The Budget Reduction Process

The University of California core budget support from the State of California is reduced by $500,000,000 in Governor Brown's proposed state budget for the 2011-2012 fiscal year. The portion of this $500M budget reduction allocated to UCR is $37.8M. In addition, we have unfunded required expenditures (including the employer contribution to UCRP, faculty merits and partial fee remission for graduate student teaching assistants) that total another $12.2M, bringing UCR's total budget reduction to $50M.

It is important to note that this is UCR's budget reduction for fiscal year 2011-2012 at this time. Because a state budget has not passed, and in particular if the tax extension is not approved by the voters, it is almost certain that the core budget to the University of California will be reduced even more, in which case our budget reduction will be even larger. However, because we cannot predict what will happen with the State budget, we must do our planning with what we know at this time to be our budget reduction for fiscal year 2011-2012.

Our plan is to account for the budget reduction of $50M as follows. New permanent revenue to the campus from student fee increases and from an increase in the number of funded students and temporary revenue from fees paid by our overenrolled students, plus several actions taken centrally, will be used to offset $35M of the $50M. The remaining $15M will be allocated to the various administrative and support units and the colleges and schools as permanent budget reductions.

The process for allocation of the $15M in permanent budget reductions will be a multi-step process. As an initial step, each administrative unit, support unit, college and school has been assigned a planning target budget reduction. A percentage reduction has been applied to the state-supported core budget for each administrative unit, support unit, college and school, to achieve a total reduction of $15M. For the colleges and schools, their budgets for filled faculty positions have been removed from their total budgets for purposes of arriving at their budget reduction targets. To achieve a $15M reduction, the across-the-board reduction applied in this first step is 8.36%. A table listing these budget reductions is posted on the Chancellor's Budget Advisory Council (CBAC) web site (http://budget.ucr.edu/bac.html).

Each unit head, including the Dean's of the Colleges and Schools, has been asked to prepare a realistic plan for accomplishing their assigned reduction target. These plans are to be submitted to the CBAC and the Academic Senate Committee on Planning and Budget by April 15th, 2011.

This will be followed by a two-day Planning and Budget Meeting on April 26th and 27th, where each organization will be asked to present on their budget reduction plan. Members of CBAC, the Academic Senate Committee on Planning and Budget,
and the unit heads will attend the meeting. A copy of the letter sent to each unit head, with more information about the request for a budget reduction plan and the budget meeting is posted on the CBAC website. A memo sent to each unit head by CBAC, stressing that each unit will be asked to shoulder some of the responsibility for the budget reduction but that the percentage reduction will not be the same for all units, is also posted on the CBAC website.

Based on the budget reduction plans and the presentations at the Planning and Budget Meeting, CBAC and the Academic Senate Committee on Planning and Budget will make recommendations on the final budget reduction targets for the various administrative and support units and colleges and schools.

It is to be emphasized that not all units will take the same percentage reduction. Rather, reductions will be based on the plans put forward, and the guiding principle to protect excellence. The CBAC guiding principles are posted on the CBAC website.