

Answers to questions about COVID-related budget and personnel actions

Q. What is the magnitude of the losses UC is facing at this time?

A. From mid-March through April alone, we estimate that systemwide financial losses totaled nearly \$1.2 billion, and we anticipate these losses will continue to climb in the months ahead. For UC health systems alone, the direct and indirect costs of the COVID-19 epidemic could easily exceed \$1 billion by the end of our fiscal year in June. Additionally, Governor Newsom's recently released revised State budget for 2020-21 includes a 10 percent reduction in funding for UC, which amounts to \$372 million.

Q. Does the systemwide salary freeze apply to all faculty and staff?

A. The freeze applies to all policy-covered staff and non-student academic employees, both full- and part-time. To ensure a stable faculty pipeline and allow us to maintain our teaching and research enterprise, we will continue the regular academic peer-review merit advancement program. However, there will be no general range adjustment to the academic salary scales or scale ranges for policy-covered non-student academic appointees.

Q. Does the salary freeze apply to student and non-career workers?

A. The pay freeze applies to policy-covered (non-unionized) student employees in staff positions and non-career (e.g., per diem) workers.

Q. Does the salary freeze apply to Lawrence Berkeley National Lab employees?

A. No. Lawrence Berkeley National Lab employees are excluded from this action to ensure the Lab complies with its contract with the U.S. Department of Energy and other governmental regulations.

Q. How much will the systemwide salary freeze save UC?

A. The overall savings from not implementing general salary increases over the 2020-21 fiscal year for policy-covered staff and non-student academic appointees are estimated at \$250 million.

Q. How much does the 10 percent voluntary pay cut for chancellors and the president add up to, and when does it take effect?

A. The 10 percent voluntary pay cut for President Napolitano and chancellors totals \$580,000 and will be in effect for the 2020-21 fiscal year — the same time period as the systemwide salary freeze for policy-covered academics and staff.

Q. Will the systemwide salary freeze apply to union-represented employees?

A. Pay for union-represented is governed by existing contracts. UC is in discussions with union leaders about ways to work together to address the financial realities facing UC.

Q. Is UC considering layoffs, employee pay cuts or other similar measures to address the budget shortfall?

A. Faculty, academic appointees and staff are the heart of UC, and we are committed to doing all we can to preserve jobs and salaries. At the same time, we continue to face a number of significant financial unknowns. A final state budget must be passed by June 15, which will provide more information about what UC's funding levels will look like for 2020-21. July 15th is the tax deadline for the state, so California will have a better picture of its revenues, and during August we will know more about student enrollment. Given all these uncertainties, we will need to continue to monitor our budget situation and assess what other measures might be necessary throughout the summer and into the fall.