

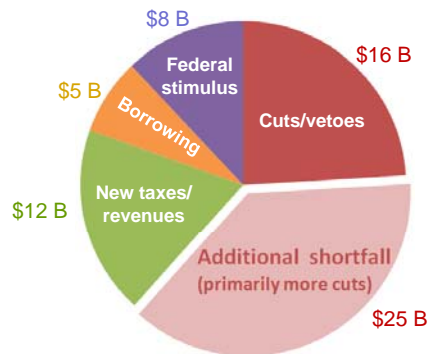
Town Hall Meeting

Staff Forum
July 23, 2009



State budget shortfall

February 2009 (**\$41B**) + May 2009 (*additional \$25B*)...

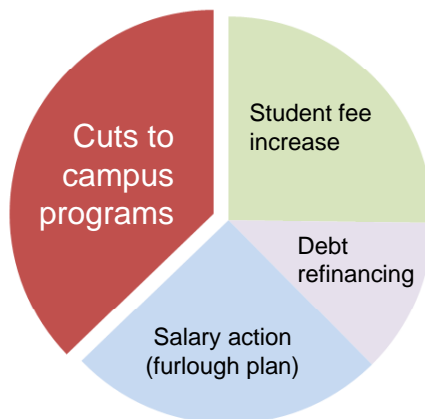


TOTAL = \$66 Billion



UC response

- 10% student fee increase
- Salary reduction plan
- Cuts spread across the ten campuses
- Debt refinancing



**-\$813
MILLION**

TOTAL CUTS UC IS FACING FOR
FY 2008-09 & FY 2009-10

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UCSC Assumptions

Magnitude of reduction is a rolling target

16,600 students enrolled in 2009-10

Student fee increases (10%)

Estimates of mandatory cost increases

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UCSC budget impact

2008-09

- \$4.5 million cut in permanent funds
- \$6 million one-time cuts

2009-10

- \$19.7 million permanent reduction
- \$22.1 million one-time cut

Cumulative 2-year impact is over \$50 million!

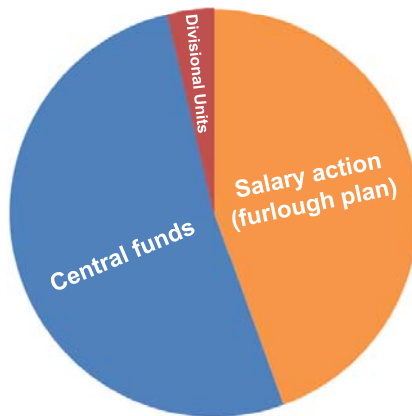
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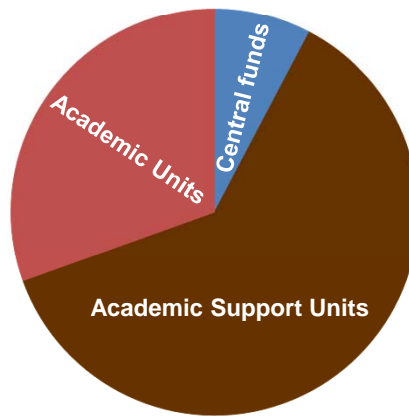
UCSC response

(Totals for 2008-09 and 2009-10)

One-time cuts: \$28M



Permanent cuts: \$24M



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REGENTAL SALARY PLAN

- Graduated reductions of 4% to 10% - based on salary
- Furlough days
- For 12 months, beginning Sept 1, 2009
- Protects UCRP retirement benefits

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Furlough/Salary Reduction Plan

- Furloughs/salary reductions for staff (with limited exceptions) on a graduated scale ranging from 4% to 10%

FURLOUGH/PAY CUT PLAN STRUCTURE

Tier	Salary	Furlough Days	Equivalent Salary Reduction
1	\$0 - 40,000	11	4%
2	\$40,001 - 46,000	13	5%
3	\$46,001 - 60,000	16	6%
4	\$60,001 - 90,000	18	7%
5	\$90,001 - 180,000	21	8%
6	\$180,001 - 240,000	24	9%
7	over \$240,000	26	10%

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Furlough/Salary Reduction Plan

In addition ...

- Furlough days may only be taken during the Plan period
- SMG members are limited to 10 furlough days regardless of level of salary reduction
- An amendment to UCRP will ensure that employees' retirement benefits are not adversely impacted

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Excluded employees

- Lawrence Berkeley National Laboratory (LBNL) employees
- Student employees
- Foreign national students with H-type visas
- Faculty/staff funded 100% from research C&G
- Employees currently enrolled in START program whose reduction in time is equal to or exceeds the targeted reduction
- Employees whose participation is precluded by law

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Q&A

- Budget Update website:
http://www.ucsc.edu/budget_update/
(also available from the campus home page)
- Use the “*Send a comment*” link to submit additional questions or comments

