June 22, 2015

Dear Faculty and Staff,

As we conclude the 2014-15 Planning and Budget process, we want to thank the campus community for their contribution to the process as we continue to move forward in the implementation of the campus’s strategic plan UCR 2020: The Path to Preeminence. Five campus funding priorities, aligned to the UCR 2020 goals guided allocation decisions. (See table to the right)

In order to create a budget process that allows for the strategic deployment of campus resources and to prepare for the deployment of the new budget design, this year we have taken the first step in consolidating the current 9 budget processes on campus into a single process. As such, in this letter you will find the consolidated approval of decisions made from a variety of campus budget processes. In the future, not only will the decisions be consolidated, but so will the process.

The graph below summarizes all of the funding decisions made for FY 2015-16 to move the campus towards the attainment of its UCR 2020 goals and resulted in allocations totaling approximately $96 million, including $59 million in permanent allocations and $37 million in temporary or cash allocations. (Appendix 1 outlines the budget allocations by unit)

$39 M Increase Faculty Headcount* 41%

$17 M Increase the Research Enterprise 18%

$18 M Optimize Infrastructure 19%

$11 M Fixed Costs (Salaries & Benefits) 11%

$4 M Increase Graduate/ Professional Enrollment 4%

$7 M Student Success/ Improve Graduation Rates 7%

*Estimated: Actuals to be finalized upon hire of clusters

<table>
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<tr>
<th>Campus 2020 Priorities</th>
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<td>1. Student Success/Improve graduation rates</td>
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<td>2. Increase faculty headcount</td>
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<td>3. Increase the research enterprise</td>
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<td>5. Optimize infrastructure</td>
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Below are Ladder-Rank Faculty changes intended to streamline campus practices and bring them in-line with the new campus budget model effective July 1, 2015:

**Faculty Upgrade/Downgrade/Retention/Off-Scale Salary Funding**

The Policy for Faculty Upgrade/Downgrade/Retention/Off-Scale Salary Funding dated January 22, 2010 is rescinded. The campus will discontinue the “pullback” of tenured Faculty FTE and associated funding upon separation or retirement. For non-tenured faculty separations, the campus will also discontinue the “pullback” of salary downgrade. This includes any faculty separations/retirements that occur during the month of June 2015, as they are considered June 30 actions effective July 1, 2015.

**Replacement Faculty Hiring and Retentions**

Units will be responsible for funding the full salary (including upgrades), benefits, and retirement contributions for replacement hires and retentions. Consistent with the rescission of the upgrade/downgrade policy, the campus will no longer provide one-third of the upgrade funding. At a minimum, units are expected to maintain the 2015-16 faculty FTE numbers.

**Active Service Modified Duty Funding**

Funding for ladder-rank faculty who take childbearing leave and/or active service modified duties (ASMD) will no longer be provided as downgrade funds are no longer being pulled back to central resources. The open provisions and upgrade funding remaining in the schools and colleges should cover this temporary teaching responsibility.

**Existing Faculty Salary Increase Funding**

Salary increases that result from the annual Faculty merit and promotion process will be fully-funded from central resources.

**Collaborative Faculty Hiring**

Any Faculty Hiring resulting from the Cluster Hire Proposal process will be fully funded from central resources upon the effective date of hire and will include the full salary funding, benefits, retirement contribution, and support in the amount of $17,000.

**Faculty Recruitment Packages (Start-ups)**

Central resources will continue to be provided to help fund new Faculty Recruitment Packages. Relative split in funding responsibility between central resources and the units will be finalized during FY 2015-16.
Academic Administrative Appointments

The Compensation Policy for Academic Administrative Appointments on the General Campus will be revised effective July 1, 2015. When an existing tenured Faculty member is appointed into an Academics Administrative Appointment (e.g., Dean, Vice Provost, etc.) the campus will no longer “pullback” salary funding on an annual basis during the term of the administrative appointment. The unit will be responsible for reserving the faculty member’s positions until the administrative appointment concludes.

In closing, we recognize this past year has been challenging as we implement foundational changes to the operational and financial practices of our campus, but the campus community has been resilient and a great source of feedback and input in the design of our future processes. While we have made great progress, we have much still to accomplish with respect to our transformational goals.

Sincerely,

Paul D’Aneri
Provost and Executive Vice Chancellor

Maria R. Anguiano
Vice Chancellor for Planning and Budget

xc: Chancellor Wilcox
Associate Vice Chancellor Hull