Faculty Brown Bag Discussion:

Faculty Furloughs & the Budget

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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

- Sub-total ($1,041.6 M)
- Federal Stimulus Funds (One-time) $715.5 M
- 2008-09 Fee Increase $84.9 M
- Total
- Net Budget Reduction ($326.1 M)
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)

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- Subtotal ($637.1 M)  $2.61 Billion

- Unfunded Mandatory Costs ($368 M)

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- Total ($1,005.1 M)
UCR and 2009-10 State Budget Cuts

**UCR Budget Reduction:** $51 M  
**Unfunded Mandatory Costs:** $15+ M

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