

UCR Values and Priorities to Drive Directions and Decisions on Potential Budget Reductions

Draft

Note: These are overall guidelines/principles for campus decisions, but the focus for budget reduction recommendations would likely be on the Core budget. Each auxiliary/self-supporting budget would need to adjust appropriately to their specific circumstance. It is assumed this document will initiate discussions on how to handle the budget challenges and it will evolve over time as needed to support the overall best interests of the university.

Background

Our basic assumption is that UCOP will provide guidance on labor/staffing/employee salary and benefits issues (e.g. FY21 planned salary increases; general salary reductions; furloughs; layoffs; etc.) to reduce expenses, but that there is a need above and beyond that to balance the UCR FY21 budget with “permanent” base budget reductions. This document will be developed as a recommendation to the Provost and Chancellor as to how to manage a budget reduction process for the campus, and there will be a collaboration with Deans and Vice Chancellors throughout. We also assume that a close working relationship with the Senate Planning and Budget Committee would be important as we move through these economic challenges.

Past Practices for UCR in Budget Reductions

This information is provided as background and input for the review of a campus process for budget reductions, and specifics of how UCR has handled base budget reductions in the past. The most recent budget reduction occurred in FY10 through FY12. These past methods for budget reduction approaches should be discussed in case there is interest in applying any of them to the upcoming budget challenge. In the past the campus has looked at the core budget of units and then taken out the salary and benefits for filled faculty positions, utility costs, and library materials, assuming those could not really be part of a cut target, and then looked at cut targets after these adjustments (there is some interest in looking at other potential set-asides and the BAC will review options in this regard). Note: in the past on-going commitments (de facto base) funded by the campus have been added into unit base budgets for reduction scenario planning. Additionally, core funds have included professional school supplemental tuition as these fees have historically been increased to offset State funding reductions. Additionally, funding related to tuition increases approved by the Regents, after netting required financial aid set-asides has been used to reduce reductions applied to the units.

DRAFT Principles and Values to Drive Budget Challenges

UCR is a world-class teaching and research institution and has programs and activities that will need to be protected through this financial downturn. Reductions should be strategic and focused on preserving what makes UCR special and different from other Higher Education institutions, specifically those in California, and in alignment to the values of the campus's strategic plan. Additionally, the focus needs to include undergraduate student success, world-class research, graduate training, and the integration of research in the delivery of instruction to undergraduates through peer teaching (graduate student TA's) and undergraduate research opportunities and our success in promoting upward social mobility for our students. It is important that the strategy of the budget cuts should be one where UCR emerges with our research mission as intact as possible.

1. It is assumed that the campus would not have uniform across the board core budget reductions.
2. It will be important to understand all the budget adjustment proposals in context, as there are important interrelationships between adjustments in one unit that may have significant impacts in other units. For example, service providers eliminating activities/moving them to recharge, academic units limiting service courses, reductions in TA budgets may increase faculty workload in courses/course sizes, etc. The BAC would assume some level of presentation of the core budget reduction plan would be provided to them so as to understand the impacts of the proposals on other units and overall campus operations.
3. Focus on efficiencies that would reduce campus or unit costs, including eliminating, merging, and sharing activities across the campus. Each unit should work to identify such opportunities.
4. Consider sunseting initiatives that are not self-sufficient and have not lived up to their initial promise. While there are many important programs and services offered on campus, not all can be at the same high a priority level when compared to other campus programs and services. Campus-wide and unit specific processes will need to be developed to identify these reductions and obtain input before making hard decisions.
5. This will be the first time the campus will implement budget reductions under the new campus budget model. We will need to look closely at what is incentivized in the current budget system and whether this will help us meet our campus strategic goals.
6. Data shows that staffing levels are already very low at UCR (on average, and this does not apply to each program/unit), compared to other institutions. Balancing the budget through administrative cuts alone could produce an untenable outcome with too few people left to perform necessary functions in some areas. It will be important to consider these staffing facts when developing our plans and recommendations. There will need to be shared sacrifices across the campus.