October 15, 2008

TO: University of California, Riverside
    Faculty, Staff and Students

RE: Chancellor’s Budget Update

All of us are acutely aware of the serious financial situation impacting the state, nation, and world. Indeed, we are in unprecedented and uncharted economic whitewater, worldwide, and even the most optimistic among us believe this shrinking and volatile economy is likely to be a multi-year issue.

I wish to share with you some of the steps that we have and will be taking to plan prudently for the future of the University of California, Riverside.

But first, let me acknowledge that the hardships of this economy are very personal to many among us as well... whether it is household finances or those of family, neighbors and friends, there is much angst and hurt occurring. So please be supportive of each other and yourselves as we navigate through these times.

As this is a very fluid circumstance, we will necessarily use a series of subsequent communications to articulate details and certainties as they come into focus. My goal in communicating now – albeit without much detail – is to provide assurance to the broader community that the members of University leadership are focusing considerable attention on identifying solutions for the future. Indeed, this is a time that calls for strong and thoughtful leadership at all levels of our University.

Thanks to a planning process initiated last year, the campus leadership has a strategy for dealing with FY08-09, including drawing down reserves and taking other actions to keep our budget balanced. The Regents have not as yet approved the final UC budget, nor do we have our final general fund allocation... this should all occur over the next few weeks. Nevertheless, we are confident that the thoughtful planning that occurred allows us to manage through these previously anticipated cuts.

Much more recently, President Yudof has directed the UC campuses and Office of the President to plan for a further reduction of the general fund budget during the course of the current year. The President indicates that UC’s overall reduction will approximate $33 million; we anticipate learning UCR’s proportionate share by the end of this month. The new planning need is in addition to the aforementioned planning that has already occurred.

In this regard, each campus has latitude to respond in its own way. For UCR, I have asked that the planning analysis be conducted strategically with an eye to the future, and not strictly across-the-board. We will go to great measure to preserve the student
academic experience. Expenses, as well as revenues and productivity to our core mission will be taken into consideration.

I remind the campus community that Chancellor Grey implemented, on May 1, 2008, a hiring freeze on all positions funded on state general funds or registration fees. This freeze remains in effect, and authority for “mission-critical” exceptions is delegated to the cognizant dean, vice chancellor, or vice provost. Regrettably, it may become necessary to strengthen or deepen this freeze.

We are also considering a variety of options and combinations, including further drawing down of financial reserves, curtailment of non-essential travel, reduction of leasing obligations, limiting outside consulting services, further energy savings, reduction of entertainment expenses, reduced employee compensated effort (“START” program), administrative efficiencies, and delay of major purchases, to name just a few.

It is important to recognize that while we curtail expenses in some areas, we will also necessarily be investing in others that are essential for us to achieve our aspirational vision. This may mean redirecting resources to meet these strategic goals, which will be identified in a strategic academic planning process that is just now being launched.

Conversations are underway among several Vice Chancellors, Academic Senate committees, Deans, and administrative unit heads regarding the latest set of anticipated reduction targets, ones that are likely to last for several years hence. We simply must recognize the need for a systemic and long-range approach that results in permanent cost cutting.

Most unit leaders across the University have already been giving thought to solutions, and I ask that those discussions and actions continue with dispatch so units are well prepared to participate in due course in the larger University-focused effort to curtail cost and invest in our future.

I am confident that UC Riverside, with its outstanding faculty, students, and staff working together, will not only weather the current storm, but emerge stronger than ever. As we move through the months ahead, we must keep our eyes, and focus our actions, on the ultimate goal of becoming an even greater university.

I thank you for your support, your understanding, your advice and counsel, and your sustained commitment to excellence in all aspects of UCR.

Timothy P. White
Chancellor