CHANCELLOR’S TOWN HALL MEETING

Timothy P. White
University of California, Riverside
June 3, 2011
Virtual Participation in Discussion

E-mail questions to:

townhall@ucr.edu

site remains live 24/7
Outline

1. Living the Promise at UCR
2. 5-Year UC Budget Models
3. State and UC Budget Situation 2011-12
4. UCR Enrollment & Budget 2011-12
5. Provost’s Seminar
$4.8M grant on plant adaptation

• Professors Wessler and Stajich received a $4.8 million grant from NSF to study how plants adapt to a changing environment

Sue Wessler, distinguished professor of genetics, and Jason Stajich, assistant professor of plant pathology and microbiology
Los Angeles Review of Books

• Tom Lutz, Professor of Creative Writing, has created an online source of book reviews from a West Coast perspective
$9M grant to fight blight

- Professor Judelson receives a $9 million, 5-year grant from USDA to study potato blight

USDA Under Secretary Cathie Woteki visited UCR to announce the research grant to Dr. Judelson.
Award-winning poet Matthew Zapruder, an adjunct assistant professor in Creative Writing, was named a fellow by the John Simon Guggenheim Memorial Foundation.
Staff Assembly Awards

James Sandoval, Vice Chancellor for Student Affairs

Jessica Darin, Executive Assistant to the Chancellor

Peter Hayashida, Vice Chancellor for University Advancement
Bourns students score highest ever

• BCOE students placed first at an international environmental design competition
• James Gutiérrez received the McManus Outstanding student award

The team’s adviser Dr. Kawai Tam with James Gutiérrez, Andrew Mikkelson, Cindy Brito, Alfred Liu and Caleb Stanton.
Clinton Global Initiative

• 13 UCR students were selected to participate in the 4th annual Clinton Global Initiative University

• Alum & staff member Samantha Wilson talked about her Child Leader Project in India
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$2.5 Billion Deficit in 2015-16

Baseline Scenario: No new revenues after 2011-12, except tuition from enrollment growth. Includes all mandatory costs and enrollment growth consistent with 2008 plan.

NOTE: Slide from UCOP
## Baseline Cost Driver Assumptions

<table>
<thead>
<tr>
<th>Cost Driver</th>
<th>Assumptions</th>
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<tbody>
<tr>
<td>Enrollment</td>
<td>No further reductions and growth of 1% annually beginning in 2012-13</td>
</tr>
<tr>
<td>Compensation</td>
<td>3% increases annually to keep pace with market in addition to regular academic merit salary increase program</td>
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<tr>
<td>Post-Employment Benefits</td>
<td>UCRP contributions of 10% in 2012-13, followed by 2% annual increases; annual growth in retiree health benefit costs of 7%</td>
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<tr>
<td>Other Employee Benefits</td>
<td>7% annual increases</td>
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<tr>
<td>Capital Renewal</td>
<td>Investment growing by $25 million annually</td>
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<tr>
<td>Other Non-salary Cost Increases</td>
<td>No increase in purchased utility costs for two years; other items increasing 3% annually</td>
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**NOTE:** Slide from UCOP
## UC Possible Budget Scenarios* Through 2015-16

<table>
<thead>
<tr>
<th>Scenario</th>
<th>State Support</th>
<th>Student Tuition &amp; Fees</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>• 8% annual increases</td>
<td>• 8% annual increases; $15,100 in 2015-16</td>
<td>• 1% annual growth</td>
</tr>
<tr>
<td>2</td>
<td>• 4% annual increases</td>
<td>• 12% annual increases; $17,500 in 2015-16</td>
<td>• 1% annual growth</td>
</tr>
<tr>
<td>3</td>
<td>• Funding held flat at 2011-12 level</td>
<td>• 16% annual increases; $20,000 in 2015-16</td>
<td>• No growth</td>
</tr>
<tr>
<td>4</td>
<td>• 2% annual reductions</td>
<td>• 20% annual increases; $23,100 in 2015-16</td>
<td>• No growth</td>
</tr>
</tbody>
</table>

* Assumes for FY11-12 existing $500M reduction and no further fee increase above $11,124
Outline

1. Living the Promise at UCR
2. 5-Year UC Budget Models
3. **State and UC Budget Situation 2011-12**
4. UCR Enrollment & Budget 2011-12
5. Provost’s Seminar
Status of State Budget 2011-12

- $12.5B in cuts hits UC at $500M

- Remaining budget gap of $15B softened by $6.7B in unexpected revenue; none for higher education

- “All cuts” scenario in public discussion; would hit UC 2x at $1B
  - Would lead to 32% education fee increase Jan 2012
    - $11,124 would become $14,684
    - The 32% fee increase would cover only half the added gap
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Enrollment Management

• Increasingly complex
• Faculty essential at all levels
• Concern about vulnerability of a core asset
  – Academic credential
  – Reflective of mosaic of society
  – Financial
  – Relational, both on and off campus
  – Optics
  – International presence…
11-12 Recruitment Projections*

Domestic California first-year UG students
3,500 anticipated against a target of 3,750

Transfer UG students
1,500 anticipated against a target of 1,200

Out-of-state and international UG students
305 anticipated (50 domestic; 255 international)

Graduate & postgraduate professional students
580 anticipated against target of 560

+28 health sciences/medical students

*As of May 18, 2011.
UCR 2011-12 Budget Outlook

UCR portion of UC cut

$34-37.8 M

Additional Obligatory costs:

- UCRP contributions $ 5.0 M
- Faculty merits/promotions $ 1.5 M
- Collective bargaining contracts $ 1.1 M
- Employee benefit increases $ 1.6 M
- Other (Operation & Maintenance of Plant; Fee remissions) $ 3.0 M
- Subtotal $12.2 M

Total gap

$46.2-50 M
UCR 2011-12 Budget Outlook

Total Gap $46.2-50 M

Solutions

1. $35 M of new permanent & temporary revenue
   [including 8% Fall 2011 fee increase, FY 10-11 funding of 831 previously unfunded students, fees paid by over-enrolled (aka unfunded) students]

2. $15 M reduction to colleges, schools and administrative units
Budget Process

- **March** – Unit heads submit plans for cuts
- **April 26-27** – Unit heads met with CBAC
- **May 26** – Budget hearings held with CBAC and Senate Planning & Budget Committee
- **June 15** – CBAC to make recommendations; P&B to make independent recommendations
Chancellor’s Budget Advisory Council

http://budget.ucr.edu/bac.html

Primary Charge:

- Providing advice and recommendations in alignment with UCR 2020
- Advising on sustainable/progressive fiscal plan & budget process
- Ensuring transparency
Budget: Owning Decisions

Sacramento

UCOP
Chancellor
Provost

Unit Heads
Chair/Director
Dean/VC
Budget Hearings - Strategies

• **Our General Fund Budget is largely personnel costs**
  – Layoffs / reductions in time

• **Decreasing General Fund Costs**
  – Program consolidation or downsizing
  – Administrative services centers
  – Other administrative efficiencies

• **Increasing Revenues**

• **Investing for Future**
Risks, 1 of 2

- **To faculty:** retention and recruitment issues; increases in class size and workload
- **To staff:** layoffs; reductions in time; increased workload
- **To students:** increases in tuition, class size, and time to degree; fewer course offerings
- **To academic units:** accreditation / re-accreditation challenges; equipment and supplies
Risks, 2 of 2

• **To UCR:** Delays in achieving aspirational goals; loss of prestige; reduced access & affordability, and challenges to sustaining excellence

• **To California:** Above - plus loss of economic drivers; less educated workforce; fewer resources devoted to solving societal problems
I Ask, Again, For Your Help

• “I hope you get angry. I hope you get active. Call and write your legislators, get out in the streets, take back your university, don’t let yourselves be the last people to have even this chance.”

  – Tom Lutz, Professor and Chair, Department of Creative Writing
  
I Ask, Again, For Your Help

• Public Policy Institute of California (PPIC)
  – 51% of voters would support tax increases for higher education
  – 30% of voters support spending cuts to higher education
  – 46% of likely voters would support tax extensions; 48% are opposed

• Advocacy made simple:
  http://ucforcalifornia.org/riverside/issues/alert/?alertid=47020526&type=ML
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Provost’s Seminar

- Academic excellence
- Optimal size and shape of UCR
- Research excellence
- Excellence in undergraduate and graduate and professional education
- View his seminar at: http://provost.ucr.edu
UCR Choices

Measures of Quality, Impact, Relevance & Stature

Time

self-created

self-inflicted
PRESERVE
Core Values
Core Purposes

CHANGE
Cultural and Operating Practices
Specific Goals and Strategies

*Jim Collins, 2001
Virtual Participation in Discussion

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