

Faculty Brown Bag Discussion:
Faculty Furloughs & the Budget

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September 17, 2009



Overview: State Budget Reductions

- 2008-09 (recap)
- 2009-10
- 2010-11 (anticipated)
- Faculty Furloughs

2008-09 Recap: State Budget Cuts to UC

Sept. 2008 Budget Act	\$3.25 Billion
▪ 2008 Budget Act (One-Time)	(\$33.1 M)
▪ Special Session (Ongoing)	(\$65.5 M)
▪ May 14, Revise (One-time)	(\$510.0 M)
▪ May 26, Reduction (One-time)	(\$207.5 M)
▪ Final Budget Act Adjustment (Ongoing)	+\$2.0 M
▪ Sub-total	(\$814.1 M) \$2.44 Billion
▪ Unfunded Mandatory Costs	(\$227.5 M)
▪ Sub-total	(\$1,041.6 M)

2008-09 Recap: State Budget Cuts to UC

2009-10 State Budget Cuts to UC

Governor's January 10 Budget

\$3.25 Billion

▪ Special Session (Ongoing Cut)	(\$65.5 M)	
▪ Special Session (One-Time)	(\$50.0 M)	
▪ Special Session (One-Time)	(\$255.0 M)	
▪ May 14, Revise (Unallocated)	(\$50.0 M)	
▪ May 14, Revise (Academic Preparation)	(\$31.3 M)	
▪ May 26, Budget Reduction	(\$167.5 M)	
▪ Conference Committee Action	(\$17.8 M)	

▪ Subtotal	(\$637.1 M)	\$2.61 Billion
▪ Unfunded Mandatory Costs	(\$368 M)	

▪ Total	(\$1,005.1 M)	

UCR and 2009-10 State Budget Cuts

<u>UCR Budget Reduction:</u>	<u>\$51 M</u>
<u>Unfunded Mandatory Costs:</u>	<u>\$15+ M</u>

• BAC + Chancellor cuts (Permanent)	\$17M
• Furloughs (Temporary)	\$13M
• 09-10 fee increases (Permanent)	} \$21 M
• Mid-year fee increases ?? (Permanent)	
• Various measures (Temporary)	

2010-11 and Future UC Budget Challenges

- Restoration of One-Time Cuts \$305.0 M
- Enrollment Reduction (\$22.6 M)
- Ending Furloughs (\$184.0 M)
- UC Retirement Program (\$108.9 M)
- Other New Mandatory Costs (\$129.4 M)

2010-11 Budget Challenges Cont.

- One-time cuts such as the \$305M likely will become permanent (aka “the new normal”)
- Strategic planning will guide additional increases rather than faculty furloughs and other across-the-board measures
- UC will seek another 15% increase in student fees for Fall 2010

Furlough/Salary Reduction Plan Summary

- Effective September 1, 2009 - August 31, 2010
- Employee salaries to be reduced on a graduated scale, in even increments each month
- Employees receive a specified number of furlough days aligned with their respective salary reduction
- Some furlough days will be taken during the campus closures

Furlough/Salary Reduction Plan Summary (cont.)

Exclusions

- Academic and staff employees whose pay is:
 - funded entirely by extramural grants and contracts
 - partially funded by extramural grants and contracts, the portion of pay that is funded from extramural funds
- Student employees, including postdoctoral, graduate and undergraduate students
- Foreign national employees working pursuant to H visas

Furlough/Salary Reduction Plan Summary (cont.)

- Furlough days may not be taken on instructional days
- Furlough Exchange Program (pending)
 - Faculty can do research on furlough days, and pay themselves from extramural grants and contracts
- Faculty may consult on furlough days (in addition to the normally allowed 39 days for consulting)