

2011-12 BUDGET CUT RECOMMENDATIONS TO THE CHANCELLOR BY THE COMMITTEE ON PLANNING AND BUDGET (CPB)

JUNE 16, 2011

SUMMARY

The deliberations and conclusions of CPB are based on the following overarching principles:

1. The future of UCR as a premiere research university depends on attainment of AAU status. The research productivity of UCR faculty is high (Appendix 1); the only way to increase its research and grant profile is through strategic faculty hiring. UCR has too few faculty for a campus of 20,000 students (UCSB, an AAU campus of similar size, has a comparable level of state funding but 30-36% more faculty than UCR; Appendix 2).
2. The research and teaching missions of UCR are on life support. Hardest hit are CHASS and CNAS. Due to past budget cuts and unfunded over-enrollments, excruciating budget cuts are already being implemented to eliminate deficit spending, currently exceeding \$2M for each college per year. CHASS and CNAS also are required to pay down accumulated deficits from previous years, which exceed \$6M & \$11M, respectively). In the face of these severe budgetary challenges, funding levels of these colleges must be preserved at present levels for survival.
3. The business school (SoBA) is the only net revenue-generating unit on campus. Cutting the SoBA budget will be detrimental to future campus revenue growth and will jeopardize its accreditation.
4. The UCR campus is over invested in compliance efforts at the expense of academics.
5. Staffing of non-academic units, particularly Finance and Business Operations (FBO) and Student Affairs (SA), requires scrutiny and must be balanced with much-needed investment of resources in academic units (see Point 1 above).
6. Success of the Medical School is essential for the community, state and the future of UCR.
7. Remote access to digital information has wrought a paradigm shift in library use. The funding strategy of the library must change accordingly.
8. The mission of the Office of Undergraduate Education should be tailored to reflect the new budgetary environment.

In the individual academic units, significant budget cuts are already in effect, or are being implemented for the coming year. Resulting increases in class size and faculty workload negatively impact research, teaching and the educational experience of students. CPB strongly recommends that the campus not impose additional budget cuts on the academic units. CPB presents a budget-balancing plan in which total cuts of \$13,500,320 come from non-academic units (Appendix 3). For reasons discussed below, some non-academic units can sustain budget cuts significantly higher than 8.36%. We identify cuts that exceed the targeted amount of \$13,000,000. The balance of \$500,320 would be available for unforeseen contingencies (for example if the tax extension ballot does not go through in Fall, 2011).

SPECIFIC ARGUMENTS FOR 0% CUTS TO ACADEMIC UNITS

Biomedical Sciences/Medical School: The primary reason for the Liaison Committee on Medical Education's recent decision to withhold accreditation of the UCR Medical School is lack of sufficient funding. Any cut would simply worsen the situation.

Bourns College of Engineering: BCOE has six departments, of which four (Computer Science and Engineering, Electrical Engineering, Mechanical Engineering and Chemical and Environmental Engineering) are excelling, based on NRC and US News World Report rankings. Bioengineering is still in a growth phase and Material Science and Engineering is in its infancy. Grant income per capita in the College is comparable or better than more mature colleges at UCSB and UCD. If implemented, proposed budget cuts to GSR support and instructional equipment funding will undermine BCOE's progress toward becoming a top 25 engineering college and derail our aspiration to attain AAU status.

College of Humanities, Arts and Social Sciences: CHASS is being forced to take an effective 15% budget cut to cover a continuing deficit [11.1% budget cut to eliminate deficit spending (\$6.5M) and an additional 3.9% cut (\$2.3M) to pay down an accumulated deficit]. Any additional budget reductions would impose unacceptable hardship on the College. Note that between 2008-2010 the number of faculty in CHASS decreased by 4%, while the student workload FTE increased by 12%. This increased workload has been accompanied by departures of distinguished faculty [for example, in the nationally ranked (15th) Philosophy Department, nearly one-third (4 out of 13.5) of the senior faculty have departed in the last six months]. This severely impacts UCR's aspiration to achieve AAU status.

College of Natural and Agricultural Sciences (CNAS): The current fiscal situation in CNAS is dire. The College has accumulated a deficit of about \$11M over the past several years. Furthermore, CNAS generates an ongoing annual deficit in excess of \$2M to fund temporary teaching, needed because faculty hiring and TA support have not kept pace with increased enrollment. Between 2008 and 2010, student workload FTE in CNAS increased by 18% whereas faculty numbers increased by just over 1%. To eliminate deficit spending and to pay back the accrued deficit, the College already has imposed a 20% budget cut for the coming year (including 19.5% cuts in TA and GSR support and loss of staff positions throughout the College). Cuts to graduate student support have resulted in a 12% decrease in graduate admissions, which is counter to stated strategic goals. In addition, CNAS proposes to return 23 open faculty lines to the Chancellor and to reduce the rate of faculty hiring to ~ 5 positions per year. Given the average loss of 9 faculty annually, an additional 8.36% budget cut at this time will result in a crippling, nearly 30%, cut to CNAS. If implemented, such cuts will further erode the ability of CNAS to fund students and retain faculty. CNAS is a key academic unit that must be protected in order for UCR to progress toward AAU status.

Graduate School of Education (GSOE): If the campus makes a strategic decision to shrink the school, it can perhaps absorb suggested reductions for a few years – salary savings from two faculty separations will buy time to reorganize the school.

School of Business Administration (SoBA): SoBA generates a net fee income of \$2.8M. Additionally, SoBA faculty teach more students than the other two UC campuses that offer undergraduate business degree programs (UCB and UCI). The proposed cut to upper-division electives is unrealistic, particularly when considering SoBA's need to be reaccredited by AACSB. Unless additional faculty are hired, reaccreditation will be in jeopardy. Loss of accreditation would have devastating effects on reputation, student enrollments, and revenue, not only for the School but for the Campus. Moreover, it is counterproductive to undermine the ability of this unit to generate a positive cash flow for the campus.

SPECIFIC RECOMMENDATIONS FOR BUDGET CUTS TO NON-ACADEMIC UNITS

UCR has invested disproportionately in administrative infrastructure. With an eye toward attainment of AAU status, our primary goal is to pursue excellence in research and education. It is therefore imperative that pending financial cuts emphasize reducing our compliance and support infrastructures relative to the academic units. CPB makes the following specific recommendations on the budget cuts for non-academic units:

Academic Senate – CPB endorses the divisional chair's budget reduction plan.

Chancellor/EVC – CPB recommends a total cut of \$973,141 (13.06%), rather than the \$623,141 (8.36%) previously proposed, from the \$7.5M budget. To accomplish this CPB recommends reductions in the following functions: Auditing, Government & Community Relations, and Diversity, Excellence and Equity. The total additional cut would be roughly \$350,000 (\$70,000 salary and benefits x 5 FTE).

Computing and Communications – C&C must restore the faculty and student help desk to the original configuration (i.e., full service), which is vital to teaching and research missions. CPB is not in a position to identify efficiencies in C&C, but accepts the proposed cuts of 8.36%.

Finance and Business Operations – CPB believes that FBO can sustain a 15% cut (mostly in staff). Note that this cut should not be moved to fees for service (i.e., sales and service) to academic units. Attempts also should be made to outsource janitorial, construction, food and fleet services. Union concerns about outsourcing have been dealt with successfully on other UC campuses. More FBO services should become fee-based (i.e., sales and service through recharge to other non academic units). CPB recommends the formation of an *ad hoc* faculty committee of appropriate expertise to assist FBO in expediting these staff reductions and reforms.

Graduate Division – If the proposed plan to compensate TA mentors with residual fellowship money is not implemented, CPB recommends that the Graduate Division be given a commensurately lower budget cut than the 8.36% proposed. CPB believes that a stand-alone Graduate Division is essential to maintenance of excellence in graduate programs, increasing graduate enrollment, and achieving AAU status.

Intercollegiate Athletics – CPB endorses the Director's budget reduction plan, but emphasizes that the unit must reduce reliance on 19900 funds expeditiously.

Palm Desert Graduate Center – CPB supports its efforts to become a fully self-supporting unit.

Undergraduate Education – CPB believes that this unit can sustain a 20% (rather than 8.36%) budget reduction from its \$4.4 M total budget. This can be accomplished by reducing funding to UCDC (ultimately making it self-supporting), reducing the Student Success program, devolving honors programs to departments, etc. Under the current budget environment, a stand-alone Office of Undergraduate Education is a luxury. An alternative, which CPB endorses, is to dissolve the unit and move some remaining functions to appropriate academic units.

University Library – CPB recommends that the total \$14.2M budget be reduced by \$2.15M; 20% of the \$9.83M non-collections budget and 5% of the \$3.67M collections budget. CPB does not believe that the Library should serve as a hi-tech study space, particularly in light of the current budget situation. Also, providing laptops for student check-out is a luxury.

Office of Research (OR) – CPB believes that OR can sustain an 8.36% cut. The heads of academic units were unanimous that significant changes are needed in the working relationship between academic units and OR. OR activities are skewed toward a particularly rigid and literal approach to control and compliance, creating inefficiencies in identification of funding opportunities, proposal preparation, submission, and delivery. Multi-layered proposal review and submission procedures currently in use create duplication of efforts. It is essential that budget cutting not create bottlenecks in proposal preparation and submission. CPB proposes the appointment of an *ad hoc* committee to redefine the mission and structure of OR.

VC Student Affairs – CPB recommends that the budget reduction target for VC-SA be set at 13.01% (\$2.61M), instead of 8.36% (\$1.68M). The budget for undergraduate admission should largely be covered by student application fees, which currently amount to \$1.4M (less the cost of application processing). CPB also recommends that salary and benefits (\$545,357) in the Office of Student Affairs be paid entirely from student registration fees, given the nature of its service.

VC Advancement – CPB noted that its budget has increased from \$6.9M in 03-04 to \$9.7M in 10-11 (peaking at \$11M in 08-09), which is a 41% increase and currently employs 89 people. While CPB reluctantly agrees to limit the budget cut to 8.36%, we are concerned about the relationship between the cost of running this unit and the growth of gifts and endowments.

ACADEMIC SENATE PLANNING & BUDGET COMMITTEE MEMBERS

Michael Adams (Entomology, Cell Biology&Neuroscience)

Malcolm Baker (History of Art)

Peter Chung, Chair (School of Business Administration)

John Divola (Art)

Douglas Mitchell (Graduate School of Education)

Umar Mohideen (Physics & Astronomy)

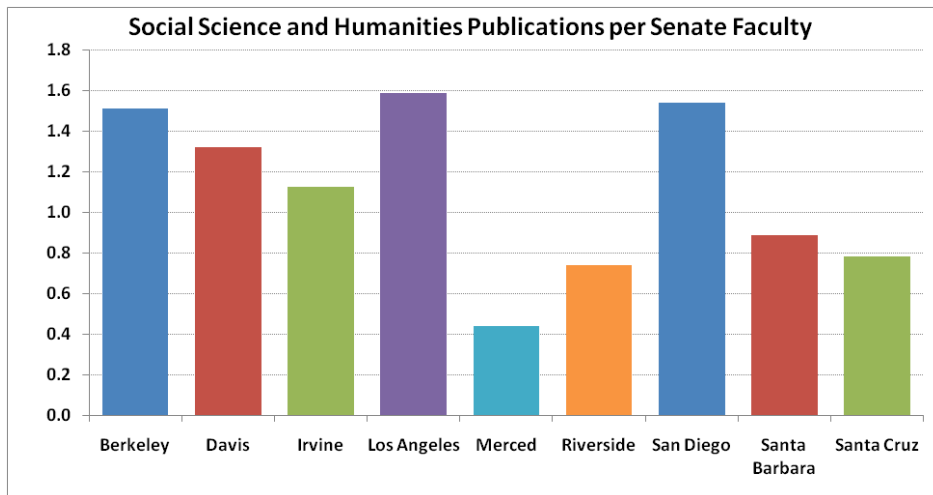
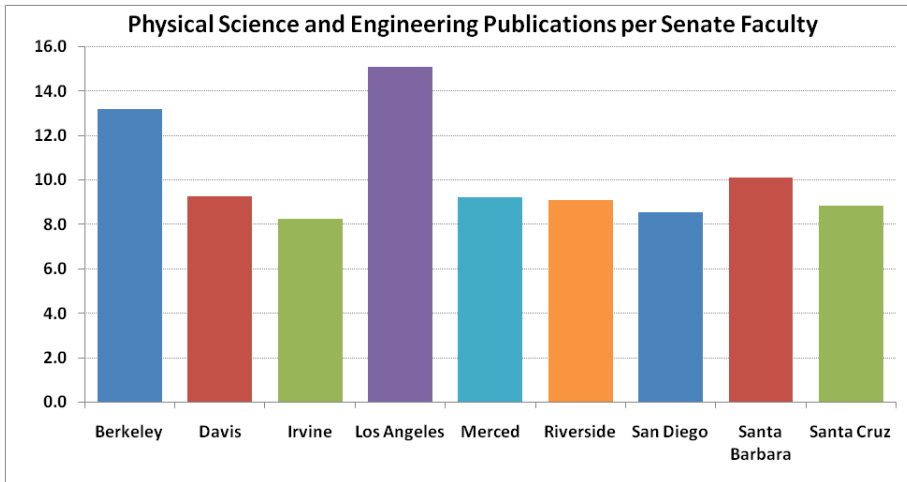
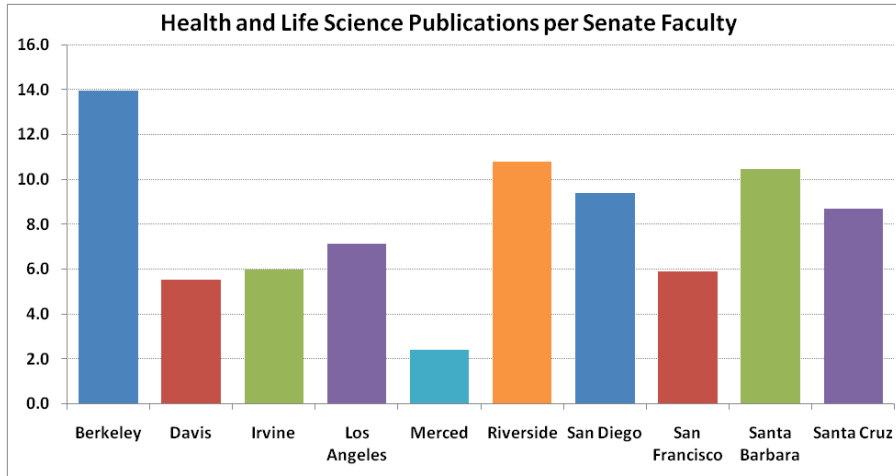
Patricia Springer (Botany and Plant Sciences)

Karl Taube (Anthropology)

Akula Venkatram (BCOE)

APPENDIX 1

Comparative Research Productivity Per Faculty, 2008



Source: <http://www.universityofcalifornia.edu/accountability/index/72>

APPENDIX 2

TABLE I: Comparison of UCR and UCSB

	<u>UCR</u>	<u>UCSB</u>	<u>% more at UCSB</u>
Total Number of Faculty¹	678	881	29.9%
Number of Ladder Rank Faculty^{2,*}	562.6	762.7	35.6%
Number of Students²	20746	22026	6.2%
AAU Status	X	✓	

*Sabbatical & Faculty Administrator FTE not included

Sources¹: http://bap.ucsb.edu/IR/PDB/files/PDB0910_all.pdf; http://rpb.ucr.edu/faculty_fte_data.html

Source²: http://www.ucop.edu/ucophome/uwnews/stat/headcount_fte/oct2010/welcome.html

TABLE II: Change in Faculty and Student FTE in CNAS and CHASS between 2008 & 2010 AY

<u>CHASS</u>	<u>2008</u>	<u>2010</u>	<u>% change</u>
Total Faculty FTE*	305.8	292.8	-4.25%
Student workload FTE (UG+G)	7846	8761	+11.7%
<u>CNAS</u>			
Total Faculty FTE*	242.7	245.7	+1.24%
Student workload FTE (UG+G)	4633	5493	+18.56

* Filled + Administrative FTE

Sources: http://rpb.ucr.edu/faculty_fte_data.html;

<http://sara.ucr.edu> - Organization Information Sheets

Appendix 3
Academic Senate Committee on Planning and Budget
Recommendations for FY 2011-2012 Budget Cuts

Organization	12/31/10 Total Adj. Budget Less Filled Faculty Salary & EB	Targets for 8.36% across-the-board cuts		CPB recommendations based on revised target of \$13M	
		\$15M Reduction Planning Targets (1)		Budget Reduction Amount (3) % Cut	
		Budget Reduction Planning Target	% Cut		
Academic Organizations					
Biomedical Sciences	2,202,379	184,136	8.36%	-	0.00%
Bourns College of Engineering	8,906,823	744,681	8.36%	-	0.00%
College of Humanities, Arts, & Social Sciences	22,215,308	1,857,377	8.36%	-	0.00%
College of Natural and Agricultural Sciences - I&R	20,699,510	1,730,644	8.36%	-	0.00%
College of Natural and Agricultural Sciences - OR	12,396,744	1,036,467	8.36%	-	0.00%
Graduate School of Education	2,832,919	236,855	8.36%	-	0.00%
School of Business Administration	5,311,876	444,115	8.36%	-	0.00%
Subtotal Academic Organizations	\$ 74,565,559	\$ 6,234,275	8.36%	\$ -	0.00%
Support Organizations					
Academic Senate	1,155,505	96,609	8.36%	96,609	8.36%
Chancellor/EVC	7,453,124	623,141	8.36%	973,141	13.06%
Computing & Communications	9,611,284	803,580	8.36%	803,580	8.36%
Finance and Business Operations	14,842,028	1,240,912	8.36%	2,226,304	15.00%
Finance and Business Operations - OMP	14,907,806	1,246,411	8.36%	2,236,171	15.00%
Graduate Division	1,384,087	115,721	8.36%	115,721	8.36%
Intercollegiate Athletics	3,310,355	276,772	8.36%	276,772	8.36%
Palm Desert Graduate Center	1,689,835	141,284	8.36%	141,284	8.36%
Undergraduate Education ***	4,401,066	367,964	8.36%	880,213	20.00%
University Library (2)	14,181,527	1,185,689	8.36%	2,150,318	15.16%
Vice Chancellor Research	2,926,451	244,675	8.36%	244,675	8.36%
Vice Chancellor Student Affairs	20,055,819	1,676,826	8.36%	2,609,391	13.01%
Vice Chancellor University Advancement*	8,924,278	746,141	8.36%	746,141	8.36%
Subtotal Support Organizations	\$ 104,843,165	\$ 8,765,725	8.36%	\$ 13,500,320	12.88%
Grand Total	\$ 179,408,724	\$ 15,000,000	8.36%	\$ 13,500,320	7.52%

(1) Note: Planning targets were calculated on the Total Budget Less Filled Faculty Positions (Column c)

(2) Note: 20% cut to non-collections budget and 5% cut to collections budget

Note the following have been excluded from this table:

Purchased Utilities - \$11,296,273

Student Financial Aid

Police Office/Dispatcher Salary and EB

*Includes Fund 67000

**Commitments as of 1/14/2010

*** Does not include funding for the Writing Program or the Summer Session Office

(3) Numbers in red indicate recommended cuts that deviate from 8.36%