CHANCELLOR’S TOWN HALL MEETING

Timothy P. White
University of California, Riverside
February 9, 2011
Virtual Participation in Discussion

E-mail questions to:

townhall@ucr.edu
Outline

• Why does this problem exist?
• What is the size of problem at UCR, as we know it today?
• What is at stake at UCR?
• What are examples of possible solutions?
• What will be the principles and process going forward?
• Discussion
## California’s 2011-12 Budget Gap

- **2010-11 State Budget Reserve**: $1.3B
- **No additional Federal Funds**: -$3.6B
- **Erosion of 2010-11 Solutions**: -$1.7B
- **2010-11 Revenue Decline**: -$3.1B
- **Proposition 22, Transfers**: -$1.6B
- **Workload Adjustments**: -$2.1B
- **Sunset of Temporary Taxes**: -$7.2B
- **Expiring ARRA Funding**: -$4.0B
- **2010-11 One-Time Solutions**: -$3.4B
- **Rebuild Budget Reserve**: -$1.0B

**TOTAL**: $26.4 Billion
Governor’s Proposed Budget Solutions

- Expenditure Reductions: $12.5 B
- Revenues: $12.0 B
- Other: $1.9 B
- Total: $26.4 B
Gov’Major 2011-12 Budget Reductions

- Medi-Cal $1.7 B
- Welfare-to-Work $1.5 B
- Universities $1.0 B
- Developmental Services $0.75 B
- State Operations/Compensation $0.58 B
- California Community Colleges $0.40 B
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Current Fund Expenditures

Fiscal Year 2009 - 2010

UC Riverside

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount (in thousands)</th>
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</thead>
<tbody>
<tr>
<td>State Gen Fund</td>
<td>192,623</td>
</tr>
<tr>
<td>Gov Funds</td>
<td>109,039</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>42,086</td>
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<tr>
<td>Sales &amp; Service</td>
<td>12,404</td>
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<tr>
<td>Private Funds</td>
<td>28,407</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>115,267</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>499,826</strong></td>
</tr>
</tbody>
</table>
UCR 2011-12 Budget Outlook

UCR portion of UC cut $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 (Op & Maint. of Plant; Fee remissions ) $ 3.0 M

Subtotal $ 12.2 M

Total Reductions $50.0 M
What does $50M look like at UCR?

- 392 faculty FTE (i.e. BCOE, CHASS & SoBA), or
- 793 staff FTE, or
- The *combined* general fund budgets of:
  - Student Affairs
  - Finance & Business Operations (less OMP)
  - Computing % Communications
  - University Advancement
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UCR Choices

Measures of Quality, Impact, Relevance & Stature

Time

self-created

self-inflicted
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PRESERVE
Core Values
Core Purposes

CHANGE
Cultural and Operating Practices
Specific Goals and Strategies

*Jim Collins, 2001
UC Systemwide Possibilities

• Reducing Costs
  – Operations/Programs
  – Working Smarter initiative ($500M in 5 yr)
  – Voluntary reduction in time; Phased retirement

• Increasing Revenue
  – Monetizing assets
  – Advocacy
Outline - UCR Possible Solutions

• Our General Fund Budget is largely personnel costs
• Increasing Revenues
• Decreasing General Fund Costs
• Investing for Future
As of July 1, 2010

General/Core Funds Permanent Budget*

$ (in thousands)

- **Salaries & Benefits**
  - 83.6% ($204,225)

- **Non-Salary Support**
  - 16.4% ($40,012)

*Includes State General Funds, UC General Funds, and Educational Fees.
UCR - Possibilities to Increase Revenues

• Student fees (already 8% in Fall 2011)
• Philanthropy
• Contract & grant activity
• Entrepreneurial support of academic programs
• Advocacy
  – PPIC: Jan 2011, 59% support a tax for ed.; 70% seek cut in corrections
• Technical & Professional School Fees
• International NR enrollment
• Reducing personnel costs on General Fund
  – Separations
    • Attrition and layoffs
  – Reducing campus activities and services, such as business offices open 4 days, limiting library physical access, reducing bus service, etc.
    • Loss of positions and layoffs
  – Moving salaries from general funds to other fund sources
    • Example, summer sessions to self support
    • Maintains positions, saves general fund
• Administrative efficiencies & effectiveness
  – Business Centers supporting many units
  – Loss of positions and layoffs
• Academic & administrative program downsizing, elimination, or consolidation
  – Moratorium on TA support for weaker programs
  – Palm Desert Reduction
  – Loss of positions and layoffs
• Move preparatory ed. off general fund
  – Maintains positions, saves general fund

• Use reserves and one-time monies to relieve general fund temporarily
  – Central held funds
  – Use some discretionary reserves
  – The thousands of private accounts in the units
  – Maintains positions, saves general fund
UCR Must Sustain Investments for Future

- School of Public Policy
- New Inter-, Multi-disciplinary research
  - Sustainable planet
- School of Medicine
- Assistant Professors
- Philanthropy
- Grants & Contract
- Health & Safety
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Instability & uncertainty will be the norm for the balance of our lives.

California & UC are not going back to the ‘good old days’.

The historic Master Plan Trilogy of access, affordability and quality is at grave risk of becoming quality > access and affordability.

– Time to degree is at peril for our students, at their great cost.
Preeminence is a matter of choice, discipline and courage

- It will require principled leadership, commitment & enormous effort from thousands among us, not from a handful

Failure and mediocrity will come from denial, entitlement, and/or over-reaching

We must confront the brutal realities, and be confident and have faith that we will succeed
The people, plan and will to succeed are *in place*:

- **UCR 2020;** coherent core mission, vision, goals, & commitment
- Great, dedicated, & capable faculty and staff
- Organized units, allowing decentralized to centralized discussion & decision process
- Commitment to transparency & adherence to policy
- Commitment to the sustainability of grounds, buildings, transportation, energy consumption, waste management, etc.
Established groups of shared leadership, with capacity to create ad-hoc groups as needed:

- External Advisory Councils
- Academic Senate
- Staff Assembly
- ASUCR & GSA
- Dean’s Council
- Chancellor’s Budget Advisory Council
- Chancellor’s Cabinet
Chancellor’s Budget Advisory Council

Primary Charge:

• Providing advice and recommendations in alignment with *UCR 2020*

• Advising on sustainable/progressive fiscal plan & budget process

• Ensuring transparency
Chancellor’s Budget Advisory Council

- Dallas Rabenstein, Chair
- Charles Louis, Vice Chair
- Mary Gauvain, Senate
- Peter Chung, P&B
- Gretchen Bolar, FBO
- Mike Allen, Plant Pathology
- John Turner, Sociology
- Melanie Sperling, Education
- Millie Garrison, CNAS
- Matt Hull, Staff Support
Summary

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Expenditures per Student

<table>
<thead>
<tr>
<th>Year</th>
<th>Student Fees</th>
<th>UC General Funds</th>
<th>State General Funds</th>
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</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>$16,720</td>
<td>$1,970</td>
<td>$2,680</td>
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<tr>
<td>1995-96</td>
<td>$12,860</td>
<td>$4,850</td>
<td>$3,920</td>
</tr>
<tr>
<td>2000-01</td>
<td>$15,020</td>
<td>$1,920</td>
<td>$5,370</td>
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<tr>
<td>2005-06</td>
<td>$10,100</td>
<td>$2,140</td>
<td>$7,930</td>
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<tr>
<td>2011-12</td>
<td>$7,210</td>
<td>$2,080</td>
<td>$7,930</td>
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</table>

All figures in 2010-11 dollars. Fee revenue figures exclude financial aid.

UC Regents Meeting – January 2011