

Campus Finance Committee Meeting

Date: Friday, July 30, 2021

Time: 9am

In Attendance

Elizabeth Watkins, Gerry Bomotti, Anil Deolalikar, Brian Haynes, Christopher Lynch, Deborah Deas, Jason Stajich, Jeff Girard, Jennifer Brown, Juliet McMillian, Katherine Kinney, Kevin Vaughn, Louie Rodriguez, Mariam Lam, Peter Hayashida, Rodolfo Torres, Shaun Bowler, Steven Mandeville-Gamble, Yunzeng Wang, Stephanie Flores (committee support), Dana Simmons, Melanie Yuquin Wu, Yung Phung (representing CNAS for Dean Uhrich), and Elysha Castillo (guest – student Rep from ASUCR)

Opening Comments – Liz

UCOP has shared a draft of the campus allocations, so we now have an idea of UCR's new funding.

Follow-up to Budget 101 presentation – Gerry and Stephanie

Review of additional budget and tuition revenue slides.

Campus Core Budget Overview – Liz

- Deans and VCs have authority to spend their budgets as they see fit, on faculty, TAs, staff, programming, etc. Units are all unique and have different factors that affect their budgets and spending decisions.
- Reminder that Central Resources is a holding account and the funding shown will be allocated out to the units for fixed cost increases (salary/benefits) on core funds, which are 3% for faculty plus merits, 3% for policy covered staff, and variable for represented staff (generally between 2%-6%). There are significant increases programmed in for the employer contributions to retirement and health care.
- Some colleges/schools see budget increases due mostly to tuition allocations on student enrollment growth.
- SOM change in budget is due to the SOM MOU with campus. Since UCOP has not cost adjusted the state allocation of \$40M for FY22, Central Resources will provide salary and benefits increases on core funds as a one-time exception with the assumption that we can get this changed for FY23 and beyond.
- The State may be flush, but that did not translate down to the UC. The funding to UC was restored to the FY20 levels with a little extra. The funding comes from the state to UCOP, whose distribution methodology includes set-asides and then the balance trickles down to the campuses through the rebenching calculation.

- The State does not fund the UC at the percentage amounts they did in the past and so we are going to talk about ways to generate funding at the campus level in future meetings.

Campus Core Budget Overview – discussion

Does this report have any indication of the units that are going to have a hard time coming out of this budget cut? Most units started at a low base and so the cuts were impactful. It could have been worse if the state would not have remained strong economically through the pandemic. It was noted that CHASS and CNAS carry a large load of the teaching and they are the two academic units that remained flat to the FY20 levels.

Limited funding was in place at this campus long before the budget cuts. In the past senior leadership was responsible for communicating and therefore the assumption was they were making all the decisions. This new CFC is now working together to come to consensus on recommendations about the budget. It is important for every member of this group to understand the campus budget and to communicate it to their constituents.

State funding for is the other component that comes to the campus from enrollment growth and yet that does not flow to the colleges in the budget model. The subvention is fixed and doesn't change, so how can we hire additional faculty? This part of the agenda for this committee going forward – a rebenching of sorts of the initial subvention determined several years ago.

The state does not provide enrollment funding on a regular basis and for the past decade, it's only been for UGs and not Grads (we are currently underfunded on both our state UG and Grad FTE). The enrollment funding is based on UCOP approved budgeted FTE and not actual FTE; however, actual FTE does help to drive the campuses budgeted FTE. When state funding has been received in the past it goes into Org subvention balances to cover fixed costs increases.

FY22 New Funding – Liz

- There is new funding to UCR in FY22 (that has not yet been allocated) in the amount of \$8.7M.
- Rebenching allocates State Funding on weighted budgeted FTE. When that same funding is divided by unweighted budgeted FTE, there is a large discrepancy between campuses. Two years ago, UCOP agreed to bring the lowest campuses based on unweighted budgeted FTE up to the 95% level of the system-wide average. We expect to receive the funding in relatively the same amount over the next 3 years assuming the same proportion of state FTE at all campuses.
- In meetings with various groups and individuals across the campus, they have all expressed a consistent concern about ITS. They are great colleagues and do incredible work, but there are great delays. It seems like an important area to be one of the first places to invest - increasing staff. There is also a great risk for our campus in cybersecurity that we need to be concerned about – we are a ransomware attack waiting to happen.

- Start considering other gaps across the campus that should be part of the conversation and could be addressed over the next 3 years with the rebenching true-up funding.
- As leaders we need to be transparent about where we are and share decisions we make going forward.

FY22 New Funding – discussion

Other areas of concern – HR (current plan is to bring in a consultant to review so that investments can be strategic), Core Research facilities, and Student Advisors.

Attrition impacts in the units and the need to converse with each other about how units are addressing their budget challenges – there is a struggle with morale in units.

The final cuts were 6.3% in academic units, but support units were taking larger cuts and it impacts recruiting, student support, student retention, etc.

CHASS lost 26 faculty during the budget cuts and that was a group of newer, diverse faculty and then the old guard is so entrenched in the old culture.

CNAS and BCOE had deficits in TA funding going into the budget model and tuition allocations don't generate the funding to close that gap or keep up with the demand and start-up funding is also a concern with future recruitments.

Staffing is definitely a concern, because adding more students and faculty stresses that understaffing even more.

We need to work on our infrastructure – upgrading the financial system is going to have a ripple effect on all other systems on campus – and so it is critical to invest in IT.

Action Items

Liz, Gerry, and Peter will put together talking points to assist CFC members in talking to their constituents – faculty, students, and staff.

Plan is to bring the Interim CIO and ITS leadership in next meeting to help us understand how their current projects and staff needs align.

Next Meeting

Thursday, August 12 at 9am

Campus Core Budget Summary

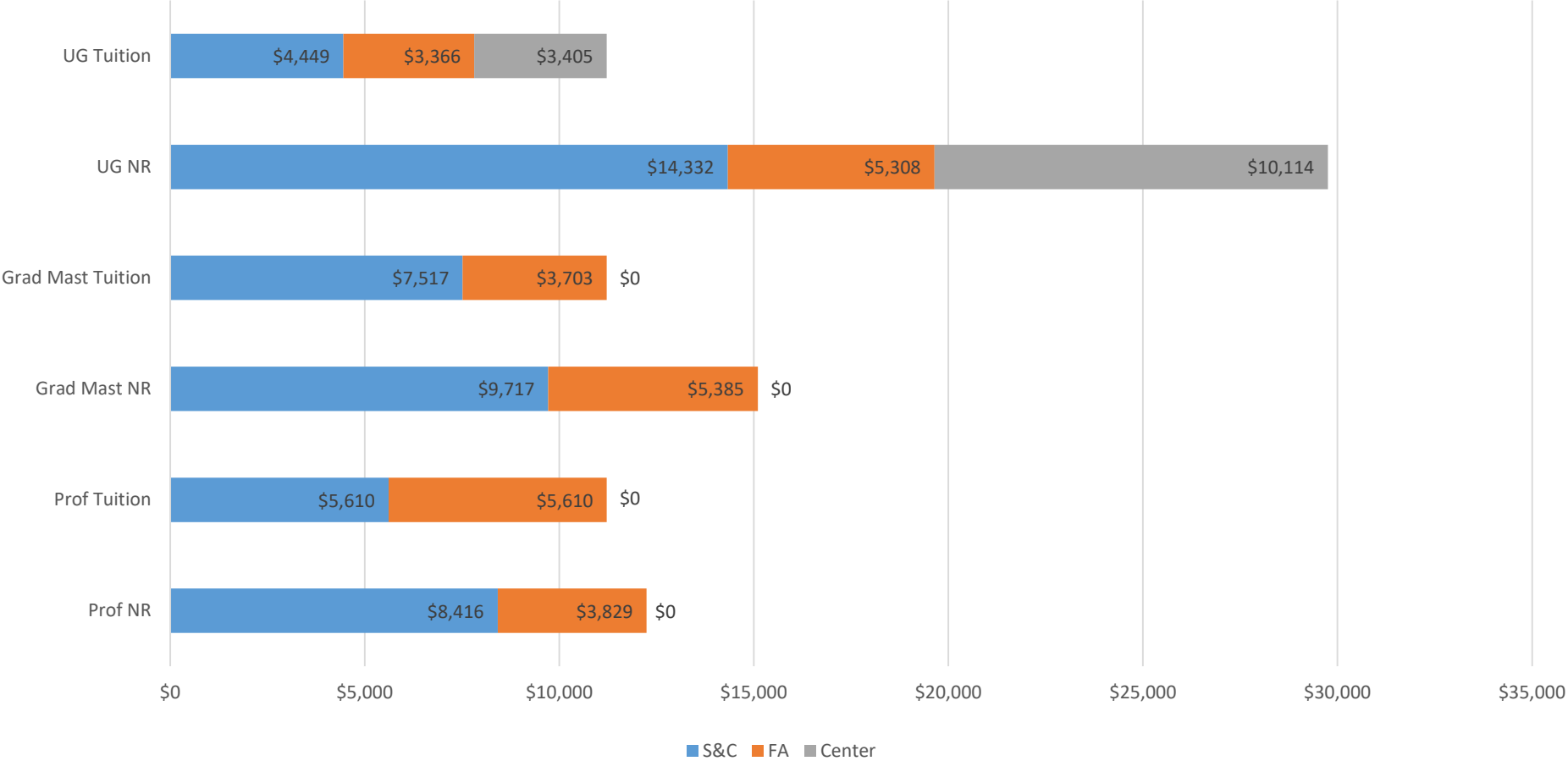
July 1 Budgets

July 1 Budgets modified to reflect the Budget Cuts for FY21 and FY22 (less \$10M offset)

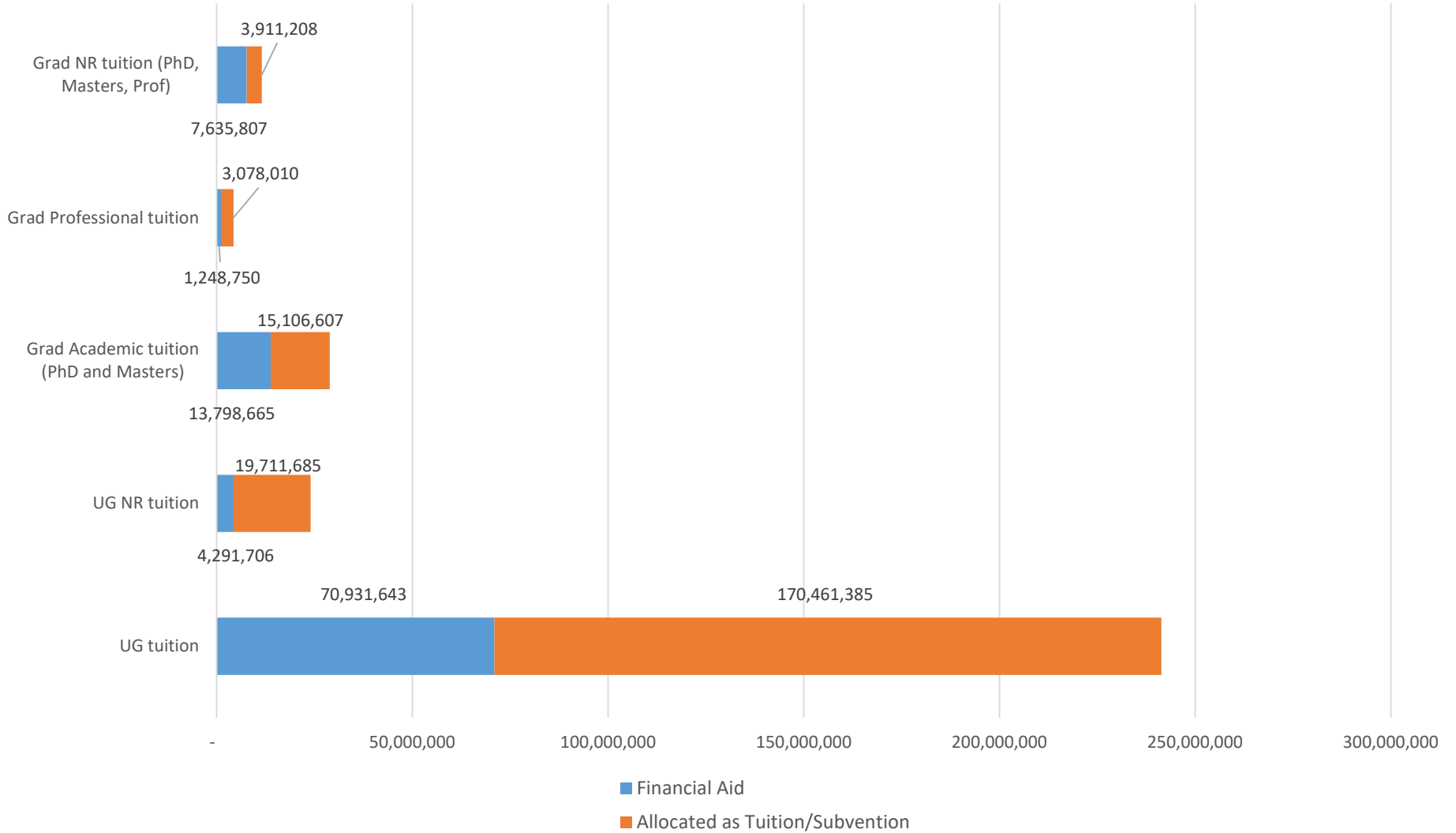
<u>Org</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
Academic Senate	1,673,088	1,714,504	1,707,889
Auxiliary Services	2,640,634	2,683,799	2,498,289
Bourns College of Engineering	37,681,270	38,754,313	40,183,173
Chancellor	6,636,180	6,552,698	6,597,577
Coll of Hum, Arts & Social Sci	91,516,498	89,263,179	91,376,753
College of Nat & Agr Sciences	100,854,655	98,693,328	102,384,245
Enrollment Services	12,490,615	11,655,903	11,883,406
Fac- Plng - Design - Const	42,979,831	43,817,039	39,762,487
Graduate Division	2,734,146	2,563,330	2,571,719
Graduate School of Education	9,718,135	10,346,020	11,102,952
Info. Technology Solutions	23,551,141	22,597,002	23,377,968
International Affairs	2,200,747	1,700,592	2,127,698
Palm Desert Graduate Center	1,071,721	1,047,476	1,002,933
Planning, Budget & Admin	23,432,884	23,115,009	24,977,860
Provost/Exec Vice Chancellor	4,808,335	4,006,652	4,212,604
School of Business	12,928,751	14,027,646	14,806,022
School of Medicine	21,427,708	46,742,007	40,784,178
School of Public Policy	5,793,637	5,086,942	5,524,682
UCR Intercollegiate Athletics	6,028,067	6,016,542	5,595,880
Undergraduate Education	4,380,157	4,115,666	4,885,959
University Library	16,793,232	16,032,039	16,850,845
Vice Chancellor - Research	4,824,113	5,191,511	4,985,975
Vice Chancellor - Univ Adv	19,814,810	18,920,043	18,754,691
Vice Chancellor Student Affairs	14,826,260	16,090,168	16,779,365
Graduate Financial Aid	23,391,197	25,587,847	25,587,847
Undergraduate Financial Aid	63,577,179	68,563,034	68,563,034
Central Resources*	11,838,208	13,552,853	15,368,975
Total	569,613,198	598,437,141	604,255,005

*Funding for the salary/benefit cost increases effective 7/1 and 10/1 are reflected in the Central Resource budget

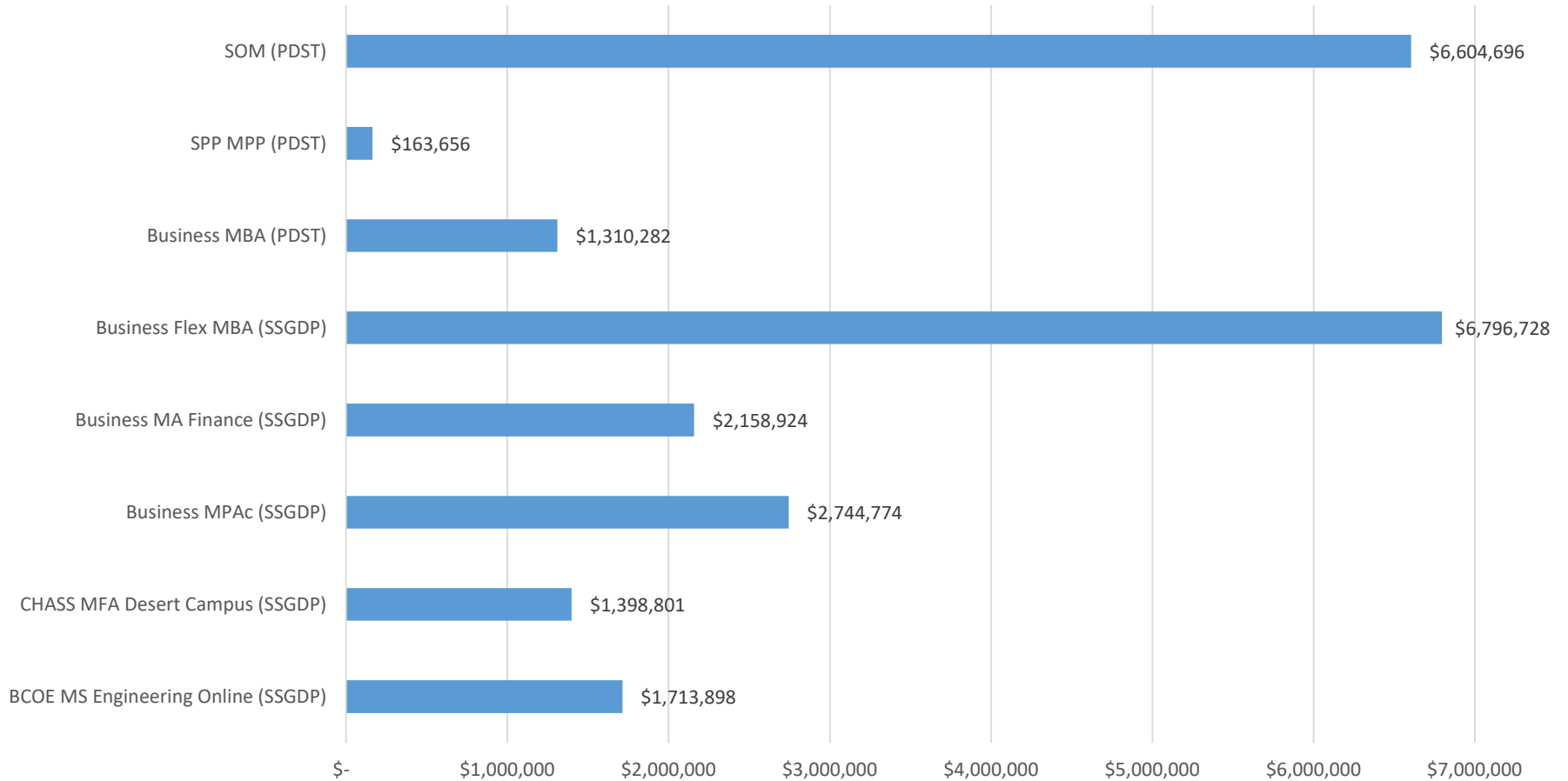
Tuition and NRT Allocations per FTE/Headcount



FY20 Tuition Revenue by Student Type



PDST and SSGDP Revenue in C&S



Notes

1. Financial aid set-asides are 25% in PDST and used for students in the program.
2. Financial aid set-asides are highly recommended at 25% for SSGDPs but are not required and would be used for students in the program.