

Campus Finance Committee

October 13, 2022 | 9:00 am

Attendees: Liz Watkins, Shaun Bowler, Peter Atkinson, Dylan Smith, Kathryn Uhrich, Steve Mandeville-Gamble, Kevin Vaughn, Eddie Comeaux, Agam Patel, Sang-Hee Lee, Anil Deolalikar, Monique Dozier, Gerry Bomotti, Rodolfo Torres, Daryle Williams

Absent: Yunzeng Wang, Brian Haynes, Ken Baerenklau, Stephanie Flores, Mariam Lam, Chris Lynch, Mufida Assaf

Agenda

Core budget modeling / Enrollment growth

Enrollment growth: All funding is accounted on FTE (15 credits/quarter and annualized at 45). UCR received \$5.2M of enrollment growth funding, and an additional \$2.8M for projected FY24 enrollment growth. However, given our drop in UG credit load it does not seem feasible we will meet this growth level.

Rebenching: This will bring all UC campuses up to 95% average of nonweighted FTE funding. There was \$6.8M in funding this year, and FY24 was the second of a three year implementation program.

Nonresident funding did increase at UCR and this provided some additional core revenue.

UC will be paying for the California Digital Library off the top of UC allocations, so each campus will not have to individually fund this cost.

Overall the net core revenue increase for UCR for FY23 is \$31.3M, which included \$13.4M for the 5% “cost adjustment” provided by the state to UC (the 5% increase on state funds means our overall core budget went up 2.2%, given state funding is 45% of our core budget).

The largest increase in expenses is salary and benefits for employees. In total for FY23 this accounted for \$23.2M in additional expenses. Faculty salary increases were 4%, in addition to merit and promotions and a faculty salary equity adjustment, non-rep staff were at 4.5%, and there is a 4.5-5% increase for the unions expected.

Staff Assembly budget and Retiree Emeritus budgets were increased.

Black student recruitment will be funded by the Strategic Initiative Fund.

Utilities fixed cost increases were approved, at \$1.9M, and the campus was required to fund compliant mobility services(\$250k).

Occupational health – sources from Workers comp as well as a \$200k core budget increment.

The campus also supported increments for facilities preventative maintenance; Title IX; campus articulation support in enrollment services; and campus fire safety.

The campus made a commitment to annually buy out some of the student services fees funds that are used for activities that the UC policy indicates “should not” be covered. The FY23 allocation is \$754k.

TA salaries were increased, and the campus applied that increase to the full expenditures from each School and College, rather than the fixed amount that was defined in FY17 with the new budget model (costing an additional \$375k).

\$37K was allocated for annual faculty awards.

School of Medicine - There was a 5% cost adjustment requested on the \$40M for SOM. The State of California gives the UC system all incremental funds to allocate to specific campuses. While the UCOP received the cost adjustment (5% or \$2M for FY23) on the SOM state funding, they do not allocate these funds to UCR or the SOM. It is very important to support the salary and benefit cost increases for the UCR SOM, especially with a request for an increase in enrollment – 80 to 125, that must be approved by the cognizant accreditation body.

Human resources – a request was made for an increment of \$550K for their budget, but there were not sufficient funds available. However, we will provide one-time funding to balance the HR budget for FY23 and the Provost has asked the new CHRO, Alex Najera, to provide a proposal by winter quarter for the CFC to review.

The state budget has benefitted greatly the last two years due to the stock market run up. Given the market condition this year (CY 2022), the state will not have a large surplus like they have these past few years. State has put aside funds to contribute towards this potential shortfall, but those would be one-time dollars.

AB2046 – While this bill was passed, it ended up not carrying any financial allocation. However, it was the driver that allowed UCR to receive funding for the undergraduate teaching and learning facility - \$51.5M in FY23 and a legislative intent for \$51.5M each of the next two years; and \$47M for the OASIS clean technology park.

The average student to faculty ratio at UCR is close to what other campuses have throughout the UC system (the UC average). The student to staff average is very low in comparison to the UC system, however. It would take a 29% increase in core staff for UCR to get to the UC average. While this is not feasible, UCR has been focused on increasing in staff, including last year when a significant investment was made in our IT area.

Next Steps for CFC: Raise any serious concerns you may have about the budget to the Provost. Leadership will draft an annual letter to campus and provide details around what is included in the approved FY23 core budget, particularly salary and benefits, faculty equity program, plus the other additions the CFC has made.

Deferred maintenance – UCOP Requested \$1.6B in deferred maintenance/facilities, but only \$125M was funded by the state. UCR received \$4M. UCOP plans to request \$1.2B next year, and UCR’s share of that is \$126.2M. UCR has been underfunded in the formula and capital, but recent UCOP adjustments to the facilities/DM funding has raised our percent of the total request.

Proposal for \$2.85M – the FY24 projected FTE growth funding UCR received in FY23 but for which we do not believe our enrollment will achieve this level. This amount would not be included in the permanent budget for FY23, but we will plan to use it for one-time needs. Those proposed projects are:

- Safety and security issues – addresses vandalism and trespassing.
 - Add cameras to blind spots in exterior places on campus
 - Electronic access to buildings – Sproul, Speith, older buildings, etc. Move ground level access doors to electronic access.
 - Implementation of Impact23 – providing concierge type consultation service to support transfer; Grants/Contracts/Reporting/Other areas will have people who can move transactions forward.
 - Central Plant – federal and state required updates to the air monitoring systems, which are now failing (and if not addressed we will have to shut down the central plant).

CFC agreed on the use of the \$2.85M proposal.