TOWN HALL MEETING

Chancellor Tim White
University of California, Riverside
May 21, 2009
Outline

1. Administrative Redesign
2. Budget Reduction Scenarios
3. Furlough/Salary Reduction Policy
4. Discussion
Outline

1. Administrative Redesign
2. Budget Reduction Scenarios
3. Furlough/Salary Reduction Policy
4. Discussion
Vice Chancellor
Student Affairs

Retaining:
• Student Administrative Services
• Enrollment Management
• Dean of Students
• Recreation

Adding:

➢ Auxiliaries:
  – Dining Services
  – Housing
  – Campus Store
  – Child Development Center
Vice Chancellor

*Finance & Business Operations*

**Retaining:**
- Resource Mgt. & Analysis
- Capital & Physical Planning
- Real Estate

**Adding:**
- Facilities
- Facilities Operations
- Design & Construction
- Transportation & Parking Svcs.
- Financial Services
- Human Resources
- Police
- Environmental Health & Safety
- Materiel Management
- Printing & Mail Svc.

*Amalgamation of portions of former VC Administration & VC Academic Planning & Budget*
Executive Vice Chancellor & Provost

Retaining:
• Vice Provosts
• Deans
• University Librarian
• Campus Information Services*
• Palm Desert Graduate Center

Adding:
➢ Strategic Academic Research & Analysis**
➢ Audit & Advisory Services

*Formerly Computing & Communications
**Formerly Institutional Planning & Analysis
Chancellor

Retaining:
• EVC & Provost
• Vice Chancellors
• Associate Vice Chancellor, Diversity, Equity & Excellence
• Campus Counsel

Adding:
➢ Governmental and Community Relations
➢ Intercollegiate Athletics
Under Review

• Information Systems/Document Management
• International Programs
• Suite of related issues:
  – Risk Management/Assessment
  – Compliance & Ethics
  – Conflict Resolution
  – Locally Designated Official (LDO)
  – Ombudsman
Intended Outcomes of Redesign

- Disestablished two units; created one
- Redistributed duties among five units:
  - Creates clusters to serve core campus needs
  - Saves one-half million dollars per year
- Established checks and balances
  - General fund and capital decision process: final recommendation from the Provost/EVC to the Chancellor
  - Separates audit from finance and budget mechanics
Outline

1. Administrative Redesign
2. **Budget Reduction Scenarios**
3. Furlough/Salary Reduction Policy
4. Discussion
Budget Advisory Committee

- Dallas Rabenstein,* Chair
- Reza Abbaschian*
- Dan Aldrich
- Thomas Baldwin
- Gretchen Bolar*
- Steven Bossert
- Craig Byus
- Richard Cardullo
- Georgianne Carlson
- Joseph Childers
- Stephen Cullenberg*
- Al Diaz
- Sharon Duffy
- David Fairris
- Jay Farrell*
- John Fischer
- Mary Gauvain*
- Phyllis Guze
- Ruth Jackson
- David Johnson
- Danny Kim
- John Levin
- Charles Louis
- Bobbi McCracken
- Michael Moore
- Anthony Norman
- Chuck Rowley
- James Sandoval*
- Carolyn Stark
- David Stewart
- Akula Venkatram
- Todd Wingate

*Member of BAC Steering Committee
Staff to BAC: Matthew Hull and William Kidder
BAC Principles

- Filled and unfilled professorial faculty & TA lines preserved.
- Mission critical staff positions preserved.
- Non-mission critical functions to be eliminated.
- Functions/processes to be reviewed for improved efficiencies/effectiveness.
- Priority given to reducing travel & other non-salary support budgets.
- Reductions must not shift mandatory costs to other units.
# Revised UC and UCR Budget Scenarios*

<table>
<thead>
<tr>
<th></th>
<th>Existing Cuts</th>
<th>Estimate with Ballot Failure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UC Systemwide</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Previously Existing</td>
<td>$115.5M</td>
<td>$115.5M</td>
</tr>
<tr>
<td>2) Additional Reduction due to Revenue Shortfall</td>
<td></td>
<td>$125.0M</td>
</tr>
<tr>
<td>3a) Additional Reduction</td>
<td></td>
<td>$50.0M</td>
</tr>
<tr>
<td>3b) Academic Preparation Programs Reduction</td>
<td></td>
<td>$31.0M</td>
</tr>
<tr>
<td>Total Estimated UC Systemwide Reduction</td>
<td>$115.5M</td>
<td>$321.5M</td>
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<tr>
<td><strong>UCR Estimated Reduction</strong></td>
<td>$9.0M</td>
<td>$26.0M</td>
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</table>

* Based on UCOP’s 5/14/09 press release
Current Fund Expenditures

Fiscal Year 2007 - 2008

UC Riverside

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditures (Thousands)</th>
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</thead>
<tbody>
<tr>
<td>State General Funds</td>
<td>219,205</td>
</tr>
<tr>
<td>Government Funds</td>
<td>85,688</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>46,443</td>
</tr>
<tr>
<td>Sales &amp; Service/Other</td>
<td>17,464</td>
</tr>
<tr>
<td>Private Funds</td>
<td>31,197</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>102,709</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>502,706</strong></td>
</tr>
</tbody>
</table>

Government Funds: 44%

Auxiliary Enterprises: 9%

Sales & Service/Other: 3%

Private Funds: 6%

Tuition and Fees: 21%
# FY09-10 Initial Reduction: Schools & Colleges

<table>
<thead>
<tr>
<th>School</th>
<th>Reduction</th>
<th>% of Budget</th>
<th>Total</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGSM*</td>
<td>$282,293</td>
<td>3.2%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Biomedical Sci*</td>
<td>$146,831</td>
<td>3.9%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>BCOE</td>
<td>$572,937</td>
<td>3.0%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>CHASS</td>
<td>$1,569,315</td>
<td>2.8%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>CNAS-I&amp;R</td>
<td>$1,271,341</td>
<td>3.0%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>CNAS-OR</td>
<td>$975,886</td>
<td>4.2%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>GSOE</td>
<td>$214,837</td>
<td>4.1%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td><strong>Academic Total</strong></td>
<td><strong>$5,033,439</strong></td>
<td><strong>3.2%</strong></td>
<td><strong>10%</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Includes Professional School Fees*
<table>
<thead>
<tr>
<th>Unit</th>
<th>Reduction</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>VPUE – Writing Faculty</td>
<td>$189,874</td>
<td>5.0%</td>
</tr>
<tr>
<td>Graduate Division</td>
<td>$146,992</td>
<td>7.0%</td>
</tr>
<tr>
<td>VC Univ. Advancement</td>
<td>$671,072</td>
<td>7.0%</td>
</tr>
<tr>
<td>Computing &amp; Comm.</td>
<td>$785,248</td>
<td>8.0%</td>
</tr>
<tr>
<td>UCR Libraries</td>
<td>$1,179,009</td>
<td>8.0%</td>
</tr>
<tr>
<td>Athletics</td>
<td>$201,634</td>
<td>10.0%</td>
</tr>
<tr>
<td>VC Student Affairs</td>
<td>$818,746</td>
<td>10.0%</td>
</tr>
<tr>
<td>VC Administration-OMP</td>
<td>$1,661,554</td>
<td>10.0%</td>
</tr>
</tbody>
</table>
**FY09-10 Initial Reduction: Other Units (Slide 2 of 2)**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Reduction</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Planning &amp; Budget</td>
<td>$522,329</td>
<td>10.0%</td>
</tr>
<tr>
<td>Academic Senate</td>
<td>$104,732</td>
<td>10.0%</td>
</tr>
<tr>
<td>Chancellor/EVC</td>
<td>$635,401</td>
<td>10.0%</td>
</tr>
<tr>
<td>VC Research</td>
<td>$296,673</td>
<td>10.0%</td>
</tr>
<tr>
<td>Palm Desert Grad. Center</td>
<td>$269,798</td>
<td>15.0%</td>
</tr>
<tr>
<td>VPUE – <em>Minus Writing</em></td>
<td>$579,799</td>
<td>15.0%</td>
</tr>
<tr>
<td>VC Administration*</td>
<td>$2,023,682</td>
<td>15.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,086,543</strong></td>
<td><strong>10.2%</strong></td>
</tr>
</tbody>
</table>

* VC Administration functions are being reassigned to other VC portfolios
FY09-10 Budget Reduction Gap

Anticipated FY09-10 reduction  $19 M ±

Chancellorial actions  <$ 2 M>

Initial Reduction to units  <$15 M>

Gap  $ 2 M ±
Timeline for Known Reductions

- **July 1, 2009** – Fiscal Year 2009/10 permanent initial budget decisions
- **November 1, 2009** – Campus organizational units provide temporary cash payments to meet budget reductions
- **May 1, 2010** – Permanent structural changes to budget made for Fiscal Year 2010/11 payments
Hiring Freeze

• Staff positions:
  – Hiatus on job offers lifted today
  – Going forward, mission critical only, as approved by Dean or Vice Chancellor

• Faculty positions:
  – Hiring freeze for ladder faculty effective today
  – Provost, Deans, Senate Chair (or designee) to develop policy recommendation for minimal exceptions; June 1
School of Public Policy

- Original modified plan:
  - Hire internal dean
  - Provide minimal staff support
  - Focus on curriculum development

- Revised plan:
  - Suspension of start-up efforts
  - Reassess when we have budget clarity
School of Medicine

- Efforts on all fronts to obtain net new funding
- United Healthcare gift provides 2 more years of “life support”
- Dean Guze extended for one year
- Founding Dean search ongoing
- Capital development ongoing
Budget details available at:

http://budget.ucr.edu/

Send comments to:

budgetquestions@ucr.edu

Comments due by close of business on June 5, 2009
Outline

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2. Budget Reduction Scenarios
3. **Furlough/Salary Reduction Policy**
4. Discussion
Proposed furlough policy available at:

http://www.universityofcalifornia.edu/regents/regmeet/may09/c7.pdf

Send comments by May 27th to:

chancellor@ucr.edu
Summary

• Redesign
• Grave budget contraction with lingering uncertainty
• Management plan: while differential, affects us all
• Input sought: CAVE and NIMBY unhelpful
• Strategic direction
• "To me aspirations are kind of like the future, except you have to start making it real now.” - E.D., age 11
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