \$ 75,000 | \$ 97,000 | \$ 41,000 | | |
| Course Material Fees | | | | | |
| Campus-Based and Other Student Fees ¹ | \$ 1,213,000 | \$ 421,000 | \$ 301,000 | | |
| Sub-Total, State Funds/Tuition/Fees | \$ 2,965,000 | \$ 3,057,000 | \$ 509,000 | | |
| INDIRECT COST RECOVERY | | | | | |
| | \$ 8,000 | \$ 149,000 | \$ 12,000 | | |
| Sub-Total, Indirect Cost Recovery | \$ 8,000 | \$ 149,000 | \$ 12,000 | | |
| OTHER UNRESTRICTED FUNDS | | | | | |
| Private Unrestricted Gifts | \$ 168,000 | \$ 323,000 | \$ 379,000 | | |
| Other Funds ² | \$ 111,000 | \$ 125,000 | \$ 105,000 | | |
| Unrestricted Endowment/FFE Earnings | \$ 1,000 | \$ 1,000 | \$ 1,000 | | |
| UNEX Reserves | \$ 991,000 | \$ 1,015,000 | \$ 682,000 | | |
| Self-Supporting Degree Fees | | | | | |
| Application Fees | | | | | |
| Sub-Total, Other Unrestricted Funds | \$ 1,270,000 | \$ 1,464,000 | \$ 1,167,000 | | |
| Sub-Total, ICR/Other Unrestricted | \$ 1,278,000 | \$ 1,613,000 | \$ 1,180,000 | | |
| RESTRICTED AND DESIGNATED FUNDS (ALL REMAINING FUNDS)³ | \$ 1,393,000 | \$ 1,652,000 | \$ 1,714,000 | | |
| All Funds Total | \$ 5,637,000 | \$ 6,322,000 | \$ 3,403,000 | | |

| | | | | |
|--|---------------|---------------|---------------|---------------|
| SELECT FUND TYPE: STATE FUNDS/TUITION/FEES | | | | |
| Prior Year Expenditures | \$ 18,039,000 | \$ 19,055,000 | \$ 20,793,000 | \$ 20,793,000 |
| CF as a % of Expenditures | 16% | 16% | 2% | 2% |
| SELECT FUND TYPES ICR/OTHER UNRESTRICTED | | | | |
| Prior Year Expenditures | \$ 64,000 | \$ 27,000 | \$ 342,000 | \$ 342,000 |
| CF as a % of Expenditures | 1994% | 6023% | 345% | 345% |
| RESTRICTED AND DESIGNATED FUNDS (ALL REMAINING FUNDS)³ | | | | |
| Prior Year Expenditures | \$ 361,000 | \$ 420,000 | \$ 416,000 | |
| CF as a % of Expenditures | 386% | 394% | 412% | |
| ALL FUND TYPES | | | | |
| Prior Year Expenditures | \$ 18,464,000 | \$ 19,502,000 | \$ 21,551,000 | |
| CF as a % of Expenditures | 31% | 32% | 16% | |
| ALL FUND TYPES | | | | |
| Carryforward held by Dean's Office | 24% | 50% | 26% | |
| Carryforward held by Departments/Other | 76% | 50% | 74% | |

¹ Campus-Based and Other Student Fees category is almost 90% student referendum funds on a campus-wide basis.

² Other Funds category is 90% STIP and patent revenue on a campus-wide basis.

³ Excludes Contracts and Grants

Comments:

School of Law General Funds and Tuition and Professional Degree Fees carryforwards vary due to some historical accounting issues that were adjusted in 2012 to align with the practices of the campus. The 2013-14 carryforward is more reflective of the actual fiscal condition of the School of Law than the other presented fiscal years.

On July 1, 2013, all unrestricted fund types carryforward combined was about eight percent of unrestricted funds expenditures, or below the 10 percent minimum for a healthy operational reserve.

From 2011-12 to 2012-13 the School of Law expenditures in State Funds/Tuition/Fees increased by about \$1.7 million. Faculty salaries and employee benefits comprised about \$950,000 of this increase. These increases were partly offset by a \$100,000 decrease in staff salaries. During the same time period Supplies and Expenditures increased by about \$780,000. This increase was primarily due to the UCOP tax (\$280,000) and office furniture (\$575,000).

FIVE YEAR BUDGET PROJECTION AS OF APRIL 2, 2014

| SOURCES OF FUNDS | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| State Appropriations (<i>Institutional Support</i>) - 19900 | \$ 2,400,000 | \$ 2,472,000 | \$ 2,546,160 | \$ 2,622,545 | \$ 2,701,221 |
| Tuition - former Educational Fee (incl. NRT) - 19900 | \$ 4,600,000 | \$ 4,738,000 | \$ 4,880,140 | \$ 5,026,544 | \$ 5,177,341 |
| Tuition - RTA | \$ 1,640,000 | \$ 1,688,722 | \$ 1,724,514 | \$ 1,757,052 | \$ 1,854,666 |
| Professional Degree Tuition (PDST) | \$ 17,364,000 | \$ 17,740,458 | \$ 18,659,954 | \$ 19,565,777 | \$ 21,237,277 |
| LLM - Self Supporting Degree w/ UNEX | \$ 1,200,000 | \$ 1,117,796 | \$ 1,151,330 | \$ 1,284,693 | \$ 1,400,000 |
| Other Income | \$ 1,000,000 | \$ 1,030,000 | \$ 1,060,900 | \$ 1,092,727 | \$ 1,125,509 |
| TOTAL SOURCES | \$ 28,204,000 | \$ 28,786,977 | \$ 30,022,998 | \$ 31,349,338 | \$ 33,496,013 |

| USE OF FUNDS | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Salaries and Benefits | | | | | |
| Faculty - Instructional Salaries | \$ 6,879,366 | \$ 7,085,747 | \$ 7,298,319 | \$ 7,517,269 | \$ 7,742,787 |
| Staff Salaries - Career | \$ 3,117,635 | \$ 3,211,164 | \$ 3,307,499 | \$ 3,406,724 | \$ 3,508,926 |
| Clinic Faculty Salaries | \$ 678,069 | \$ 698,411 | \$ 719,363 | \$ 740,944 | \$ 763,172 |
| Instructional Salaries - other, include summer | \$ 1,648,000 | \$ 1,697,440 | \$ 1,748,363 | \$ 1,800,814 | \$ 1,854,839 |
| Other salaries (RAs, students, etc.) | \$ 251,327 | \$ 258,867 | \$ 266,633 | \$ 274,632 | \$ 282,871 |
| Benefits | | | | | |
| Career Faculty | \$ 2,789,247 | \$ 2,872,924 | \$ 2,959,112 | \$ 3,047,885 | \$ 3,139,322 |
| Career Staff | \$ 2,102,365 | \$ 2,165,436 | \$ 2,230,399 | \$ 2,297,311 | \$ 2,366,230 |
| Program Expenses | | | | | |
| OE&E | \$ 544,345 | \$ 560,675 | \$ 577,495 | \$ 594,820 | \$ 612,665 |
| Travel/Entertainment | \$ 511,129 | \$ 526,463 | \$ 542,257 | \$ 558,525 | \$ 575,280 |
| Library Operation | \$ 2,213,540 | \$ 2,147,134 | \$ 2,082,720 | \$ 2,020,238 | \$ 1,959,631 |
| Financial Aid/Law School Grant | \$ 5,209,200 | \$ 5,322,137 | \$ 5,597,986 | \$ 5,869,733 | \$ 6,371,183 |
| RTA - USAP | \$ 1,640,000 | \$ 1,688,722 | \$ 1,724,514 | \$ 1,757,052 | \$ 1,854,666 |
| Scholarships/Grants/LRAP | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 |
| Capital Expenses | \$ 100,000 | \$ 103,000 | \$ 106,090 | \$ 109,273 | \$ 112,551 |
| Debt Service on Facility Renovation | \$ 272,000 | \$ 272,000 | \$ 553,000 | \$ 553,000 | \$ 553,000 |
| OP Assessment | \$ 314,150 | \$ 323,575 | \$ 333,282 | \$ 343,280 | \$ 353,579 |
| TOTAL EXPENDITURES | \$ 29,770,372 | \$ 30,433,694 | \$ 31,547,032 | \$ 32,391,500 | \$ 33,550,701 |

| | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Annual Change in Reserves: Add/(Use) | \$ (1,566,372) | \$ (1,646,718) | \$ (1,524,034) | \$ (1,042,162) | \$ (54,668) |
| Ending Reserves/Fund Balance | \$ 2,394,539 | \$ 828,167 | \$ (818,551) | \$ (2,342,585) | \$ (3,384,747) |
| (as a % of operating budget) | 8% | 3% | -3% | -7% | -10% |

Assumptions

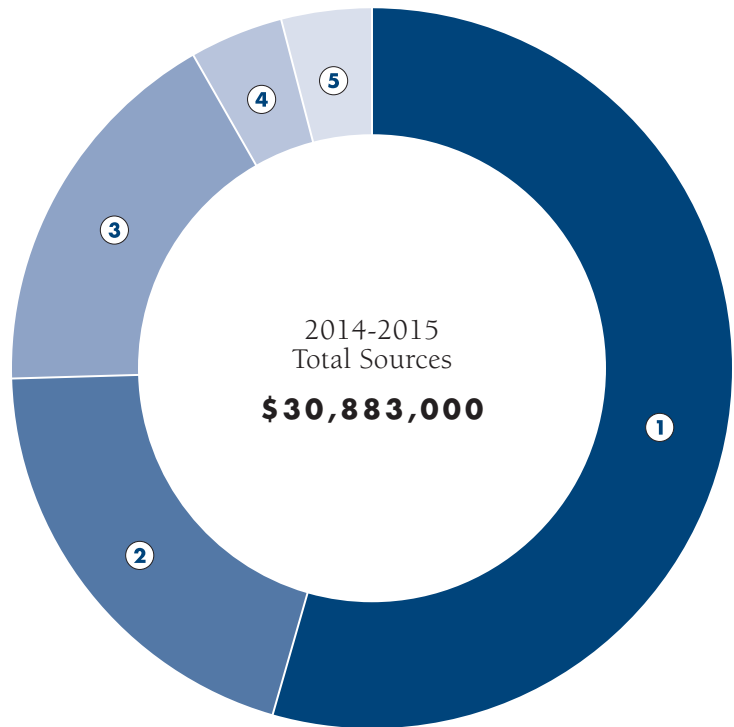
- | | | |
|--|--|---|
| <ul style="list-style-type: none"> 1) State appropriations increase based on three new faculty 2012-13 - pay for increases in salary. 2) Tuition decreases based on enrollment decline in 2012-2013. 3) Increase in PDST by 3% annually beginning in 2016-2017. 4) Increase in LLM enrollment. | <ul style="list-style-type: none"> 5) Other income includes development, deposits, grants, etc. 6) Faculty Salaries could decrease in 14-15 and 15-16 based on retirements and not filling vacancies. 7) Benefits increase across the board 3% annually. 8) Salaries increase across the board 3% annually. 9) Increase in OE&E by 3% annually. 10) Increase Travel and Entertainment 3% annually. | <ul style="list-style-type: none"> 11) Decrease in Library Funding by 3% annually, in addition to 10% reduction in 2013/2014. 12) OP Assessment Calculated on 1.6% of total expenditures. 13) Mandated Financial Aid from PDST. 14) Mandated Financial Aid from Tuition. 15) Cal Vet Waivers not reflected = minus \$300,000 plus in PDST revenue. 16) LLM Margin is not calculated. 17) Total Aid: \$8,331,481.00, \$6,500,000 need based |
|--|--|---|

See Appendix B, "2013-14 Budget & 5-Year Financial Plan" for full details

2014-2015 PROJECTED SOURCES AND USES FOR CORE FUNDS AS OF AUGUST 15, 2014

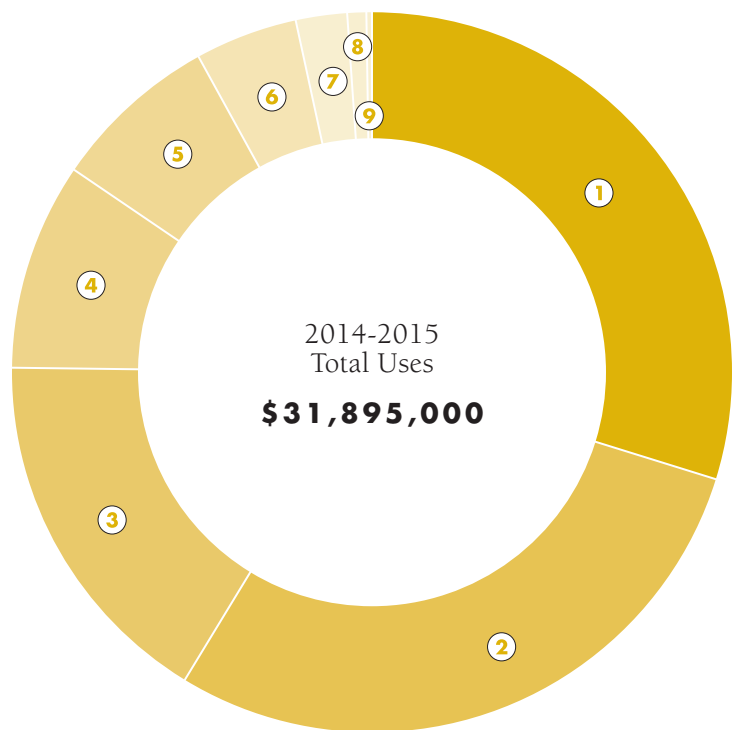
2014-2015 PROJECTED SOURCES OF FUNDS

| | | | |
|--|---------------|-------|---|
| Professional Degree Supplemental Tuition | \$ 16,885,000 | 54.7% | ① |
| UC Tuition (includes USAP) | \$ 6,200,000 | 20.1% | ② |
| Provost Allocation <small>Includes new Provost Allocation as of August 15, 2014</small> | \$ 5,298,000 | 17.2% | ③ |
| Other | \$ 1,300,000 | 4.2% | ④ |
| LLM Fees | \$ 1,200,000 | 3.9% | ⑤ |



2014-2015 PROJECTED USES OF FUNDS

| | | | |
|-------------------------------------|--------------|-------|---|
| Student Aid (including LRAP) | \$ 9,497,000 | 29.8% | ① |
| Faculty Salaries & Benefits | \$ 9,204,000 | 28.9% | ② |
| Staff Salaries & Benefits | \$ 5,263,000 | 16.5% | ③ |
| Other Instructional Salaries | \$ 2,977,000 | 9.3% | ④ |
| Library Operations | \$ 2,400,000 | 7.5% | ⑤ |
| OE & E | \$ 1,460,000 | 4.6% | ⑥ |
| Fees/Assessments | \$ 722,000 | 2.3% | ⑦ |
| Debt Service on Building Renovation | \$ 272,000 | 0.85% | ⑧ |
| Capital Expenses | \$ 100,000 | 0.31% | ⑨ |



\$30,883,000 - \$31,895,000 = \$(1,012,000)
Total Sources - Total Uses = Carry Forward

Totals include \$1,640,000 of funds Returned to Aid

See Appendix B, "Budget for 2013-14 & 5-year Financial Plan" for full details

PROPOSED FEES FOR 2015-2016

| | ACTUAL 2014-2015 | PROPOSED 2013-2014 | PROPOSED 2015-2016 | INCREASE / DECREASE |
|---|---------------------|-----------------------|-----------------------|------------------------|
| Professional Degree Supplemental Tuition (CA Resident) | \$ 34,182 | \$ 34,182 | \$ 35,241 | + 3% |
| Professional Degree Supplemental Tuition (Nonresident) | \$ 31,188 | \$ 31,188 | \$ 32,154 | + 3% |
| Mandatory Systemwide Fees (CA Resident) * | \$ 12,192 | | \$ 12,804 | + 5% |
| Health Insurance | \$ 3,432 | | \$ 3,432 | 0% |
| Campus-based Fees | \$ 912 | | \$ 912 | 0% |
| Nonresident Supplemental Tuition | \$ 12,245 | | \$ 12,245 | 0% |
| Other (explained below) | | | | |
| Total Fees (CA Resident) | \$ 50,718 | | \$ 52,389 | + 3% |
| Total Fees (Nonresident) | \$ 59,969 | | \$ 61,547 | + 3% |

The School of Law is requesting a PDST Increase for 2015-2016 of 3% (\$966.00 annually).

The School of Law, as mandated by the UC Regents would use 33% (\$318.00 annually) of this increase to assist with student aid at the School. The additional 66% (\$648.00 annually) would be used to offset the structural deficient in the operating budget at the School.

The 3% increase would provide \$324,000 to the School of Law operating budget, based on 500 FTE.

The increase would not fill the entire structural deficient of the School, which is currently resides around \$1 million. However, the School will be taking steps over the next two years to create a financial sustainability through other cost realignment strategies. These strategies will include but not limited to, not filling vacant staff positions, not filling vacant faculty positions, reducing OE&E expenses including travel/entertainment, and increasing revenue streams.

* If the Regents approve the Mandatory System wide Fee increase, the School of Law will ask that we reduce the PDST increase to 1% (\$341.00 annually). 33% (\$112.00 annually to student aid and \$225.00 to the School of Law operating budget).

NOTE: The proposed fee setting for the UC Davis School of Law is based upon the Higher Education Price Index (HEPI) ranging from 0.9% to 5.1% for fiscal years 2006 -2012. The applied percentage will be rolling average of the prior five years. For fiscal year 2015-16 the recommended increase is 3%.

- The PDST fees are used to offset the compensation (salaries/benefits) increases to faculty and staff, increase in student aid, and debt service on facility. Student aid consists of 35% of the total School of Law annual operating budget, including the Loan Repayment Assistance Program (LRAP) that supports students pursuing lower-paying public interest positions.
- Our colleagues in the University of California Law School system have fees that closely align with the proposed 2015-16 fees at UC Davis. The fees listed to attend the UC Davis School of Law are near the top of the public law school spectrum, however, a more telling number is the average indebtedness associated with attending UC Davis. This number is near the bottom of the spectrum in relation to California Law Schools.
- Outcomes for graduates: Bar Passage, Average Earnings, Career Placement, Indebtedness
- The consultation process for the School of Law will consist of the following process:
 - 1) Biweekly Updates with the Student Elected Budget Advisory Committee at the School of Law regarding the School of Law Budget and associated fees.
 - 2) Annual Operating Budget for 2014-2015 is posted online for faculty, students, and staff to access.
 - 3) Five-year Budget Planning Document posted online for faculty, students and staff to access.
 - 4) Discussion with entire Faculty at the September Faculty meeting.
 - 5) Discussion with Staff at the All-Staff September meeting.

PROCESS FOR BUDGET DEVELOPMENT AND ENGAGEMENT

SCHOOL OF LAW BUDGET PROCESS

- Budget Meeting with Department Heads in early spring (April-May) 2013
- Provided 3-Years of financials to Department Managers FY2011 – FY2013 - Review
- Hybrid of Zero Based Budgeting process for each department – Justification of all expenses and revenue
- Cost Realignment for the School of Law FY2013 - \$1.7 million
- Operational efficiencies
- Diversification of revenue streams – LLM Program
- Balanced Approach with use of Carry Forward Funds – Not-sustainable in five year forecast
- Structural Shortfall for the School of Law
 - Compensation and Benefits Increase
 - Decrease in Student Enrollment
 - Tuition Policy - PDST Fees Flat – Over-reliance
 - Institutional Support

SCHOOL OF LAW CONSULTATION PROCESS FOR BUDGET

- Dean's Meetings
- Senior Staff Meetings
- Engagement with Budget Institutional Analysis (Monthly Discussions)
- Department Heads and unit staff – management of departmental budgets
- Faculty
- Student – Budget Policy Committee (Advisory)
 - Bi-weekly meetings to discuss the financial health and decisions of the School

JOB PLACEMENT (NINE MONTHS AFTER GRADUATION)

- Class of 2011 employment rate: **60.5%**
- Class of 2012 employment rate: **67.8%**
- Class of 2013 employment rate: **73.45%**
(Goal was 75%)
- Goal for 2014: **80%**
- Among California law schools, UC Davis Law ranks **4th in career placement** behind Stanford, UC Berkeley, and UCLA.

BAR PASSAGE

- Average bar pass rate: **79.4%**
(2003-2012)
- Class of 2013: **85.5%**
- Goal for 2014: **90%**
- Note: UC Davis's bar exam pass rate has consistently outperformed the average pass rate for American Bar Association-approved law schools in California.

STUDENT INDEBTEDNESS

- Ranked **#108 nationally** and **#2** (out of 18) in lowest student indebtedness in the State of California.
- Average student debt load upon graduation from UC Davis Law School: **\$103,000**

STUDENT DIVERSITY

- Ranked **#26 in Most Diverse Law Schools** by *U.S. News*
- Ranked **#9 in Most Diverse Faculty** by *Princeton Review*

NATIONAL RANKINGS

- Moved up two spots in the *US News* Rankings to **#36**
- Ranked **#22** in the nation on **peer assessment from legal educators** (deans and faculty members) by *U.S. News*
- Ranked **#24** in the nation in an **assessment from judges and lawyers** by *U.S. News*

VALUE OF UC DAVIS SCHOOL OF LAW

UC Davis School of Law Places **2nd** in *U.S. News & World Report* Generosity of Financial Aid Rankings

Percentage of full-time students receiving grants: **70%**

Percentage of student fees returned to students in the form of financial aid: **33%**

Ranking among public law schools with the most generous financial aid: **#2**

Median grant amount: **\$25,200**

Ranking among law schools whose 2013 graduates carry the most debt: **#108** (*better than all but one school in California*)

Of the 10 highest-ranked California law schools, UC Davis School of Law has:

- the lowest room-and-board costs
- the most generous financial aid
- the lowest average graduate indebtedness

See Appendix D, "Value of UC Davis School of Law" for full details

BASE BUDGET REQUEST

The 2014/2015 Provost Allocation request from the School of Law is for **\$2.1 million** in base budget funding. Here is a breakdown of the request and funding received.

FUNDING FOR STRUCTURAL SHORTFALL REQUESTED: \$ 1,000,000 | RECEIVED: \$ 579,000

The School of Law has been using PDST funds to cover mandated faculty compensation increases, mandated staff compensation increases, mandated faculty benefits contributions, and mandated staff benefits contributions. Also to cover shortfalls resulting from lower student enrollment and two years' worth of flat PDST.

STUDENT AID: RECRUITMENT AND RETENTION REQUESTED: \$ 800,000 | RECEIVED: \$ 500,000 ^(NOT BASE)

To increase student aid packages for prospective, current students and alumni in public service positions the School of Law is requesting base budget funding to recruit and retain students based on need and merit. This increase in aid will greatly assist in the recruitment of highly qualified students.

In addition, a portion of the student aid would support the Loan Repayment Assistance Program.

STUDENT AID: POST GRADUATE FELLOWSHIPS REQUESTED: \$ 200,000 | RECEIVED: \$ 270,000

To partner with the campus and qualified non-profit organizations to place our recent graduates in one-year positions to improve their chances of securing long-term employment.

EXTERNSHIP PROGRAM REQUESTED: \$ 100,000 | RECEIVED: \$ 0

To invest in an externship program that helps to place our students in positions with policy makers in Sacramento. The practical skills improve their chances of securing long-term employment.

LSA **BUDGET POLICY COMMITTEE**

PRESENTS

**BUDGET
& BEER**

TUES, OCT 28, 2014

5:00 - 7:00 PM

KING HALL COURTYARD

Interested in how your tuition money is being used at King Hall? Do you have comments, questions, or concerns about King Hall finances?

Come grab some pizza, beer, and pie in the King Hall courtyard and learn about the current budget, possible changes, and how you can stay informed.

The LSA Budget Policy Committee is sponsoring this "Budget & Beer" event for the King Hall community. It's your money and your school -- come grab a beer and a slice and make your voice heard!

Contact Becky Vorpe at rmvorpe@ucdavis.edu

PROPOSED FEES FOR 2015-2016

| | ACTUAL 2014-2015 | PROPOSED 2013-2014 | PROPOSED 2015-2016 | INCREASE / DECREASE |
|---|---------------------|-----------------------|-----------------------|------------------------|
| Professional Degree Supplemental Tuition (CA Resident) | \$ 34,182 | \$ 34,182 | \$ 35,241 | + 3% |
| Professional Degree Supplemental Tuition (Nonresident) | \$ 31,188 | \$ 31,188 | \$ 32,154 | + 3% |
| Mandatory Systemwide Fees (CA Resident) * | \$ 12,192 | | \$ 12,804 | + 5% |
| Health Insurance | \$ 3,432 | | \$ 3,432 | 0% |
| Campus-based Fees | \$ 912 | | \$ 912 | 0% |
| Nonresident Supplemental Tuition | \$ 12,245 | | \$ 12,245 | 0% |
| Other (explained below) | | | | |
| Total Fees (CA Resident) | \$ 50,718 | | \$ 52,389 | + 3% |
| Total Fees (Nonresident) | \$ 59,969 | | \$ 61,547 | + 3% |

The School of Law is requesting a PDST Increase for 2015-2016 of 3% (\$966.00 annually).

The School of Law, as mandated by the UC Regents would use 33% (\$318.00 annually) of this increase to assist with student aid at the School.

The additional 66% (\$648.00 annually) would be used to offset the structural deficient in the operating budget at the School.

The 3% increase would provide \$324,000 to the School of Law operating budget, based on 500 FTE.

The increase would not fill the entire structural deficient of the School, which is currently resides around \$1 million. However, the School will be taking steps over the next two years to create a financial sustainability through other cost realignment strategies. These strategies will include but not limited to, not filling vacant staff positions, not filling vacant faculty positions, reducing OE&E expenses including travel/entertainment, and increasing revenue streams.

* If the Regents approve the Mandatory System wide Fee increase, the School of Law will ask that we reduce the PDST increase to 1% (\$341.00 annually). 33% (\$112.00 annually to student aid and \$225.00 to the School of Law operating budget).

NOTE: The proposed fee setting for the UC Davis School of Law is based upon the Higher Education Price Index (HEPI) ranging from 0.9% to 5.1% for fiscal years 2006 -2012. The applied percentage will be rolling average of the prior five years. For fiscal year 2015-16 the recommended increase is 3%.

- The PDST fees are used to offset the compensation (salaries/benefits) increases to faculty and staff, increase in student aid, and debt service on facility. Student aid consists of 35% of the total School of Law annual operating budget, including the Loan Repayment Assistance Program (LRAP) that supports students pursuing lower-paying public interest positions.
- Our colleagues in the University of California Law School system have fees that closely align with the proposed 2015-16 fees at UC Davis. The fees listed to attend the UC Davis School of Law are near the top of the public law school spectrum, however, a more telling number is the average indebtedness associated with attending UC Davis. This number is near the bottom of the spectrum in relation to California Law Schools.
- Outcomes for graduates: Bar Passage, Average Earnings, Career Placement, Indebtedness
- The consultation process for the School of Law will consist of the following process:
 - 1) Biweekly Updates with the Student Elected Budget Advisory Committee at the School of Law regarding the School of Law Budget and associated fees.
 - 2) Annual Operating Budget for 2014-2015 is posted online for faculty, students, and staff to access.
 - 3) Five-year Budget Planning Document posted online for faculty, students and staff to access.
 - 4) Discussion with entire Faculty at the September Faculty meeting.
 - 5) Discussion with Staff at the All-Staff September meeting.

Where to get information:

We meet twice a month in the basement conference room, and meetings are open to the public. Therefore, any King Hall affiliate may observe and participate in regular BPC meetings. As your student representatives, we welcome external views and perspectives.

Intranet: Log in, go to “Community,” select “Budget Info”

Email us as a group: kh-budget-policy-committee@googlegroups.com

We will soon be getting our own website accessible through LSA’s website

Also:

Our blog: <http://kinghallbudget.blogspot.com>

Post to Facebook: <https://www.facebook.com/kinghallbudget>

ABOUT THE SCHOOL**AT A GLANCE****FACTS**

| | |
|------------------------|----------|
| Established: | 1965 |
| Accreditation: | ABA/AALS |
| Student:Faculty Ratio: | 11:1 |

FULL TIME FACULTY

| | |
|--|----|
| Total Ladder Rank Faculty: | 37 |
| 35 Tenured, 2 Untenured | |
| Lecturers: | 10 |
| <i>Clinical & Legal Research and Writing</i> | |
| Senior Lecturers: | 1 |
| with Security of Employment | |

CLASS ENTERING IN FALL 2014

| | |
|-----------------------------------|-----|
| J.D. students (3 year program): | 164 |
| L.L.M. students (1 year program): | 53 |

J.D. ENTERING CLASS SIZE BY YEAR

2012: 191 2013: 142 2014: 164

APPLICATIONS BY YEAR

2012: 3,537 2013: 2,443 2014: 3,007

STUDENT BODY

| | |
|---------------------|---------------------------------------|
| Overall Enrollment: | 513 J.D. Students 55 LL.M Students |
| Women: | 53% |
| Students of Color: | 34% |

ACADEMIC CENTERS

Aoki Center for Critical Race and Nation Studies
California Environmental Law & Policy Center
California International Law Center
Center for Science & Innovation Studies
(with Letters & Sciences, Social Sciences)

CLINICAL LEGAL EDUCATION PROGRAMS

California Supreme Court Clinic
Civil Rights Clinic
Immigration Law Clinic
Prison Law Clinic
Social Justice Clinic

CERTIFICATE PROGRAMS

Environmental Law
Intellectual Property
Public Interest

ATTACHMENT C

March 18, 2015 - UC DAVIS SCHOOL OF LAW

| Institution | Fees | Room/Board | TOTAL | TOTAL INDEBTEDNESS | 2016 | 2016 | 2016 |
|--|-----------|------------|-----------|--------------------|-----------------------------|------------------------------------|---|
| | | | | | National US News Ranking | California US News Ranking Fees | California US News Ranking (Lowest) Indebtedness |
| Stanford | \$ 54,366 | \$ 20,000 | \$ 74,366 | \$ 128,100 | 2 | 2 | 5 |
| University of California Berkeley | \$ 48,166 | \$ 17,000 | \$ 65,166 | \$ 143,546 | 8 | 6 | 11 |
| University of California - Los Angeles | \$ 45,226 | \$ 14,000 | \$ 59,226 | \$ 121,066 | 16 | 14 | 4 |
| University of Southern California | \$ 57,507 | \$ 16,000 | \$ 73,507 | \$ 137,163 | 20 | 1 | 9 |
| University of California - Irvine | \$ 44,717 | \$ 17,000 | \$ 61,717 | \$ 102,583 | 30 | 17 | 2 |
| University of California - Davis | \$ 47,286 | \$ 12,000 | \$ 59,286 | \$ 93,498 | 31 | 8 | 1 |
| Pepperdine | \$ 49,030 | \$ 17,000 | \$ 66,030 | \$ 145,525 | 52 | 4 | 12 |
| University of California - Hastings | \$ 48,335 | \$ 17,000 | \$ 65,335 | \$ 129,178 | 59 | 5 | 7 |
| University of San Diego | \$ 47,490 | \$ 13,000 | \$ 60,490 | \$ 128,477 | 71 | 7 | 6 |
| Loyola Marymount | \$ 47,750 | \$ 16,000 | \$ 63,750 | \$ 147,701 | 75 | 6 | 14 |
| Santa Clara** | \$ 50,000 | \$ 14,000 | \$ 64,000 | \$ 136,990 | 94 | 3 | 8 |
| Chapman University | \$ 44,830 | \$ 16,000 | \$ 60,830 | \$ 148,429 | 127 | 15 | 15 |
| University of San Francisco | \$ 45,542 | \$ 14,500 | \$ 60,042 | \$ 154,855 | 138 | 11 | 18 |
| University of Pacific - McGeorge | \$ 46,462 | \$ 10,000 | \$ 56,462 | \$ 140,517 | NR | 10 | 10 |
| Southwestern | \$ 45,380 | \$ 20,000 | \$ 65,380 | N/A | NR | 13 | |
| Thomas Jefferson School of Law | \$ 44,900 | \$ 13,000 | \$ 57,900 | \$ 172,445 | NR | 16 | 19 |
| California Western School of Law | \$ 47,100 | \$ 13,000 | \$ 60,100 | \$ 151,197 | NR | 9 | 16 |
| Whittier College | \$ 41,460 | \$ 17,000 | \$ 58,460 | \$ 151,602 | NR | 19 | 17 |
| Golden Gate University | \$ 45,350 | \$ 15,000 | \$ 60,350 | \$ 146,288 | NR | 12 | 13 |
| Western State College of Law | \$ 42,102 | \$ 10,000 | \$ 52,102 | \$ 120,350 | NR | 18 | 3 |

Notes:

- 1) All data is from US News and World Report 2016 - Best Grad Schools - March 10, 2015
- 2) Room and board financials are estimates (from report).
- 3) Santa Clara Law School did not provide financial information for the report.
- 4) There is no distinction between private and public law schools in the chart above.
- 5) UCD, UCLA, UCB, UCI, and UC Hastings all operate under similar parameters, appropriate to being Public Law Schools.



FRIDAY AT NOON FINANCIAL AID INFO SESSION

Room 1303

Hear from Dean Mercado, Dean Burns, and Interim Financial Aid Director Robyn Reid. Questions will be answered and food will be provided!

KINGHALL

STUDENT BUDGET COMMITTEE

LAW STUDENTS ASSOCIATION | UCDAVIS

**Forget what
FAFSA stands for?**

**Curious about how
financial aid is
disbursed?**

**Want to know
what to expect
from your financial
aid package next
year?**

Like free food?

**If you answered
yes to any of
those questions,
please join us on
Friday!**

**KING HALL BUDGET
POLICY COMMITTEE**

Adam Bolt
Rebecca Ferguson

Rebecca Vorpe
Laura Flynn
Meredith Hankins

Russell Sternshein
Isaac Walrath



Law Students Association
University of California, Davis
School of Law
400 Mrak Hall Drive
Davis, California 95616

January 14, 2014

Dear Regents of the University of California,

On behalf of the students at UC Davis School of Law, we write you to express our great disappointment in the UC Regents' "five-year stability plan," which allows tuition for the University of California to increase a potential of 5% statewide every year for the next five years.

The public has already faced the consequences of increased tuition rates statewide. The cost of a UC education increased 220% percent between 2000 and 2012.¹ Undergraduate tuition for UC Davis rose 44% between the years 2008 and 2011 alone,² impacting the enrolled university students at that time and the families who had made financial plans for their children's educational future. Continuing increases in tuition threatens current and future students' ability to plan ahead financially, demonstrates a lack of concern for the future of the state's workforce, and ultimately affects the welfare of the state by denying students affordable access to higher education.

Students pursuing a legal education have especially experienced the adverse financial consequences of these continued UC-wide tuition increases. All five law schools in the UC system – UC Berkeley, UC Hastings, UC Los Angeles, UC Irvine, and UC Davis – ranked in the top 10 most expensive public law schools nationwide for the 2013–2014 academic year.³ And the year before, both UC Davis School of Law and UC Berkeley School of Law ranked in the top 20 most expensive law schools in the country, among private law school contenders such as Stanford University, Duke University, and Cornell University.⁴ By increasing the cost for a legal education at a public institution to such exorbitant rates, the UC system continues to ensure unequal access to higher education as students across the state are financially deterred from pursuing their academic and professional goals at a world-class institution that should otherwise be available to the public.

Pursuing law school is not a decision any student makes without first considering the realities of financing a legal education, and these ever-increasing tuition rates only ensure that fewer students will be inclined to consider a legal education at a UC institution. The average law school graduate from the University of California, Davis leaves with \$93,500 in debt for their legal education alone.⁵ This ignores the fact that many law students also shoulder the financial burden of their requisite undergraduate degrees before attending law school, which adds an additional \$20,340 per student on average.⁶ UC Davis School of Law prides itself on the strength of its public interest program, but

¹ Statistic provided by Professor Kurlaender, UC Davis Department of Education. February 7, 2012. http://provost.ucdavis.edu/local_resources/docs/UC-Davis-101-Seminar-020712-Kurlaender.pdf.

² UC Davis annual undergraduate tuition for the 2008-2009 academic year began at \$6,262.00 and rose to \$11,220 for the 2011-2012 academic year: <http://budget.ucdavis.edu/studentfees/historical/documents/2008-2009/ugres-fees.pdf> and <http://budget.ucdavis.edu/studentfees/historical/documents/2011-2012/2010-11%20Undergrad%20Res.pdf>.

³ 2014 data compiled by U.S. News. <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-law-schools/public-cost-rankings>.

⁴ 2013 data compiled by Business Insider. <http://www.businessinsider.com/the-20-most-expensive-law-schools-in-america-2012-7?op=1>.

⁵ Reflects the UC Davis School of Law graduating class of 2014. Information received from UC Davis School of Law Office of Admission and Financial Aid.

⁶ Average debt of 2013 graduates in the state of California: http://projectonstudentdebt.org/state_by_state-view2014.php?area=CA.



Law Students Association
University of California, Davis
School of Law
400 Mrak Hall Drive
Davis, California 95616

with increased tuition costs and diminishing Loan Repayment Assistance Program (LRAP) provisions, student debt substantially threatens graduates' ability to afford public interest careers and better serve our communities.

Over 80% of students at UC Davis School of Law are California residents. An uncertain climate concerning statewide tuition not only threatens Californians access to higher education, but creates further disincentive for out-of-state students to attend and contribute to public universities in California. Further, many current and former UC Davis School of Law students are not only members of the UC system as students at King Hall, but 47.3% of King Hall students also received their undergraduate degrees from UC institutions.⁷ We take pride in our education, but cannot stand by as tuition continues to rise.

The approval of the "five-year stability plan" is an unacceptable demonstration of the UC Regents' current priorities. By demonstrating a willingness to increase tuition over the next five years, the UC Regents have guaranteed that the challenges and uncertainty in financing a UC education will continue and risks making a world-class education designed to serve the state of California inaccessible to hard-working and aspiring students throughout the state. Funding higher education requires coordination and creative budgeting between UC administrators and the State, and by using student tuition as leverage in these conversations, the UC Regents have inappropriately played fast-and-loose with the wallets of students already facing enormous levels of debt.

The state of California deserves quality education at a rate that is financially attainable for every student who strives to move his or her education forward. To truly stabilize and improve the affordability of the UC system, we urge you to immediately rescind the recent approval of the "five-year stability plan" and maintain the current UC-wide tuition freeze.

Sincerely,

Law Students Association, 2014 – 2015
Budget Policy Committee, 2014 – 2015
UC Davis School of Law

⁷ Reflects all students enrolled at UC Davis School of Law for the 2014–2015 academic year. Information received from UC Davis School of Law Office of the Registrar.

ATTACHMENT F

Questions Posted on Budget Policy Committee Facebook Page in Response to the Financial Aid Info Session Announcement and BPC Answers — February 12, 2015.

Questions:

What's the latest on tuition increases (to the professional degree supplemental that KH controls, not the general increase the Regents and Gov. Brown are negotiating), and new professor hiring?

Has the administration clarified why they are increasing faculty expenditures rather than using that budget to provide tuition relief?

Also, have you all seen the information they plan to release regarding how they determine who receives financial aid? In previous years they kept that information secret (on alleged privacy grounds). Are you all going to review the information prior to the meeting to ensure that you all can correct them if they misrepresent information to students?

Answers:

1. The latest news on PDST: the administration is waiting to see what is negotiated by Governor Brown and President Napolitano concerning UC tuition. If the 5% increase is approved, the KH administration will not ask for an increase in PDST for 2015-2016. Beyond that, they will evaluate the PDST year to year in relation to UC tuition.

2. By faculty expenditures, I assume you mean hiring new professors. Part of the issue is that there is a legitimate need for new professors to teach specific courses. There were 5 faculty members who retired since 2013, and the administration filled 2 of the vacancies (starting Fall 2015). Last year there was \$9.4 million devoted to student aid. We have not specifically addressed the issue of faculty expenditures versus financial aid, but this is an issue we can discuss with the administration. The budget is also best understood from a more holistic viewpoint, and we hope to answer questions in our upcoming publication and on a new website to be launched soon.

3. We met with Admissions & Financial Aid in the fall and they gave us valuable insight into their process for awarding aid. We have been collaborating with Dean Mercado on this informational session, as well as how we feel they can better serve students (primarily current students). Some of this includes a greater degree of transparency regarding their process. You would have to let us know what specific information you are referring to, and we could ask Dean Mercado. Also, I'd like to state that I have confidence in Dean Mercado and Interim Director Robyn Reid and their ability to correctly represent information to students, but the BPC is co-sponsoring the meeting and will be present.

Hopefully once we get our website live we can provide a proper forum for answering these types of questions, and I encourage everyone to email us at kh-budget-policy-committee@googlegroups.com

School Of Law
Sources & Uses All Funds, Excluding Contracts & Grants and Agency Accounts
(Dollars in thousands)

| line | | 2013-14 Actual | | | | | 2014-15 Estimate | | | | |
|------|---|-----------------------|-------------|------------------|-----------------|-----------------|-----------------------|-------------|------------------|-----------------|-----------------|
| | | State Funds & Tuition | ICR | All Student Fees | All Other Funds | Total | State Funds & Tuition | ICR | All Student Fees | All Other Funds | Total |
| | PRIOR YEAR CARRYFORWARD: | | | | | | | | | | |
| 1 | Total | \$348 | \$12 | \$513 | \$3,207 | \$4,080 | \$223 | \$19 | \$4,260 | \$1,558 | \$6,060 |
| 2 | <i>Change from Prior Year</i> | | | | | | -\$125 | \$7 | -\$3,747 | -\$1,649 | \$1,980 |
| | SOURCES OF ANNUAL OPERATING FUNDS <i>(net of depreciation, improvements reserves, and distributions out of org)</i> | | | | | | | | | | |
| 3 | State Funds and Tuition | \$7,832 | \$5 | | | \$7,837 | \$8,498 | | | | \$8,498 |
| 4 | Indirect Cost Return | | \$24 | | | \$24 | | \$26 | | | \$26 |
| 5 | Professional Degree Supplemental Tuition | | | \$16,360 | | \$16,360 | | | \$16,886 | | \$16,886 |
| 6 | PDST King Hall Loan Renegotiation One-Time Funds Return | | | \$3,255 | | | | | | | |
| 7 | Self-Supporting Degree Program Fees | | | | \$1,107 | \$1,107 | | | | \$1,000 | \$1,000 |
| 8 | Student Service Fees and Campus Based Fees | | | \$76 | | \$76 | | | \$107 | | \$107 |
| 9 | Application Fees | | | \$29 | | \$29 | | | \$32 | | \$32 |
| 10 | Other Student Fees-Referendum Fees (L77500T, L77101T & L77102T&L77103T) | | | \$20 | | \$20 | | | \$47 | | \$47 |
| 11 | Other Fund Types [List if Desired, Not Required] | | | | \$1,444 | \$1,444 | | | | \$1,474 | \$1,474 |
| 12 | ANNUAL OPERATING SOURCES | \$7,832 | \$29 | \$19,740 | \$2,551 | \$30,153 | \$8,498 | \$26 | \$17,072 | \$2,474 | \$28,070 |
| | USES OF ANNUAL OPERATING FUNDS | | | | | | | | | | |
| 13 | EMPLOYEE COMPENSATION: | | | | | | | | | | |
| 14 | Regular Faculty (ACAD, SB01, SUB0) | \$4,914 | \$0 | \$1,343 | \$1,428 | \$7,686 | \$6,295 | \$1 | \$1,082 | \$21 | \$7,398 |
| 15 | Academic Administrators (SB05) | \$134 | \$0 | \$0 | \$0 | \$134 | \$138 | \$0 | \$0 | \$0 | \$138 |
| 16 | Other Academics (SB06, SB07,) | \$507 | \$0 | \$337 | \$38 | \$883 | \$509 | \$0 | \$334 | \$0 | \$843 |
| 17 | Teaching & Research Assistants, House Staff (SB02, SB07, SB04) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 18 | Staff Salaries (STFO, SUBS, SUBG, SUBX, STFB) | \$287 | \$0 | \$3,915 | \$701 | \$4,903 | \$232 | \$0 | \$5,005 | \$404 | \$5,641 |
| 19 | Employee Benefits (SUB6, SB28, SB67) | \$1,668 | \$0 | \$2,072 | \$717 | \$4,457 | \$2,194 | \$8 | \$2,406 | \$132 | \$4,740 |
| 20 | Total Employee Compensation | \$7,511 | \$0 | \$7,668 | \$2,885 | \$18,063 | \$9,368 | \$9 | \$8,826 | \$557 | \$18,760 |
| | OPERATING EXPENSES AND EQUIPMENT | | | | | | | | | | |
| 21 | Supplies & Expense (SUB3) | \$179 | \$14 | \$1,635 | \$748 | \$2,576 | \$63 | \$7 | \$1,345 | \$188 | \$1,602 |
| 22 | Subcontracts (SB73) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 23 | Equipment & Facilities (SB34, SUB4) | \$0 | \$0 | \$776 | \$5 | \$781 | \$0 | \$0 | \$789 | \$0 | \$789 |
| 24 | Depreciation (SB75) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 25 | Improvements Reserve (SB74) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26 | Total Equipment & Facilities | \$179 | \$14 | \$2,411 | \$754 | \$3,357 | \$63 | \$7 | \$2,134 | \$188 | \$2,391 |
| 27 | TRAVEL (SUB5) | \$22 | \$4 | \$266 | \$118 | \$409 | \$18 | \$9 | \$298 | \$122 | \$448 |
| 28 | FINANCIAL AID (SCHL) | \$250 | \$0 | \$5,639 | \$441 | \$6,330 | \$0 | \$0 | \$7,588 | \$0 | \$7,588 |
| 29 | OTHER UNALLOCATED (SUB8, SUB7, SBMC) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 30 | TOTAL EXPENDITURES | \$7,962 | \$18 | \$15,983 | \$4,197 | \$28,161 | \$9,448 | \$25 | \$18,847 | \$867 | \$29,187 |
| 31 | ANNUAL NET OPERATING POSITION [Surplus (+)/Deficit (-)] | -\$130 | \$11 | \$3,757 | -\$1,646 | \$1,992 | -\$950 | \$1 | -\$1,775 | \$1,607 | -\$1,117 |

Explanatory Notes:

- 1) Line #3 - Increase in 19900 fro FY 13/14 to FY 14/15 Funds is due to Provost Allocation Increase to cover benefits for faculty, student aid and post graduate fellowships.
 - 2) Line #14 - Decrease in faculty salaries is due to retirements in FY14/15, we are currently in the process of hiring two new faculty for FY 15/16 per Provost's approval.
 - 3) Line #21 - Decrease in SUB3 is due to completion of construction at King Hall and decrease in School spending due to budget limitations.
- BIA Comment: Added current allocation in 13-14 of the King Hall Loan renegotiation that was done to provide the school with more flexibility to manage resources.

School Of Law
Sources & Uses All Funds, Excluding Contracts & Grants an
(Dollars in thousands)

| line | 2014-15 Budget Estimate--REVISED per 6 mos Data | | | | | YEAR TO DATE as of 12/31/14 | | | | | Variance from Budget as of 12/31/14 | | | | | % of Budget as of 12/31/14 | | | | | Description or Explanation of Variance [Guideline: explain if variance by line item and fund is <40% or >60% budgeted. See instructions for more information.] |
|---|---|--------------|-------------------|-----------------|-------------------|-----------------------------|--------------|------------------|-----------------|------------------|-------------------------------------|----------------|-------------------|-----------------|--------------------|----------------------------|--------------|------------------|-----------------|--------------|---|
| | State Funds & Tuition | ICR | All Student Fees | All Other Funds | Total | State Funds & Tuition | ICR | Student Fees | All Other Funds | Total | State Funds & Tuition | ICR | All Student Fees | All Other Funds | Total | State Funds & Tuition | ICR | All Student Fees | All Other Funds | Total | |
| See Instructions for Definitions of Fund Types | | | | | | | | | | | | | | | | | | | | | |
| PRIOR YEAR CARRYFORWARD: | | | | | | | | | | | | | | | | | | | | | |
| Total | \$223 | \$19 | \$4,260 | \$1,558 | \$ 6,060 | | | | | | | | | | | | | | | | |
| Change from Prior Year | \$ (125) | \$ 7 | \$ 3,747 | \$ (1,649) | \$ 1,980 | | | | | | | | | | | | | | | | |
| <i>(net of depreciation, improvements reserves, and distributions out of org)</i> | | | | | | | | | | | | | | | | | | | | | |
| State Funds and Tuition | \$ 8,498 | | | | \$ 8,498 | \$ 8,504 | | | | \$ 8,504 | \$ 6 | | | | \$ 6 | 100% | | | | 100% | |
| Indirect Cost Return | | \$ 26 | | | \$ 26 | | \$ 28 | | | \$ 28 | | \$ 2 | | | \$ 2 | | 108% | | | 108% | |
| Professional Degree Supplemental Tuition | | | \$ 16,886 | | \$ 16,886 | | | \$ 16,555 | | \$ 16,555 | | | \$ (331) | | \$ (331) | | | 98% | | 98% | |
| Self-Supporting Degree Program Fees | | | | \$ 1,000 | \$ 1,000 | | | | \$ 647 | \$ 647 | | | | \$ (353) | \$ (353) | | | | 65% | | 65% |
| Student Service Fees and Campus Based Fees | | | \$ 107 | | \$ 107 | | | \$ 107 | | \$ 107 | | | | | | | | 100% | | 100% | |
| Application Fee | | | \$ 32 | | \$ 32 | | | \$ 32 | | \$ 32 | | | | | | | | 100% | | 100% | |
| Other Student Fees-Referendum Fees | | | \$ 47 | | \$ 47 | | | \$ 47 | | \$ 47 | | | | | | | | 100% | | 100% | |
| Other Fund Types | | | | \$ 1,474 | \$ 1,474 | | | \$ 1,095 | | \$ 1,095 | | | | \$ (379) | \$ (379) | | | | 74% | | 74% |
| ANNUAL OPERATING SOURCES | \$ 8,498 | \$ 26 | \$ 17,072 | \$ 2,474 | \$ 28,070 | \$ 8,504 | \$ 28 | \$ 16,741 | \$ 1,742 | \$ 27,015 | \$ 6 | \$ 2 | \$ (331) | \$ (732) | \$ (1,055) | 100% | 108% | 98% | 70% | 96% | Not all revenues for year have been received. |
| USES OF ANNUAL OPERATING FUNDS | | | | | | | | | | | | | | | | | | | | | |
| EMPLOYEE COMPENSATION: | | | | | | | | | | | | | | | | | | | | | |
| Faculty | | | | | | | | | | | | | | | | | | | | | |
| Regular Faculty (ACAD, SB01, SUB0) | \$ 6,295 | \$ 1 | \$ 1,082 | \$ 21 | \$ 7,399 | \$ 3,145 | \$ - | \$ 518 | \$ - | \$ 3,663 | \$ (3,150) | \$ (1) | \$ (564) | \$ (21) | \$ (3,736) | 50% | 0% | 48% | 0% | 50% | |
| Academic Administrators (SB05) | \$ 138 | | | | \$ 138 | \$ 69 | \$ - | \$ - | \$ - | \$ 69 | \$ (69) | \$ - | \$ - | \$ - | \$ (69) | 50% | | | | 50% | |
| Other Academics (SB06, SB03, ACAX, ACGA, SUBX) | \$ 509 | | \$ 334 | | \$ 843 | \$ 256 | \$ - | \$ 164 | \$ 9 | \$ 429 | \$ (253) | \$ - | \$ (170) | \$ 9 | \$ (414) | 50% | | 49% | | 51% | |
| Teaching & Research Assistants, House Staff (SB02, SB07, SB04) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | |
| Staff Salaries (STFO, SUB5, SUBG, SUBX, STFB) | \$ 232 | \$ - | \$ 5,005 | \$ 404 | \$ 5,641 | \$ 113 | \$ - | \$ 2,434 | \$ 183 | \$ 2,730 | \$ (119) | \$ - | \$ (2,571) | \$ (221) | \$ (2,911) | 49% | | 49% | 45% | 48% | |
| Employee Benefits (SUB6, SB28, SB67) | \$ 2,194 | \$ 8 | \$ 2,406 | \$ 132 | \$ 4,740 | \$ 1,093 | \$ - | \$ 1,186 | \$ 62 | \$ 2,341 | \$ (1,101) | \$ (8) | \$ (1,220) | \$ (70) | \$ (2,399) | 50% | 0% | 49% | 47% | 49% | |
| Total Employee Compensation | \$ 9,368 | \$ 9 | \$ 8,827 | \$ 557 | \$ 18,761 | \$ 4,676 | \$ - | \$ 4,302 | \$ 254 | \$ 9,232 | \$ (4,692) | \$ (9) | \$ (4,525) | \$ (303) | \$ (9,529) | 50% | 0% | 49% | 46% | 49% | |
| OPERATING EXPENSES AND EQUIPMENT | | | | | | | | | | | | | | | | | | | | | |
| Supplies & Expense (SUB3) | \$ 63 | \$ 7 | \$ 1,345 | \$ 188 | \$ 1,603 | \$ 29 | \$ 3 | \$ 697 | \$ 98 | \$ 827 | \$ (34) | \$ (4) | \$ (648) | \$ (90) | \$ (776) | 46% | 43% | 52% | 52% | 52% | |
| Subcontracts (SB73) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | |
| Equipment & Facilities (SB34, SUB4) | \$ - | \$ - | \$ 789 | \$ - | \$ 789 | \$ - | \$ - | \$ 379 | \$ - | \$ 379 | \$ - | \$ - | \$ (410) | \$ - | \$ (410) | | | 48% | | 48% | |
| Total Operating Expenses and Equipment | \$ 63 | \$ 7 | \$ 2,134 | \$ 188 | \$ 2,392 | \$ 29 | \$ 3 | \$ 1,076 | \$ 98 | \$ 1,206 | \$ (34) | \$ (4) | \$ (1,058) | \$ (90) | \$ (1,186) | 46% | 43% | 50% | 52% | 50% | |
| TRAVEL (SUB5) | \$ 18 | \$ 9 | \$ 298 | \$ 122 | \$ 447 | \$ 7 | \$ 4 | \$ 133 | \$ 51 | \$ 195 | \$ (11) | \$ (5) | \$ (165) | \$ (71) | \$ (252) | 39% | 44% | 45% | 42% | 44% | |
| FINANCIAL AID (SCHL) | \$ - | \$ - | \$ 7,588 | \$ - | \$ 7,588 | \$ - | \$ - | \$ 7,538 | \$ 212 | \$ 7,750 | \$ - | \$ - | \$ (50) | \$ 212 | \$ 162 | | | 99% | | 102% | Overcommitted-Increases number of enrollment |
| OTHER UNALLOCATED (SUB8, SUB7, SBMC) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | |
| TOTAL EXPENDITURES | \$ 9,449 | \$ 25 | \$ 18,847 | \$ 867 | \$ 29,188 | \$ 4,712 | \$ 7 | \$ 13,049 | \$ 615 | \$ 18,383 | \$ (4,737) | \$ (18) | \$ (5,798) | \$ (252) | \$ (10,805) | 50% | 28% | 69% | 71% | 63% | Due the overcommitment of the school grants |
| ANNUAL NET OPERATING POSITION [Surplus (+)/Deficit (-)] | \$ (951) | \$ 1 | \$ (1,775) | \$ 1,607 | \$ (1,118) | \$ 3,792 | \$ 21 | \$ 3,692 | \$ 1,127 | \$ 8,632 | \$ 4,743 | \$ 20 | \$ 5,467 | \$ (480) | \$ 9,750 | -399% | 2100% | -208% | 70% | -772% | |

Explanatory Notes for Budget [Explain why any changes were made to previous budget reported in initial submission]:

Reporting of Significant Anticipated Variances in Annual Net Operating Position
Guideline, must report if +/- 10% of budgeted or \$500K, whichever is less.

| Description of Item | Fund Source | Revenue or Object(s) | Estimated Variance at Year-End |
|---|-------------|----------------------|--------------------------------|
| Increases in Net Operating Position | | | |
| [Positive Revenues, Negative Expenditures] | | | |
| <i>[Add lines as needed]</i> | | | |
| | | | |
| | | | |
| Subtotal, Increase in Net Operating Position | | | |
| \$ - | | | |
| Decreases in Net Operating Position | | | |
| [Negative Revenues, Positive Expenditures] | | | |
| <i>[Add lines as needed]</i> | | | |
| | | | |
| | | | |
| Subtotal, Decrease in Net Operating Position | | | |
| \$ - | | | |
| Total Estimated Change in Annual Net Operating Position | | | |
| \$ - | | | |