

**Budget Advisory Committee Town Hall
Friday, June 26th at 11am**

Q&A

State Budget Cuts/UCOP Decisions

- 1. Does this reflect the latest budget compromise numbers announced earlier this week by the Governor?**

The budget agreement the Governor and Legislature reached has a “trigger” mechanism of providing a reduction to the University at the start of the fiscal year, with a federal funding backfill by October 15, 2020 if sufficient new federal stimulus funding is provided.

- 2. When you say that reductions/furloughs are a UCOP decision, do they take into account the situation of each campus or are these unilateral across the board cuts? We certainly would feel the impact of an X% cut more or less keenly than Irvine, for example.**

In the past UCOP implemented a standard program for all campuses. We don't know if they will do something different in the future.

Salary Related

- 1. We recognize that furloughs would be designed system-wide. Still, do you have a ballpark estimate for what furloughs similar to those in 2009-11 would actually contribute (that is, progressive on pay level)?**

- 2. Do we have a date on when the decisions regarding furlough and salary cuts will be made?**
Furlough or salary cuts would need to be system-wide decisions. Currently, we have no information on when, or if, there would be such UCOP action.

- 3. Can we expect a final decision to be announced sometime in the Fall?**

We want to make sure we have as much information as possible before implementing budget reductions, including this BAC interaction with the campus. We understand that we will have FY21 reduction targets to meet, and the hiring slowdowns and other savings in the short term (and furloughs if they are enacted) would help generate one-time savings in FY21 while we were able to put into place more permanent budget reductions.

- 4. Would the salary actions be at a higher rate given the fiscal year would be almost half over? Or are there discussions at UCOP that this may be for longer than FY21?**

We have not confirmed that salary reductions would start in January. The System office has the authority over approving furloughs or salary reductions, consistent across the entire UC. They are talking about these issues but at this time we don't know when/what they may do.

UCR Data

1. **Can we see TA ratios broken down by college? How is this ratio calculated when TA's have multiple sections of students in excess of 15?**

We will ask IR to provide responses to TA questions - we will find a way to include in the budget web site.

2. **What are the definitions of administration vs management here?**

It is an IPEDS/federal definition for wage and hour exempt higher level classifications, which combines these together management and senior professional. It is not an intuitive definition of a specific set of individuals, but is reported this way. Overall we have about 3100 total career staff positions.

The Institutional Research website (<https://ir.ucr.edu/stats>) provides these statistics. The data can be filtered by college, types of students, faculty/staff headcount, workload, etc.

3. **What are the current reductions in lecturers compared to last year in terms of number of contracts that were not renewed?**

We would likely need to get info from each school and college.

UCR Budget Reduction Process

1. **Has significant consideration gone into external reviews on program elimination? As many programs that are suggesting to be cut or have been cut have been highly rated by external reviewers.**

The focus is working up overall priorities for our programs and services, and getting feedback for such, so yes this is an item of consideration. We assume the Provost will take the lead, working with the Deans, on School and Colleges plans, to include evaluation of academic programs.

2. **As a school that largely serves first gen students, charging significantly higher tuition, board, dining, while potentially simultaneously cutting services like the WELL and other services that help provide for food insecure etc. students, could significantly impact student's across the board: health, debt, families etc. How can we provide for students that our school prides itself on?**

Yes, there are no good options, but financial aid is also not part of any reduction plans, and it goes up with any tuition increases - but we are not assuming there are any tuition increases in the near term.

3. **What metrics are being used to determine which initiatives to sunset (eliminate) and which administrative units should receive higher and lower levels of cuts?**

Looking at programs and services to be reduced or eliminated does require evaluation of data and information about the program and then arriving at a value judgement relative to the priority vs other campus activities.

4. **Can we, UCR, borrow in the capital markets today the amount of the cuts?**

UCR could borrow funds, but if budget reductions are longer term, and not very short term, borrowing is not an effective strategy, as one would have to pay back these loans from some uncertain future increases in revenue streams, which would also likely have to address other fixed cost increases, like salary and benefits.

- 5. I understand that there are policies limiting the ability for Auxiliaries to be funded by state funds, but Auxiliaries does pay in to other organizations on campus, for example ITS. Is there flexibility to potentially backfill the losses to non-Auxiliaries units because of the loss of revenue from Auxiliaries to those units?**

Many programs that have revenue generating sources would likely have options of getting revenue from other sources to backfill – but it is not likely there would be such revenue from those other sources in this financial situation. It would still require priorities to provide, for example, ITS with backfill funding at the expense of other programs and services of the campus. The campus auxiliary programs provide direct funding support to many other programs than just ITS.

- 6. Can you go more into depth as to how these budget cuts will affect the different student resource centers on campus?**

There have been no decisions about specific budget reduction targets for any campus programs at this time. The BAC outreach efforts are to gather campus feedback so that we can have background information to provide better recommendations on such cuts to the Provost and Chancellor.

- 7. What have the campus savings been due to remote work/instruction, and how does this translate to a long term savings, should we continue to work remotely through the end of the year, and further beyond?**

There are savings due to travel reductions, utility reductions and the like, but by far the largest component of our budget is salaries and benefits. Additionally, the added costs for dealing with COVID-19, combined with the significant revenue losses due to COVID-19, are larger than the short term savings.

- 8. It seems that there is going to be a new normal moving forward. Are there needed changes in anticipation of this new normal that would help guide strategic decisions now?**

We are hoping to gather information about these issues through the BAC outreach, however, it is very difficult to accurately predict the future in this current environment

- 9. Once a given set of cuts are determined to be necessary, how much notice will be given before the cuts are enacted?**

It is expected that units will be able to address cuts in ways that make the most sense to them. The campus will need revenue to allocate towards the cuts, but the units could use any reserves/savings to extend the time period they would take to fully implement permanent cuts.

- 10. Will the broken down budget and cuts be made available as soon as it is "finalized" or will there be time for feedback?**

The BAC will share its recommendations on the web site, once they are finalized.

COVID-19 Related

1. How will the number of international students in the coming year affect the revenue?

Enrollment projections are tough at this time. Our best estimates at this time - but they are highly suspect - are perhaps a few hundred students down from last year, but the international and NR's materially impacted.

2. We need guidance regarding NRT waiver for international students as soon as possible.

We are aware of this situation and issue and are working with the Graduate School Dean on appropriate exception options for international students.

3. Are the anticipated losses including intangible items such as reduction in brand power, goodwill, anticipated profits/reserves, etc.?

4. How will changes to staffing and cleaning protocols as a result of safe opening impact the budget? Have those costs been factored in or forecast yet?

Yes, we are estimating the additional costs for cleaning and disinfecting, along with on-site testing, as part of the requirements under COVID-19

5. Will students need to pay SRC fees if the SRC remains closed in the fall?

We anticipate the SRC will be open for the fall, but with limits on density/students allowed in the facility.

6. Is there going to be any consideration for allowing students to make a quarter by quarter housing commitment?

We expect that we will be flexible working with students for housing contracts for this coming year. We don't know the student demand that we might face for the fall. However, we would commit to housing those students who came in the fall through the academic year, and would be able to support winter and spring new housing contracts on a space available basis only (there may be lots of space available – we just don't know at this time).

7. Perhaps Housing could send an email to the effect that there are forthcoming options because they are currently telling students they need to decide on the entire academic year today in order to clinch a lease.

8. Is allowing graduate housing in unfilled spaces being considered, as this could help reduce losses?

Graduate students sign up for campus housing now. The main area for availability is in the residence halls, however, and in the past graduate students have not had significant interest in staying there. That could change with COVID-19 of course.

- 9. Has the campus considered providing hybrid work models past the current COVID pandemic as a way to cut costs and utilize buildings more efficiently, since we have space issues?**

We have been focusing on the current COVID-19 challenges and have not yet formulated specific plans post COVID-19. It is possible that work schedules will remain flexible past the COVID-19 emergency – we will certainly want to track that carefully