

Academic Planning and Budget

Bruin Budget Model Implementation Plan: Phase 1

BACKGROUND

Academic Planning and Budget (APB) began designing a new budget model for UCLA in 2017 at the request of the Chancellor, Executive Vice Chancellor and Provost (EVCP), and Vice Chancellor/Chief Financial Officer (VC/CFO). Between 2017 and 2021, APB conducted extensive research and consulted with both campus and external stakeholders to develop the Bruin Budget Model (BBM), a hybrid resource allocation framework customized for UCLA. Progress on the BBM's implementation has been hindered for various reasons since 2021, including the departures of UCLA's former EVCP, VC/CFO, and Associate Vice Chancellor for APB in fall 2021, spring 2022, and late summer 2022, respectively.

In fall 2022, UCLA EVCP Darnell Hunt and Interim VC/CFO Allison Baird-James convened a cross-organizational coordinating group tasked with developing an implementation plan for the BBM (see Appendix I for membership details). Part of the group's initial charge was also to develop guiding principles for UCLA's new budget model, which can be found in Appendix II. The BBM Coordinating Group began meeting weekly on October 27, 2022 and has plans to continue meeting, possibly beyond spring 2023. As of this writing, the Coordinating Group has convened 17 times.

The purpose of this document is to contextualize and outline the BBM Coordinating Group's recommended approach for transitioning UCLA to a new budget model, effective July 1, 2023. Both qualitative and technical details of the recommended approach are described below. This document serves as an update to APB's "Bruin Budget Model Overview."¹

RECOMMENDATION SUMMARY

The BBM Coordinating Group recommends implementing a streamlined version of the BBM's original design. As noted in the "Bruin Budget Model Overview," the BBM's original design included the following key elements. First, the BBM was designed to modify UCLA's approach for allocating General Funds,² Summer Sessions revenue, and indirect cost recovery (ICR). Second, the BBM was designed to enhance the transparency of the sources and uses of UCLA's central fund for strategic priorities. Third, the BBM's initial design intended to modify how central administrative units are funded by implementing a tax system aimed at replacing the funds generated by recharges on basic campus goods (as opposed to premium services).³

The first stage in the implementation of the revised BBM will focus exclusively on the allocation of General Funds and modify the original design's tax system. (As described in more detail below, the

¹ APB's "Bruin Budget Model Overview" (also known as the Bruin Budget Model White Paper) can be found here: <https://apb.ucla.edu/file/83c61e57-a8b3-4cf9-bcdf-6a07393cf75d>.

² The term "General Funds" refers to the sum of State appropriations, base tuition, and Nonresident Supplemental Tuition.

³ As noted in Display 2 below, the BBM's original design did not deviate from UCLA's current model with regard to the allocation of registration fees, application fees, the Student Services Fee, financial aid, interest revenue, investment income, or one-time funds. In addition, under UCLA's current model, revenues from Professional Degree Supplemental Tuition (PDST), Self-Supporting Graduate Professional Degree Programs (SSGPDPs), gifts and endowments, patent income, and sales and services are directly recorded by the earning unit. This convention also remained unchanged under the BBM's original design.

revised BBM will not implement the following elements of the original BBM’s tax system at this time: 1) the non-core funds expenditure tax, or 2) the 25% tax on Summer Sessions and ICR.) The allocation of Summer Sessions revenue and ICR will remain unchanged from the current model during the first stage of implementation. The design and rollout of modifications to Summer Sessions revenue and ICR distribution, as well as the process for streamlining and/or automating UCLA’s recharge system, remain open discussion topics for the Coordinating Group and campus leadership. Additional details about the parameters of the revised BBM can be found below.⁴

General Funds Allocation

Of UCLA’s various fund sources, General Funds (State support, base tuition, and Nonresident Supplemental Tuition or “NRST”) are most closely linked with enrollment growth. Beyond that, the primary purpose of General Funds is to support UCLA’s instructional mission and the central services needed to advance it. UCLA is currently facing substantial enrollment growth expectations from the State and the UC Office of the President (UCOP). (See Appendix III for a description of the expectations that are currently informing UCLA’s short- and long-term enrollment planning.) **Given UCLA’s enrollment growth imperatives, the Coordinating Group recommends that the BBM’s initial implementation pertain only to the allocation of General Funds.** (General Funds constitute roughly 10% of UCLA’s total operating revenues, and approximately 70% of the total core funds spent by its academic units.⁵)

To be clear, this recommendation entails preserving much of UCLA’s *current* approach for allocating General Funds. In particular, under UCLA’s current model, each School can count on receiving its base General Funds budget every July 1 without submitting a budget proposal or justification to the Chancellor and EVCP. In addition, under the current model, Schools can request additional General Funds through the annual budget process. Lastly, UCLA’s central fund currently covers each School’s annual cost increases for General Funds-paid personnel (i.e., faculty and staff range adjustments, merits, and promotions). **None of these conventions will change under the revised BBM. What will change is that, whereas the current model’s default allocation of General Funds is agnostic to enrollment and instructional activity on campus, such activity will begin to influence annual base budgets under the revised BBM, starting in year two of implementation.**⁶

Revising the budget model in this way will ensure – for the first time – that the resources most directly associated with *enrollment increases* (particularly base tuition and NRST revenue) will flow strategically to the campus units absorbing the corresponding *instructional increases*. Holding all else constant, UCLA’s current budget model asks growing Schools to support more students without corresponding adjustments to their base budgets. **The revised BBM, by contrast, will send a portion of incremental tuition and NRST dollars generated by increases in “activity” (i.e., student credit hours associated with**

⁴ For purposes of this document, the term “revised BBM” refers to the *first stage of implementation* in the BBM’s broader budget reform process, which is ongoing as of this writing.

⁵ Core funds include: General Funds, ICR, Summer Sessions revenue, Professional Degree Supplemental Tuition, and SSGPDP fee revenue.

⁶ The revised BBM’s rollout, per the original design, will be guided by the following principle: all subsidiary units (i.e., schools, college divisions, academic support and research organizations, and central administrative units) will enter the BBM era with the same permanent budgets that they otherwise would have had if the current budget model remained in place on that date. Given this principle, the BBM’s activity-based component will launch in the *second* year of implementation.

enrollment and instruction) directly to the Schools undertaking these increases.⁷ During the revised BBM's first stage of implementation, the other elements of UCLA's current approach for allocating General Funds will remain intact. The revised BBM, in other words, will put activity-based guardrails around UCLA's current approach for allocating General Funds.

In year one of the revised BBM's implementation (starting July 1, 2023), each School will receive the same permanent General Funds budget it otherwise would have under the current model. **In year two of implementation (starting July 1, 2024), APB will introduce the revised model's activity component (detailed below), meaning APB will either increase or decrease each School's base budget in alignment with changes in each School's enrollment and/or instructional activity.** To clarify, the campus's central fund will continue to cover Schools' annual cost increases for General Funds-paid personnel regardless of their changes in activity in any given year. In addition, as mentioned, the other options currently available to Schools to adjust their base budgets (e.g., through the annual budget process) will remain available.

Under the BBM's original design, a School's permanent General Funds budget would be bifurcated into two parts – revenue from a General Fund Supplement (GFS), and revenue from "activities" (i.e., enrollments and teaching). In the first year, APB would re-express each School's historical General Funds budget total by calculating, first, how much of that total comes from its activities. Credit hour formulas described in the "Bruin Budget Model Overview" would inform this calculation. The remainder (the historical base minus the activity portion) would constitute the School's GFS. Under the original BBM's design, in each subsequent year, each School would expect to receive its General Fund Supplement amount from the previous year, in addition to personnel-based cost adjustments provided by the central fund, and any commitments approved by the EVCP in the annual budget process. By contrast, **the revised BBM is streamlined to focus on the annual allocation of incremental tuition and NRST revenues, as opposed to the annual building of permanent General Funds budgets from zero.**

Whereas the GFS was framed under the original BBM as dollars *unrelated to the model's definition of activity*, the GFS under the revised BBM is more akin to a School's *entire permanent General Funds budget before the activity component of the model launches in 2024-25*. Put another way, in the revised BBM's implementation, the GFS and all funding resulting from the accrual of changes in activity leading up to the launch of the new model will be rolled into a simpler and more familiar baseline General Funds budget, which will be adjusted annually as a function of changes in enrollment and/or instructional activity. As originally described, under the first stage of implementation, each School will enter the BBM era with its current baseline General Fund; that baseline will be subject to adjustments to cover eligible personnel-based cost increases (and, if applicable, to reflect additional funding granted through the annual budget process) as it has been in the past.

Tuition and NRST Distribution Rates

As noted above, the revised BBM will not implement the following elements of the original BBM's tax system in the first stage of implementation: 1) the non-core funds expenditure tax (intended to increase to 5% over time), or 2) the 25% tax on ICR and Summer Sessions.⁸ It will also modify the original plan to tax tuition and NRST revenues at 25% by, instead, *distributing* a portion of those revenues to Schools as part of the revised BBM's activity-based funding formulas. Specifically, instead of assessing Schools a

⁷ For purposes of this document, the term "Schools" refers to UCLA's Schools, Divisions, and Institutes that provide direct instruction to students.

⁸ UCLA leadership may elect to implement these tax-related elements (or modified versions of them) in future iterations of the BBM.

25% tax on tuition and NRST, the BBM Coordinating Group recommends that the revised BBM distribute 50% of this revenue to Schools (net of return-to-aid dollars) and retain the remainder to support the campus's central fund. More information is provided below about why the recommended distribution rate is 50% as opposed to 75% (a figure that would align with the original BBM's 25% tax). This change in orientation from taxation to distribution simplifies the model by not distributing to Schools funds that must immediately be returned to the center.

The revised model's activity-based funding formulas will exclude changes in the tuition and NRST revenue associated with changes in doctoral (Ph.D.) student enrollment (both graduate academic and graduate professional doctoral students) because these students are typically funded differently than undergraduate, graduate academic master, or graduate professional master students. Indeed, roughly two-thirds of assessed Ph.D. student tuition and NRST is remitted in conjunction with Teaching Assistantships, internally-funded fellowships, and internally-funded Graduate Student Researcher appointments. In addition, the campus is currently facing uncertainty regarding its capacity to grow this particular population of students. For these reasons – and because UC has a higher likelihood of receiving additional State support for marginal undergraduate enrollments – the Coordinating Group recommends applying a distribution rate to the net tuition and NRST revenues associated with undergraduate, graduate academic master, and graduate professional master students only.

Although the campus retains flexibility to modify the distribution rates applied to the net tuition and NRST revenues from these populations in the future, the Coordinating Group currently recommends 50% for each of them. As described in Display 2 below, the original BBM would have decentralized the Chancellor's budget for "faculty upgrades,"⁹ meaning resources for faculty hires would have been managed locally (at the School level), as opposed to centrally. By contrast, under the revised BBM, funding for faculty upgrades will be supported by central resources. This convention aligns with UCLA's current budget model. With a 50% distribution rate (as opposed to the original BBM's 75% distribution rate), less of the tuition revenue growth associated with enrollment growth will be distributed via activity-based funding formulas. That said, a 50% distribution rate will ensure that growing units receive sufficient funding from the center to support salary upgrades for new faculty.

For undergraduate students, activity will be calculated by using a three-year average of major headcounts and student credit hours (SCH) taught, weighted for the most recent year. Then, funding for the undergraduate SCH taught will be weighted at 80%, and funding for the undergraduate major enrollment figure will be weighted at 20%. (Appendix IV describes how the BBM's undergraduate activity-based funding formulas factor in undeclared majors and double/triple majors.) This weighting structure is designed to ensure that substantially more funding will be allocated to Schools that take on

⁹ When a new faculty member is hired, the hiring department receives additional permanent funding for the new faculty member's salary. The amount of this supplemental funding, also known as "faculty upgrade" funding, depends on the base rate for that faculty member's salary (a figure established at the School level in the early 2000s). When a faculty position is vacant, departments have access to their faculty base rates (these funds are restricted for faculty, lecturer, or Teaching Assistant support); when a new faculty member is hired, APB allocates additional permanent General Fund support to the hiring department to make up the difference between that department's base rate and its approved rate for the new hire. When the faculty member leaves the institution, this incremental amount (as in, the "upgrade" amount) returns back to the pool of central funds for campus-wide initiatives.

the additional expenditures associated with undergraduate teaching.¹⁰ Activity-based funding figures will be calculated centrally and will include both base tuition and NRST collected from undergraduate students, net of aid. That is to say, all undergraduate tuition and NRST will be pooled together centrally, and an average per-credit-hour revenue figure will be generated by dividing the average tuition/NRST figure (net of aid and blended to include the cohort-specific tuition/NRST levels associated with UC's Tuition Stability Plan¹¹) by 45 SCH (for lower and upper division undergraduates, a full-time instructional workload is considered to be 45 SCH on quarter campuses across the UC system).¹² The derivation of this per-credit-hour figure is described in more detail in the "Base Budget Adjustments Resulting from Enrollment Changes" section below. **Given the Coordinating Group's distribution rate recommendation, 50% of this undergraduate per-SCH figure, net of aid, will be distributed using the 80/20 split among the Schools that provide the instruction.**

For undergraduate teaching, a key goal of the revised BBM is to properly align funding with resource needs – not to create competition to enroll more undergraduates. The revised BBM's design assumes that academic programs at UCLA will continue to make decisions based on academic quality and student outcomes. To ensure that the BBM's implementation does not run counter to UCLA's values, campus leadership will monitor many of its effects, including shifts in undergraduate credit hours (more information about plans to oversee and assess various outcomes of the revised BBM can be found in the "Next Steps" section of this document).

Graduate-level activity, by contrast, will be measured only by major headcounts, and will be based on two-year enrollment averages. (Graduate-level enrollments tend to be more consistent than undergraduate enrollments from year to year.) Then, per the Coordinating Group's recommendation, **50% of the tuition and NRST rates that apply to graduate academic master and graduate professional master students, less the corresponding return-to-aid figures, will be allocated to Schools for each of these students enrolled in their programs.**

Funding for Personnel-Based Cost Increases

Under the revised BBM, in a given year, UCLA's central fund will continue to cover the cost increases associated with personnel whose salaries and benefits are already supported by General Funds. Support to cover these cost increases will stem from UCLA's State appropriation, along with the incremental

¹⁰ Campus leadership recognizes the importance of ensuring that UCLA's budget model does not discourage interdisciplinary work or cross-organizational collaboration. As an example, based on feedback previously provided by campus stakeholders, APB modified the original BBM to give credit to home Schools when a faculty member teaches in a different School. This convention will apply to the revised BBM as well.

¹¹ More information about UC's Tuition Stability Plan can be found at the following link: <https://admission.universityofcalifornia.edu/tuition-financial-aid/tuition-cost-of-attendance/tuition-stability-plan.html>. Details about the applicable fee adjustments approved by the UC Regents in July 2021 as part of this plan can be found here: <https://regents.universityofcalifornia.edu/regmeet/july21/b1attach1.pdf>.

¹² This method will be applied consistently from year to year; the per-credit hour value will change only when tuition or NRST rates are modified, or when nonresident enrollments fluctuate (since all undergraduates pay base tuition, but only nonresidents are assessed NRST). To clarify, under the revised BBM, State funding meant to backfill foregone NRST revenue in the wake of mandated nonresident enrollment reductions will be used – to the extent possible, depending on the outcomes of annual negotiations with the State and annual allocation decisions made by UCOP – to ensure that such enrollment reductions will not negatively affect the per-credit hour figure associated with undergraduate tuition and NRST revenue. That is to say, this particular State support will not be allocated to UCLA's central fund, since the BBM is designed to ensure that NRST flows directly to Schools/Divisions.

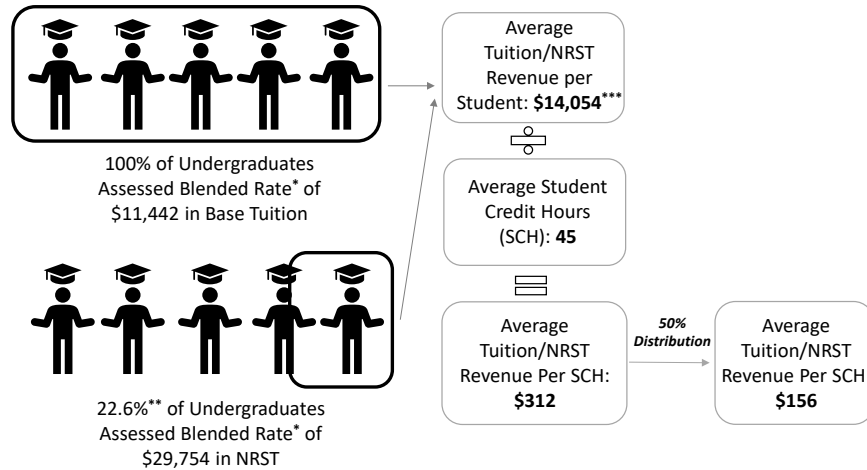
tuition and NRST revenues associated with annual increases in the levels of these fees (net of return-to-aid), per UC's Tuition Stability Plan. Indeed, only the portion of net undergraduate, graduate academic master, and graduate professional master tuition and NRST associated with *enrollment (weighted SCH) increases* will be allocated directly to Schools. Net revenues associated with *fee increases*, supplemented by a portion of UCLA's State appropriation, will fund each School's annual General Fund-related personnel-based cost increases (from UCLA's central fund). In this way, **Schools will not only recover the portion of their net undergraduate, graduate academic master, and graduate professional master student tuition and NRST revenues resulting from fee adjustments each year, but they will also receive support over and above those amounts.** In particular, the total amount of funding provided to cover increases in salaries and wages for current General Funds-supported faculty and staff will remain the same as it would have under the BBM's original design.

BASE BUDGET ADJUSTMENTS RESULTING FROM ENROLLMENT CHANGES

To calculate the annual adjustment in a School's activity-based revenue associated with changes in enrollment (i.e., changes in weighted SCH), those changes need to be multiplied by the tuition/NRST-per-SCH figure that applied during *the last year for which actual enrollment data are available*. At the time of this writing (March 2023), UCLA's most recent enrollment actuals pertain to 2021-22 (indeed, the campus only has enrollment estimates for 2022-23, the year currently in progress). This lag in data is important because the dollars-per-SCH figure is most accurate when it is based on actual enrollments, and such data only become available after the end of a given academic year. The first year of the revised BBM (2023-24) will be a "hold harmless" year (as in, all Schools will enter the BBM era with the same permanent General Fund budgets that they otherwise would have had if the current budget model remained in place in 2023-24). Given these conventions, the data that inform the activity-based funding formulas presented in this document for 2024-25 (as in, year two of the revised model, when the activity-based funding formulas will first take effect) date back to 2021-22. (This methodology isolates the financial impact associated with enrollment changes, as opposed to changes in tuition or NRST levels.)

Display 1, below, demonstrates how APB has calculated the revised BBM's average undergraduate tuition/NRST-per-SCH figure for year two of implementation (when activity-based funding formulas will take effect). Once the average undergraduate tuition/NRST-per-SCH figure is calculated, 50% of that will be used as the *official* dollars-per-SCH figure for undergraduates, per the Coordinating Group's distribution rate recommendation. In the case of year two of implementation (the *first* year of activity-related base budget adjustments), as shown below, 50% of the average tuition/NRST-per-SCH figure for undergraduates will be \$156. This \$156 figure is shown again in Displays 3 and 6, which illustrate how the revised BBM's activity-based funding formulas for undergraduates would affect the base budgets of two hypothetical Schools (one of which experiences a reduction in instructional activity).

Display 1: Derivation of Undergraduate Tuition/NRST-Per-SCH Figure for Use in Year Two (Applied to Changes in Enrollment)



* Undergraduate tuition and NRST levels are adjusted to accommodate blended cohort-based tuition rates. These figures are subject to change, since blended rates are based on enrollment estimates.

** Although UCLA's actual nonresident percentage is lower than 22.6% as of 2022-23, this figure assumes a full State "buyout" of UCLA's mandated nonresident reductions in 2022-23 and 2023-24.

*** Average is net of return-to-aid and will be determined by APB each year.

COMPARING UCLA'S CURRENT BUDGET MODEL TO THE ORIGINAL AND REVISED BBM

Display 2, below, shows the budget elements that apply to UCLA's current budget model, the original BBM's design, and/or the revised BBM. The purpose of this display is to clarify exactly what changes to expect with the first stage of the revised BBM's implementation, relative to both the status quo and the original plan for the BBM.

Display 2: Budget Model Comparison Matrix

Budget Category	#	Budget Elements	Current Model	Original BBM	Revised BBM
Allocation Norms	1	Revenues from PDST, SSGPDPs, gifts and endowments, patent income, and sales and services flow directly to earning units.	✓	✓	✓
	2	Registration fees, application fees, the Student Services Fee, interest revenue, investment income, one-time funds, and financial aid flow toward designated uses consistent with campus- and system-wide policy.	✓	✓	✓
Annual Budget Process	3	Deans and Vice Provosts participate in an annual budget process wherein they submit requests for additional central support to the Chancellor and EVCP.	✓	✓	✓
Funding for Personnel-Based Cost Increases	4	A central fund covers personnel-based cost increases (i.e., range adjustments, merits, and promotions for faculty and staff already supported by General Funds).	✓	✓	✓
	5	Net revenues associated with <u>fee adjustments</u> , supplemented by a portion of UCLA's State appropriation, fund each School's annual personnel-based cost increases (from UCLA's central fund).	✓	✓	✓
Funding for Central Administrative Units	6	Central administrative units' base budgets are primarily supported by General Funds.	✓	✓	✓
	7	Central administrative units can supplement their baseline General Funds budgets by taxing the campus for basic goods <u>and</u> premium services (a practice known as recharging).	✓		✓
	8	The campus assesses two types of taxes: a non-core funds expenditure tax (5%), and a tax on revenue from base tuition/NRST, ICR, and Summer Sessions (25%). Expenditure tax revenue is used to cover the UCOP assessment, recharges associated with <u>basic campus goods</u> (as opposed to premium services), and certain strategic priorities. Tuition/ICR tax revenue is meant to help support central services.		✓	
School/Division General Fund Budgets	9	Each School/Division receives a permanent General Fund budget allocation on July 1 <u>every year</u> .	✓	✓	✓
	10	Each School/Division's permanent General Funds budget is bifurcated into two parts: a <u>General Fund Supplement (GFS)</u> and <u>activity-based revenue</u> .		✓	
	11	A School/Division's GFS and <u>all</u> funding resulting from the accrual of changes in activity leading up to a certain launch-date are rolled into a simple baseline General Funds budget, which is adjusted annually as a function of changes in activity.			✓
Activity-Based Portion of General Fund Budgets	12	Activity based formulas: Revenues from base Tuition/NRST are allocated using various activity-based formulas. These formulas include the following populations of students: undergraduate, Ph.D., graduate academic masters, and graduate professional masters. <i>*Revised BBM excludes the tuition/NRST associated with incremental enrollments of Ph.D. students.</i>		✓	✓*
	13	General Funds activity-based undergraduate formula: For undergraduate students, activity is calculated by using a three-year average of major headcounts and student credit hours (SCH) taught, weighted for the most recent year. Then, funding for the undergraduate SCH taught is weighted at 80%, and funding for the undergraduate major enrollment figure is weighted at 20%. Graduate-level activity is measured only by major headcounts, and based on two-year enrollment averages.		✓	✓
	14	Distribution of enrollment portion of tuition/NRST revenue change: Each year, incremental tuition and NRST dollars generated by increases in <i>activity</i> (i.e., SCH associated with enrollment and instruction) are allocated <u>directly</u> to the Schools/Divisions that undertake these increases. This direct allocation excludes net incremental tuition/NRST resulting from <i>fee adjustments</i> , as these dollars are retained at the center.		✓	✓
	15	Tax System vs. Distribution System: The original BBM <u>taxed</u> tuition net-revenue at 25%. The <i>revised BBM</i> <u>distributes</u> 75% of incremental base tuition/NRST revenue (net of return-to-aid and expressed on a per-SCH basis). The remainder is retained to support the campus's central fund.		✓	✓
	16	ICR & Summer Session The introduction of a 5% tax on non-core funds and 25% tax on core funds allows for a higher distribution of Summer Sessions tuition and ICR to the Schools/Divisions.		✓	
Central Fund Transparency	17	The sources and uses of the campus's central fund for strategic priorities are transparent.		✓	✓
Funding for Faculty Compensation	18	Funding for faculty upgrades provided by central resources. Chancellor responsible for ensuring sufficient budget to cover campus faculty upgrade budget.	✓		✓
	19	Chancellor's central budget for faculty upgrades is decentralized and distributed to Schools. Budget/resources for faculty hires would be managed locally instead of centrally.		✓	

ILLUSTRATION OF ACTIVITY-BASED FUNDING FORMULAS

The displays below show how activity-based funding for undergraduate and graduate students would be allocated to two hypothetical schools (known as “School A” and “School B”) under the revised BBM in 2023-24, 2024-25, and 2025-26.¹³ Display 3 shows how activity-based funding for undergraduate students would be allocated to School A. As shown below, this School increases its undergraduate SCH taught by 1% per year, while its major enrollments remain flat.

The “Weighted Total SCH” row in Display 3 applies the 80/20 weights associated with teaching activity and majors, respectively, to the corresponding three-year SCH averages. That is to say, for each year, School A’s weighted total SCH is derived by multiplying its teaching SCH by 80%, multiplying its major SCH¹⁴ by 20%, and then summing those two products together. For School A, this calculation yields a weighted total SCH of 8,450 in 2023-24 and 8,530 in 2024-25, resulting in a one-year increase of 80 weighted SCH. The “\$ per SCH” amounts (starting with \$156 in 2024-25¹⁵) reflect 50% of the average tuition/NRST-per-SCH figure that APB calculates each year as part of the BBM’s design (net of return-to-aid). The 50% figure accommodates the Coordinating Group’s distribution rate recommendation.

Display 3: Undergraduate-Level Activity-Based Funding for School A

School A	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26
UNDERGRADUATE ACTIVITY-BASED FUNDING			
3-Year Average through Fall 2022 (Calendar 2020, 2021, 2022)			
Teaching SCH (3 yr avg)	10,000	10,100	10,201
Major SCH (3yr avg)	2,250	2,250	2,250
Weighted Total SCH	8,450	8,530	8,611
1-Yr Change in Weighted Total SCH		80	81
\$ per SCH: 50% of Undergraduate Tuition/NRST, Net of Return-to-Aid		\$ 156	\$ 158
Transfer to School: 1-year change in revenue due to enrollment change (\$ per SCH x 1-year change in weighted total SCH)		\$ 12,492	\$ 12,777
Cumulative Change in Ongoing Support from Activity (Undergraduate)		\$ 12,492	\$ 25,270

As noted above, and as shown in the “1-Yr Change in Weighted Total SCH” row of Display 3, between the first and second year, School A increases its weighted SCH by 80. The portion of net tuition/NRST revenue transferred to the School on a permanent basis, therefore, is \$12,492, or 80 SCH multiplied by

¹³ For purposes of simplicity and presentational clarity, these two hypothetical Schools enroll substantially fewer students than typical Schools at UCLA. To be clear, by March of each year (including March 2023), as part of the annual budget process, APB will send campus Deans the undergraduate teaching and major SCH figures that correspond with their Schools, along with the formulas needed to calculate their incremental tuition/NRST revenue figures for the upcoming fiscal year. Put another way, by March 2023, Schools will have received the data relevant to the fiscal year starting in July 2023. APB will have also provided the relevant headcount figures needed to calculate each Schools’ incremental tuition/NRST revenues from graduate students.

¹⁴ Undergraduate major SCH is derived by multiplying the three-year average major headcount by 45 SCH. For lower and upper division undergraduates, as noted earlier, a full-time instructional workload is considered to be 45 SCH on quarter campuses across the UC system.

¹⁵ As noted earlier, the data that inform the dollars-per-SCH figures under the BBM lag behind by three years.

~\$156.¹⁶ In 2025-26, School A's weighted SCH increases by another 81. As a result, the School's base budget is adjusted, on a permanent basis, by an additional \$12,777 in 2025-26 (or 81 SCH multiplied by ~\$158). Cumulatively, over the three years shown in Display 3, School A's activity-related base budget support increases by \$25,270 on an ongoing basis.

In 2024-25, APB projects that \$16,870 of the tuition/NRST revenue associated with School A's undergraduate activity (net of aid) is attributable to increases in tuition and NRST levels, per UC's Tuition Stability Plan.¹⁷ This \$16,870 remains in UCLA's central fund to help cover the campus's cost increases for General Funds-paid personnel in 2024-25. As mentioned, this \$16,870 amount and more (given additional support from the State for the University's annual personnel-based cost increases) is eventually allocated to School A as part of its annual base budget in 2024-25. In 2025-26, APB projects that the portion of net tuition/NRST revenue associated with School A and attributable to undergraduate-level fee adjustments is \$35,687.¹⁸ This amount, again, remains in UCLA's central fund until APB calculates each School's 2025-26 General Fund-related personnel-based cost increases and makes base budget adjustments accordingly.

Display 4, below, shows how activity-based funding for graduate students would be allocated to School A. For context, in 2023-24, School A enrolls a total of ten tuition-paying graduate academic (GA) master students, five NRST-paying GA master students, 15 tuition-paying graduate professional (GP) master students, and four NRST-paying GP master students (for a total of 34 fee payers). Display 4 shows the extent to which these enrollments increase in 2024-25 (by a total of four). These enrollments then remain flat in 2025-26. Also shown in Display 4 is the exclusion of both graduate academic and graduate professional doctoral students from the revised BBM's activity-based funding formulas. By contrast, per the distribution rate recommendation of the BBM Coordinating Group, 50% of the base tuition and NRST rates associated with graduate academic master and graduate professional master students (net of aid) are multiplied by the enrollments of those students to yield the net tuition/NRST revenue figure transferred directly to the School on a permanent basis. For School A, this transfer amounts to \$17,759 in 2024-25 and \$0 in 2025-26 (the year that headcount enrollments remain flat).

¹⁶ The figures noted in the displays of this document are rounded to the nearest whole number.

¹⁷ The \$16,870 figure was derived by: 1) multiplying the weighted total SCH of year two (8,530 SCH) by the applicable "\$ per SCH" figure (~\$158) to yield a net undergraduate tuition/NRST figure of \$1,348,877; 2) multiplying the weighted total SCH of year one (8,450 SCH) by the applicable "\$ per SCH" figure (~\$156) to yield a net undergraduate tuition/NRST figure of \$1,319,514; 3) calculating the difference between those two products, which is \$29,363; and 4) subtracting from that \$29,363 the "1-year change in revenue due to enrollment change" figure (\$12,492) to yield a fee-adjustment-related increase in undergraduate net tuition/NRST of \$16,870. Put another way, the following formula was used: $(8,530 \text{ SCH} \times \sim\$158 - 8,450 \text{ SCH} \times \sim\$156) - \$12,492 = \$16,870$. (Note that the three-year lag in data applies only to the enrollment-change-related increase in net tuition/NRST; a two-year lag applies to the fee-adjustment-related increase in net tuition/NRST.)

¹⁸ See footnote 17 for information about how \$35,687 was derived. For year three, the applicable "\$ per SCH" figure is \$162.

Display 4: Graduate-Level Activity-Based Funding Calculation for School A

School A	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26
GRADUATE ACTIVITY-BASED FUNDING			
Change in 2-Year Average Headcount (Calendar 2021, 2022)			
Doctoral students		N/A	N/A
GA Masters, Base Tuition Payers (inc. Res/NR)		2	0
GA Masters, NRST Payers (NR only)		1	0
GP Masters, Base Tuition Payers (inc. Res/NR)		1	0
GP Masters, NRST Payers (NR only)		0	0
1-Yr Change in Headcount		<u>4</u>	<u>0</u>
\$ per Headcount: 50% of Tuition Rates per Student, Net of Return-to-Aid			
Doctoral students		N/A	N/A
GA: Base Tuition		\$ 3,030	\$ 3,176
GA: NRST		\$ 7,551	\$ 7,551
GP: Base Tuition		\$ 4,148	\$ 4,348
GP: NRST		\$ 6,123	\$ 6,123
Transfer to School: 1-year change in revenue due to enrollment change (\$ per SCH x 1-year change in weighted total SCH)		\$ 17,759	\$ -
Cumulative Change in Ongoing Support from Activity (Graduate)		\$ 17,759	\$ 17,759

In 2024-25, APB projects that \$4,952 of the net tuition/NRST revenue associated with School A stems from graduate-level base tuition adjustments, per UC's Tuition Stability Plan.¹⁹ This amount is retained at the center to support the campus's cost increases for General Funds-paid personnel. In 2025-26, graduate-student base tuition levels increase again, yielding a fee-adjustment-related increase in net tuition/NRST of \$4,004, all of which is retained by the center (since School A does not grow enrollments that year).²⁰ Although School A does not receive an enrollment-based allocation of net tuition/NRST revenue in 2025-26, its General Fund-related personnel-based cost increases are still covered by UCLA's central fund.

Display 5, below, shows the total incremental net tuition/NRST revenue allocated to School A for activity growth across the three-year period (from both undergraduates and graduate students). The \$30,252 figure for 2024-25 is the sum of \$12,492 (the School's undergraduate-related transfer resulting from activity growth) and \$17,759 (the School's graduate-related transfer resulting from activity growth). The \$12,777 figure for 2025-26 simply represents the undergraduate-related transfer figure because School

¹⁹ The \$4,952 figure was derived by: 1) multiplying each of the "\$ per Headcount" rates from year two by the corresponding *total* enrollment figures in year two (noted on page 10), and summing each of those products together to yield a net graduate tuition/NRST revenue figure of \$177,474 in year two; 2) multiplying each of the "\$ per Headcount" rates from year one by the corresponding *total* enrollment figures in year one (noted on page 10), and summing those products together to yield a net graduate tuition/NRST revenue figure of \$154,763 in year one; 3) calculating the difference between those two figures, which is \$22,711; and 4) subtracting from the \$22,711 figure the "1-year change in revenue due to enrollment change" figure (\$17,759) to yield a fee-adjustment-related increase in net tuition/NRST of \$4,952.

²⁰ See footnote 19 for information about how \$4,004 was derived.

A does not receive a graduate-level activity-related transfer in 2025-26. Cumulatively over the three-year period, School A's base budget is adjusted on a permanent basis by \$43,029 (the sum of \$30,252 and \$12,777).

Display 5: Incremental and Cumulative Changes in School A's Activity-Based Funding Over Time

School A	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26
Total Incremental Net Tuition/NRST Allocated to School (UG + Grad)		\$ 30,252	\$ 12,777
Cumulative Change in Allocation		\$ 30,252	\$ 43,029

Display 6, below, shows how activity-based funding for undergraduate students would be allocated to School B, in which teaching activity declines in 2024-25 and nearly rebounds in 2025-26. School B's majors remain flat over time.

Display 6: Undergraduate-Level Activity-Based Funding for School B

School B	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26
UNDERGRADUATE ACTIVITY-BASED FUNDING			
3 Yr Avg through Fall 2022 (Calendar 2020, 2021, 2022)			
Teaching SCH (3 yr avg)	10,000	9,900	9,999
Major SCH (3yr avg)	2,250	2,250	2,250
Weighted Total SCH	8,450	8,370	8,449
1-Yr Change in Weighted Total SCH		(80)	79
\$ per SCH: 50% of Undergraduate Tuition/NRST, Net of Return-to-Aid		\$ 156	\$ 158
Transfer to School: 1-year change in revenue due to enrollment change (\$ per SCH x 1-year change in weighted total SCH)		\$ (12,492)	\$ 12,524
Cumulative Change in Ongoing Support from Activity (Undergraduate)		\$ (12,492)	\$ 32

As shown above, School B's weighted total SCH (averaged across 2020, 2021, and 2022) decreases by 80 in 2024-25. As a result of this decrease in instructional activity, School B's permanent General Funds budget is reduced by \$12,492. The following year (2025-26), School B's teaching activity rebounds, so the School receives a permanent base budget increase of \$12,524 (compensating for the loss in 2024-25 and yielding a cumulative change over the three-year period of \$32). In 2024-25, tuition/NRST levels increase, yielding a projected fee-adjustment-related increase in undergraduate net tuition/NRST revenue from School B of \$4,062 (not shown above).²¹ This amount is retained in UCLA's central fund for

²¹ The \$4,062 figure was derived by: 1) multiplying the weighted total SCH of year two (8,370 SCH) by the applicable "\$ per SCH" figure (~158) to yield a net undergraduate tuition/NRST figure of \$1,323,576; 2) multiplying the weighted total SCH of year one (8,450 SCH) by the applicable "\$ per SCH" figure (~\$156) to yield a net undergraduate tuition/NRST figure of \$1,319,514; and 3) calculating the difference between those two products to yield a fee-adjustment-related increase in undergraduate net tuition/NRST of \$4,062. Put another way, the following formula was used: $(8,370 \text{ SCH} \times \sim \$158 - 8,450 \text{ SCH} \times \sim \$156) = \$4,062$. (Note that the three-year lag in data applies only to the enrollment-change-related increase in net tuition/NRST.)

General Fund-related personnel-based cost increases in 2024-25. In 2025-26, this projected figure increases to \$35,017.²²

Display 7, below, shows how activity-based funding for graduate students would be allocated to School B under the revised BBM. In 2023-24, School B, like School A, enrolls a total of ten tuition-paying GA master students, five NRST-paying GA master students, 15 tuition-paying GP master students, and four NRST-paying GP master students (for a total of 34 fee payers). These enrollments remain flat in 2024-25, and tuition-paying GA master students decrease by one in 2025-26. Given these conditions, as shown in Display 7, School B does not receive a net tuition/NRST allocation from graduate-level activity in 2024-25, and its base budget is reduced by \$3,176 in 2025-26.

Display 7: Graduate-Level Activity-Based Funding Calculation for School B

School B	Year 1	Year 2	Year 3
	2023-24	2024-25	2025-26
GRADUATE ACTIVITY-BASED FUNDING			
Change in 2-Year Average Headcount (Calendar 2021, 2022)			
Doctoral students		N/A	N/A
GA Masters, Base Tuition Payers (inc. Res/NR)		0	(1)
GA Masters, NRST Payers (NR only)		0	0
GP Masters, Base Tuition Payers (inc. Res/NR)		0	0
GP Masters, NRST Payers (NR only)		0	0
1-Yr Change in Headcount		0	(1)
\$ per Headcount: 50% of Tuition Rates per Student, Net of Return-to-Aid			
Doctoral students		N/A	N/A
GA: Base Tuition		\$ 3,030	\$ 3,176
GA: NRST		\$ 7,551	\$ 7,551
GP: Base Tuition		\$ 4,148	\$ 4,348
GP: NRST		\$ 6,123	\$ 6,123
Transfer to School: 1-year change in revenue due to enrollment change (\$ per SCH x 1-year change in weighted total SCH)		\$ -	\$ (3,176)
Cumulative Change in Ongoing Support from Activity (Graduate)		\$ -	\$ (3,176)

In 2024-25, APB projects that \$4,460 of the net tuition/NRST revenue associated with School B stems from graduate-level base tuition adjustments, per UC’s Tuition Stability Plan.²³ This amount is retained at the center to support the campus’s cost increases for General Funds-paid personnel. In 2025-26, tuition/NRST levels increase again, but School B’s graduate academic master enrollment decreases by

²² See footnote 21 for information about how \$35,017 was derived. For year three, the applicable “\$ per SCH” figure is ~\$162.

²³ The \$4,460 figure was derived by: 1) multiplying each of the “\$ per Headcount” rates from year two by the corresponding *total* enrollment figures in year two (noted on page 13), and summing each of those products together to yield a net graduate tuition/NRST revenue figure of \$159,223 in year two; 2) multiplying each of the “\$ per Headcount” rates from year one by the corresponding *total* enrollment figures in year one (noted on page 13), and summing those products together to yield a net graduate tuition/NRST revenue figure of \$154,763 in year one; and 3) calculating the difference between those two figures, which is \$4,460.

one, meaning one fewer student pays the base tuition increase. In this case, the increase in revenue associated with the base tuition adjustment only *just* exceeds the decrease in revenue associated with the School’s enrollment decrease. Specifically, APB projects that School B yields a \$311 fee-adjustment-related increase in net tuition/NRST in 2025-26, which is retained by the center.²⁴ Although School B does not receive an activity-based allocation of net tuition/NRST revenue in 2024-25, and its base budget is decreased in 2025-26, its General Fund-related personnel-based cost increases are still covered by UCLA’s central fund each year.

Display 8, below, shows the total incremental net tuition/NRST revenue (from both undergraduates and graduate students) allocated to School B for activity changes across the three-year period. The negative \$12,492 figure represents the School’s base budget decrease resulting from its drop in undergraduate-related activity in 2024-25 (graduate-level activity remains flat in 2024-25 for School B). The \$9,348 figure for 2025-26 sums the net tuition/NRST transfer of \$12,524 for undergraduate-related activity and the base budget reduction of \$3,176 for decreased graduate-level activity. Cumulatively over the three-year period, School B’s base budget is decreased on a permanent basis by \$3,145.

Display 8: Incremental and Cumulative Changes in School B’s Activity-Based Funding Over Time

School B	Year 1	Year 2	Year 3
	2023-24	2024-25	2025-26
Total Incremental Tuition Allocated to School (UG + Grad)		\$ (12,492)	\$ 9,348
Cumulative Change in Allocation		\$ (12,492)	\$ (3,145)

NEXT STEPS

Additional work is needed on a number of issues both directly and tangentially related to UCLA’s budget model. With respect to the model, as noted above, the design and rollout of modifications to Summer Sessions revenue and ICR distribution, as well as the process for streamlining and/or automating UCLA’s recharge system, remain open discussion topics for the Coordinating Group. Beyond the model’s particular formulas, campus leadership intends to assess past General Fund allocation decisions at UCLA, and determine next steps for cases in which such decisions may have insufficiently aligned with the campus’s mission. In the wake of implementing a new budget model, campus leadership also intends to build mechanisms to increase the transparency of UCLA’s central fund uses. These mechanisms will include a characterization of how the General Funds that are *not* distributed to instruction-providing units are allocated and spent.

In May 2021, the Council on Planning and Budget (CPB) issued a report of recommendations for the BBM’s long-term oversight and assessment. Per the report, “the BBM Oversight and Assessment Plan must include year-over-year data for up to ten years, clear definitions of each metric of interest, and a clear date when the metric first arose.”²⁵ The CPB recommended that APB develop various dashboards

²⁴ See footnote 22 for information about how \$311 was derived.

²⁵ Council on Planning and Budget. “Bruin Budget Model Oversight and Assessment Plan Recommendations from the Council on Planning and Budget.” May 2021. <https://dms.senate.ucla.edu/issues/issue/?4458.CPBs.Budget.Model.Working.Group.Recommendations.Bruin.Budget.Model.Oversight.and.Assessment.Plan>. A BruinPost confirming the UCLA Academic Senate Executive Board’s June 3, 2021 endorsement of these recommendations can be found here: <https://ucla.app.box.com/s/l6081ktgjc77q4tsq6n247e3bosvgc6>.

in partnership with other entities on campus that would have access to the relevant data. APB will continue the work of developing and refining these dashboards in response to these recommendations.²⁶ APB is also committed to monitoring a number of outcomes associated with UCLA's self-supporting graduate professional degree programs, including the extent to which these programs contribute to UCLA's central services.

CONCLUSION

Allocating General Funds incrementally, regardless of changes in enrollment or instructional activity, complemented UCLA's financial context for many years, particularly between 2010 and 2020. Indeed, base tuition increased eight times leading up to this decade. UCLA's nonresident undergraduate headcount enrollment also increased by 137% between fall 2010 and fall 2020. UCLA's General Fund growth over the *next* decade, however, will be constrained by State support unlikely to exceed the rate of normal inflation, a fixed cohort-based tuition model (UC's Tuition Stability Plan), and substantial restrictions on nonresident undergraduate enrollment. Given this context, UCLA has reached an inflection point that necessitates creative approaches to bolstering central funds for strategic priorities, and to recognizing campus units that provide additional instruction in the wake of mandated enrollment growth. The BBM Coordinating Group's recommendation for transitioning the campus to a new budget model is one such approach, as the revised BBM is responsive to enrollment and instructional activities while reserving funds for campus leadership to make strategic investments in, for example, faculty replenishment and retention, diversity initiatives, and emerging fields of scholarship.

As noted in Appendix II, budget models are important, but they are only one component of broader budget systems. A budget system represents the partnership between a budget model and its discretionary elements (including the authority and values of the relevant decision-makers).²⁷ Budget models are deployed by leadership to advance the missions of the campus. In the case of the revised BBM, although some resources will flow toward units that increase enrollments and instructional activity, the Chancellor and the EVCP will also retain considerable decision-making authority, particularly with regard to the allocation of flexible resources. Decisions regarding, for example, how to support campus-wide initiatives, or how to manage the impacts of systemwide labor agreements, will continue to reside with campus leadership.

²⁶ Dashboards recommended by the CPB included the following: annual dollars generated by nontraditional areas on campus, such as SSGDPs, Summer Sessions, ICR, and gifts and endowments; annual dollars supplied to the central fund by fund source; annual dollars and percent of central fund allocated to the General Fund Supplement; the annual ratio of internal recharges to central dollars spent; annual dollars spent on central services by all academic and central administrative units; global and national rankings; undergraduate student performance, academic opportunities, and experience dashboards; graduate student performance and experience dashboards; annual direct costs going to research teams with contracts/grants and indirect cost recovery revenue; and annual revenue from patents, licenses, commissions, and royalties.

²⁷ Paul Courant and Amy Dittmar, "Report on the State of the Budget Model and Budget System at the University of Michigan (Abridged Version)," Review of the University Budget Model undertaken in FY19, 2019, https://obp.umich.edu/wp-content/uploads/pubdata/budget/Budget%20Model%20Review%20abridged_FINAL.pdf.

Appendix I: BBM Coordinating Group Membership Roster**Coordinating Group Conveners**

Name	Title
Allison Baird-James	Interim Vice Chancellor and Chief Financial Officer (CFO)
Darnell Hunt	Executive Vice Chancellor and Provost (EVCP)

Coordinating Group Chair

Name	Title
Jeff Lewis	Special Assistant to the EVCP

Coordinating Group Staffer

Name	Title
Kate Glassman	Associate Director of Strategic Initiatives and New Programs, APB

Campus Representatives

Name	Title
Antonio Bernardo	Dean, Anderson School of Management
Aimée Dorr	Professor Emerita, School of Education & Information Studies
Miguel A. García-Garibay	Dean, Physical Sciences Division
Reem Hanna-Harwell	Assistant Dean, Humanities Division
Rebecca Lee-García	Interim Associate Vice Chancellor, Academic Planning and Budget (APB)
Kathleen McGarry	Professor, Economics
Anja Paardekooper	Senior Associate Dean for Finance and Administration and CFO, David Geffen School of Medicine
Charles Turner	Executive Director, Financial & Organizational Services
Steve Yu	Assistant Dean, School of Law

Ex Officio Member

Name	Title
Noah Zatz	Professor, Law; Chair, Budget Model Working Group of the Academic Senate Council on Planning & Budget

Organization and Support

Name	Title
Samantha Luu	Executive Assistant to the EVCP

Appendix II: Bruin Budget Model Guiding Principles

Overview

UCLA's budgetary priorities are governed and set by the Chancellor's office and the Deans in consultation with Faculty Executive Committees and the faculty senate. They are also consistent with UCLA's mission and values.²⁸ A budget model is a set of rules for arranging the elements of a budget. Budget models are part of overall budget systems. Budget systems include all the discretionary elements (including the authority and values of relevant decision makers) as well as the budget model that policymakers use to help them with budgeting.²⁹

UCLA's Bruin Budget Model enhances transparency with respect to where resources flow into the university across its twelve professional schools, four College divisions, and other designated units, and how resources are distributed to meet UCLA's mission and values. The model is designed to provide clarity, accuracy, predictability, and accountability in order to make plain the choices made by the Chancellor's office and other administrative leaders, and the effects of those choices on the health and success of UCLA.

Enumerated principles

1. The budget process, in which the model plays a role, supports UCLA's mission and values.
2. The model is simple, transparent, and predictable.
3. The model does not serve as a substitute for policymaking and priority setting.
4. The model promotes financial sustainability.
5. The model allows for local decision-making by the Deans and/or their delegates.
6. The model preserves flexibility to fund urgent needs and institutional priorities.
7. The model promotes a stable funding environment in which our missions can excel.
8. The model assures the availability of resources to meet institutional demands to increase enrollments and expand revenue-generating activities.
9. All communications regarding the Bruin Budget Model should be direct, clear, accurate, realistic, appropriate, and helpful for those accessing the communications.
10. Oversight and assessment of the model are ongoing, inherent, and welcome.

²⁸ UCLA's primary purpose as a public research university is the creation, dissemination, preservation and application of knowledge for the betterment of our global society. To fulfill this mission, UCLA is committed to academic freedom in its fullest terms: We value open access to information, free and lively debate conducted with mutual respect for individuals, and freedom from intolerance. In all of our pursuits, we strive for excellence and diversity, recognizing that openness and inclusion produce true quality. These values underlie our three institutional responsibilities: education, research and public service. (<https://www.ucla.edu/about/mission-and-values>, accessed 11/30/2022)

²⁹ Paul Courant and Amy Dittmar, "Report on the State of the Budget Model and Budget System at the University of Michigan (Abridged Version)." Review of the University Budget Model undertaken in FY19. https://obp.umich.edu/wp-content/uploads/pubdata/budget/Budget%20Model%20Review%20abridged_FINAL.pdf.

Appendix III: UCLA's Short- and Long-Term Enrollment Growth Expectations

In the short term, the State has appropriated substantial funding to support systemwide California resident undergraduate enrollment growth through 2023-24. Specifically, the 2022 Budget Act appropriated State funds to support 4,730 additional full-time equivalent (FTE) enrollments of California resident undergraduates across the system by 2023-24 (relative to 2021-22). This funded growth is *in addition to* the approximately 2,000 CA undergraduate FTE that UC is being asked to grow in 2023-24 relative to 2022-23, per UC's recent five-year funding agreement (or "Compact") with Governor Gavin Newsom. UCLA is expected to shoulder a proportion of this expected short-term growth.

In addition, per the 2021 Budget Act, UCLA is expected to reduce its nonresident undergraduate percentage from 22.6% to 18.0% by 2026-27 (starting in 2022-23), and replace these enrollments with California resident undergraduates. (The 2021 Budget Act also noted the State's "intent" to compensate the campus for these reductions/replacements.) Between 2021-22 and 2022-23, UCLA grew its California resident undergraduate population by 587 FTE. Between 2022-23 and 2023-24, the campus estimates that these enrollments will increase by another 712 FTE. (Both of these growth figures are inclusive of the State-mandated nonresident swaps.)

In the long term, per the UC 2030 Capacity Plan, UC is proposing systemwide enrollment growth of roughly 17,000 California resident undergraduates and 6,000 State-supported graduate students between 2020 and 2030. This proposal was developed collaboratively by the UC Office of the President and campus Chancellors, and it features different enrollment growth targets for each campus. For UCLA, this proposal entails increasing full-time equivalent (FTE) enrollments of California resident undergraduates by 2,962 by 2030 (relative to 2020-21). (Part of this undergraduate enrollment growth will be achieved through the State-mandated nonresident swaps mentioned above.) The campus would also need to increase State-supported graduate student enrollments by roughly 350 FTEs.

Appendix IV: How the BBM’s Undergraduate Activity-Based Funding Formulas Account for Undeclared and Double/Triple Majors

The table below shows the subsidiary units to which the BBM’s undergraduate activity-based funding formulas will distribute the major SCHs associated with undeclared majors. As shown in the table, undergraduates with undeclared majors fall into one of six categories at UCLA. The BBM will allocate “undeclared” major SCHs (the first category) to L&S Undergraduate Education because this group engages in academic advising and counseling for students with undeclared majors.

To be clear, only freshman applicants can specify that their major is “undeclared” in their admissions application. When an undergraduate is undeclared *in a School/Division*, this means the student is guaranteed the major of their choice in that School/Division, assuming the student meets certain criteria, which generally include completing various introductory courses.

Major Name	Subsidiary Unit Receiving Major SCH Allocation
1. Undeclared	L&S Undergraduate Education
2. Undeclared – Humanities	L&S Humanities
3. Undeclared – Life Sciences	L&S Life Sciences
4. Undeclared – Physical Sciences	L&S Physical Sciences
5. Undeclared – Social Sciences	L&S Social Sciences
6. Undeclared – Engineering and Applied Science	Engineering and Applied Science Division

Double/triple major SCHs will be split proportionally in the BBM’s undergraduate activity-based funding formulas. For example, if a student is an English and Biology major, half of the student’s major SCHs will be allocated to L&S Humanities (for English), and half will be allocated to L&S Life Sciences (for Biology). Minor headcounts, by contrast, will not be factored in to the major SCH figures that inform the BBM’s allocations of undergraduate activity-based funding.