How the Funds flow in Schools

OR

“Where the revenues for each school come from and general ideas about the School expenses and taxes they pay”
USC’S CONSOLIDATED BUDGET FY19
Comprised of 100+ Operating Units

- $2.49B
  - Schools
  - Auxiliary Services
  - Admin Units

- $1.92B
  - Hospitals
  - USC Care
  - Practice Plans

- $865M
  - Endowments
  - Restricted Gifts
  - Contracts & Grants

- $5.27B

Education & General + Medical Enterprise + Designated Activities = USC’s Budget
MAJOR BUDGET CATEGORIES

**USC Operating Revenue**  
*As of June 30, 2018*

- Net Student Tuition and Fees: 30%
- Health Care Services: 35%
- Allocation of Endowment Spending: 5%
- Contributions: 6%
- Sales, Services and Other: 6%
- Auxiliary Enterprises: 8%
- Contracts and Grants: 10%

**USC Expenses by Functional Classification**  
*For period ending June 30, 2018*

- Instruction and Departmental Research: 33%
- Libraries and Art Galleries: 9%
- Sponsored Research: 9%
- Health Care: 33%
- Administration: 9%
- Student Services: 2%
- General Institutional: 3%
- Fundraising Activities: 1%
- Auxiliary Services: 9%
RESPONSIBILITY CENTER MANAGEMENT

• Schools control the revenues they generate
• All units budget to a forced surplus
  • 95% UG tuition
  • 100% Compensation
• Operating surpluses used for strategic initiatives
  • School Reserve Accounts

<table>
<thead>
<tr>
<th></th>
<th>Undesignated</th>
<th>Designated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>$67,199</td>
<td>$15,063</td>
</tr>
<tr>
<td>Center</td>
<td>$85,380</td>
<td>$15,063</td>
</tr>
<tr>
<td>UG Student Aid Fund</td>
<td>(15,019)</td>
<td></td>
</tr>
<tr>
<td>Facilities Improvement Fund</td>
<td>(3,162)</td>
<td></td>
</tr>
<tr>
<td>Indirect</td>
<td>(5,220)</td>
<td></td>
</tr>
<tr>
<td>Participation</td>
<td>(6,916)</td>
<td></td>
</tr>
<tr>
<td>Academic Initiatives</td>
<td>450</td>
<td></td>
</tr>
<tr>
<td>Provost's Initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduate Programs</td>
<td>1,546</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$61,979</td>
<td>$15,063</td>
</tr>
</tbody>
</table>

|                      |              |            |
| **Expenses**         |              |            |
| Direct               | $46,741      | $15,063    |
| Indirect             | 15,238       |            |
| Allocated Central Costs | 14,103    |            |
| Facilities Based     | 1,135        |            |
| **Total Expenses**   | $61,979      | $15,063    |
SCHOOL REVENUES

- Keck - $535M (net)
- Dornsife - $439M
- Marshall - $216M
- Rossier - $87M
- Gould - $58M
- Thornton - $35M
- Architecture - $20M
- Kaufman - $5.4M
SCHOOL EXPENSES

All Schools Summary – 61% available to spend

All Funds Revenue Budget & Assessments

- Tuition Taxes
- CapRic Tax
- TCC Tax
- Allocated central costs
- Usage-based costs

- Revenue available to spend

Expenses

- Salaries Wages & Benefits
- Student Aid
- Research
- M&S
- Taxes
- Buildings, Utilities
- Faculty Recruiting
TAXES AND USES

Student Aid Tax
Participation Tax
Facilities Improve. Tax
Bad Debt & Credit Card Fee
Tech Connect. Charge
Allocated Central Costs
CapRIC

30% Tax on UG Tuition
10% Tax on Revenues
4% - 5.7% Tuition Tax
1.5% Tax on Tuition
Variable Charge Per Employee
Fixed Charge
19.7% Tax on On-Campus Grant Indirects

UG Financial Aid
School & Acad. Priorities
Deferred Maint.
Bad Debt and CC Fees
Phone & Data Lines
Central Admin
New Research Buildings
EXAMPLES

Research Intensive School – revenue available to spend after taxes $235M (64%)

Teaching Intensive School – revenue available to spend after taxes $8.9M (47%)
BUDGET DRIVERS

+ Undergraduate Tuition
+ Master’s & Professional Tuition
+ Online Program Tuition
+ Fundraising Success
+ Clinical Activities
- PhD Students
- Research Support
- Off-Campus Lease Costs
- On-Campus Footprint
- Employees

Tuition available to spend:
• Undergraduate – 55%
• Graduate – 83%

Other tax-like expenses:
• Fringe Benefits – 33.5% of comp
• On-campus facilities costs