

University of California
HASTINGS COLLEGE OF THE LAW
200 McAllister Street
San Francisco, CA 94102
OFFICE OF THE CHIEF FINANCIAL OFFICER

TO: Budget Managers
FROM: David Seward
DATE: April 13, 2011
SUBJECT: **2011-12 Budget Development Guidelines**

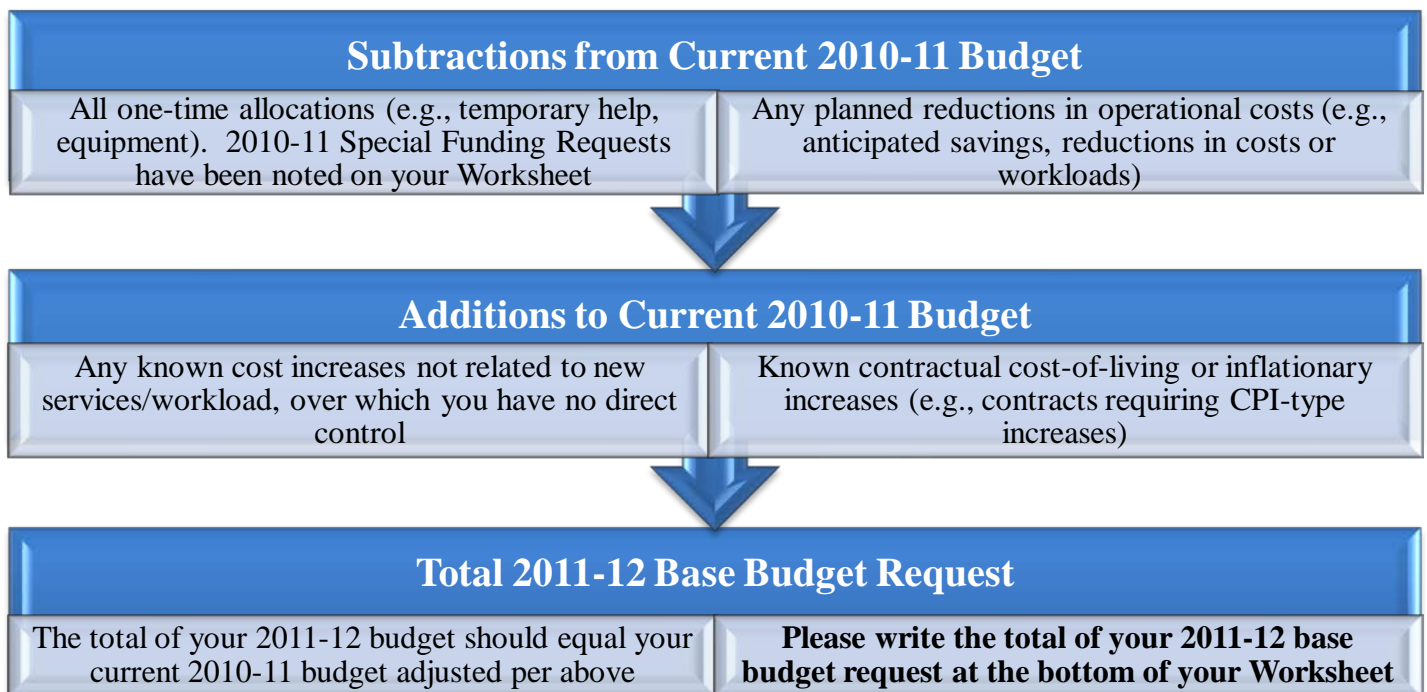
These budget development guidelines are intended to serve as the basis for your department's 2011-12 budget allocation. The State budget continues to be unstable. The Governor's Budget reduced Hastings' General Fund support by \$1.5 million. However, this is the "best-case" funding scenario which was contingent upon the placement on the ballot, and passage of various revenue measures. The time needed to get legislative approval for these measures has passed and their fate is at this time uncertain.

If General Fund support as currently proposed by the Governor - the "best case" scenario - is maintained, base funding for your department at midyear reduced levels can be preserved even though fixed costs are increasing substantially (e.g., contributions by Hastings to your retirement plan from 4% to 7%). The legislative process is far from over and additional cuts to state support are possible.

BASE BUDGET DEVELOPMENT

Computations for regular salary (objects 5101-5103 and 5121 only) and benefits (objects 5151-5180) for currently established positions will be centrally prepared with information provided by Human Resources. **Effective this year, a new benefit allocation policy and rate will be enacted; reference the attached supplemental information.**

Your 2010-11 base budget has been noted on the Beginning Budget Worksheet with adjustments for one-time allocations and regular salaries/benefits. Your 2011-12 base budget is to be derived as follows:



- **2011-12 Beginning Budget Worksheets (attached--not available online)** - Please complete the “2011-12 Base Budget Request” column for each object code, and a total for each department/program, but do not include amounts related to *Special Funding Requests*. Feel free to submit supplemental reports justifying your requests in lieu of completing the “Comments” section on the *Worksheets*.

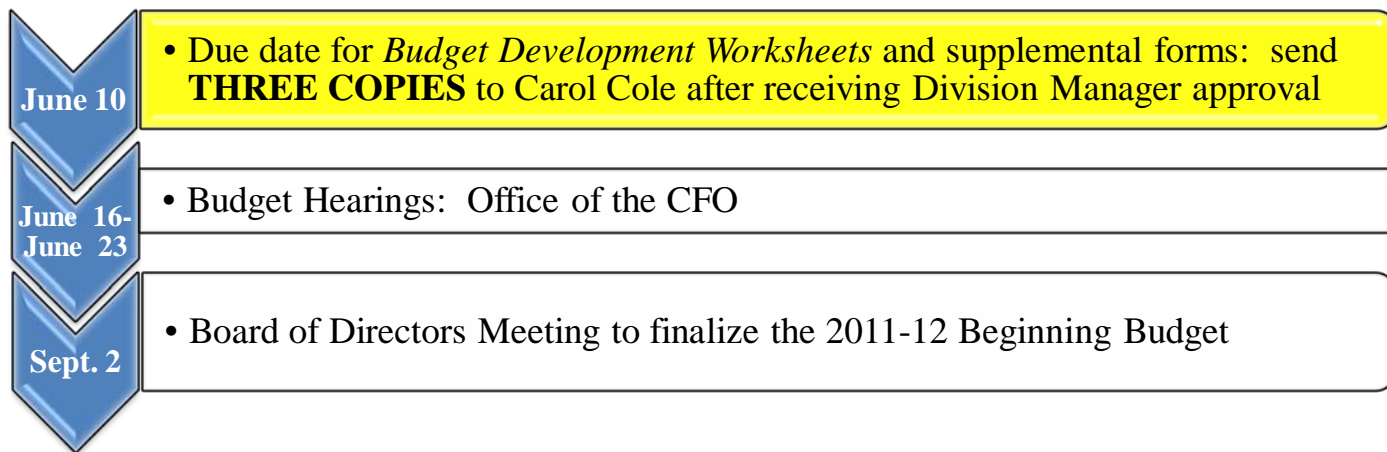
This report displays 2010-11 budgeted amounts and actual expenditures through March 31, 2011, with the exception of Telephone recharges (object 5203) that are posted through January 31. For the most current account information, please refer to the online data presented in the [Fiscal Information Reporting System](#).

- **Justification for Budget Requests (online)** - Please substantiate the make-up of base budgets in the following areas: Travel/Training (object code 5270) and Contract Temporary Help (object 5234). These categories are zero based and no funding will be provided without adequate justification. The *Justification for Budget Requests* form may be used for this purpose.
- **Special Funding Requests (online)** - Funding requests for programmatic changes – new projects/activities or expanding the scope of existing activities over-and-above that provided for in the base budget – should be documented as a separate proposal. This also includes all equipment requests. The optional *Special Funding Request* form can be used for this purpose.

Budget memos and forms are available on the Budget page of the Hastings web under “Budget Processes and Forms” <http://www.uchastings.edu/budget/budget-process-forms.html>

BUDGET DEVELOPMENT SCHEDULE

To aid in your planning, here is the [budget development schedule](#) that was previously distributed (note that auxiliary enterprises have an April due date for the June Board Meeting; [check the web](#) for more info).



Please contact Carol Cole (colec@uchastings.edu, ext. 4824) if you have any additional needs. **Please remember your division manager must approve your department’s budget package prior to submittal.** If you have any questions, please contact me (sewardd@uchastings.edu, ext. 4710).

cc: Chancellor and Dean Frank Wu
 Controller Debbie Tran
 Budget and Planning Analyst Carol Cole

Enclosures

DS: cfc

**SUPPLEMENTAL INFORMATION ON
EMPLOYEE BENEFITS ALLOCATION FOR 2011-12**

Beginning with fiscal year 2011-12, employee benefit costs incurred by the Institution will be uniformly allocated across all programs using an overall rate based on the history of actual costs incurred since 2006. Specific anticipated increases in benefit costs for 2011-12 were also taken into account (e.g., the Institution's contribution to the UC Retirement Plan increasing from 4% to 7%). The base is salaries and wages for the Institution excluding wages paid to student workers. The benefits cost allocated to each program will equal salaries and wages (excluding wages of student workers, object codes 5123-5125) multiplied by the benefits allocation rate. **For 2011-12 the benefit allocation rate is 26%** and expenses will be posted to object code 5150.

This process of deriving an overall benefits allocation rate for the Institution will be repeated every year. It will be based on the history of benefit costs incurred by the Institution over five years, and will take into account specific anticipated increases in benefit costs. This will result in a more efficient allocation and resembles the method used by the University of California.