

Health Sciences Implementation
Salary Cut/Furlough Program
Representative Assembly Meeting
October 27, 2009



UC San Diego
HEALTH SCIENCES

Outline

- Salary Cut/Furlough Guidelines
- Health Sciences Implementation
- Health Sciences Exception/Exemption Requests
- Faculty Implementation
- Cut/Furlough Projected Savings Generated
- Budget Reduction/Planning



Salary Cut/Furlough Guidelines

- Effective Date: October 1, 2009
- Duration: 12 months
- UCOP-approved Exemptions:
 - Medical Center/Medical Group
 - Sponsored Research: as defined by Regents Item J2
 - State, Federal, Local and Private Sponsored Research



Health Sciences Implementation

- All Faculty and Staff participated in the Cut/Furlough Program, except:
 - Medical Center/Medical Group Home Unit Employees
 - Represented Staff (Union)
 - Staff Physician Contracts
 - Post Docs
 - Students and Medical Residents
 - H-1B, H-2, H-3 and E3 visa holders
 - Pay lines on UCOP-approved Sponsored Research Funds



Health Sciences Exception/ Exemption Request

- Sponsored Research Funds
 - Funds consistent with Regents Item J2
 - Gift Funds where donor intent is research
 - State and County Contracts that fall into a fund range not recognized as a state, federal, local or private fund range
- Clinical Funds
 - Direct patient care (function driven)
 - Indirect patient care (purely fund driven)
- Recharge Funds



Health Sciences Faculty Implementation

- Cut was implemented consistent with J2 tiers on Faculty Covered Compensation to all Faculty
- Covered Compensation is $X + X' + Y'$
 - Health Sciences Covered Compensation is anywhere from 10% to 125% more than X , depending on specialty/discipline
 - X' and Y' can NOT be funded with State Funds
- Health Sciences Faculty did not participate in the UCOP-approved Furlough Exchange Program
- Health Sciences Faculty did not participate in the buyback plan that the other four Med School campuses used



Health Sciences Faculty Implementation

- Health Sciences Compensation Plan allows for negotiated components (Y and Z) to be adjusted when funding commensurate with effort is negotiated
- Faculty Salaries are negotiated and approved during budget period in the spring of every year
- Approved negotiated faculty salaries were implemented July 1, 2009
- Faculty that did not change their effort had their negotiated salaries sustained per the approved negotiated salary if effort in education, clinic and research was sustained with available funding



Cut/Furlough Projected Savings Generated

- State Funds: 3,069,550
- Other Core Funds: 1,094,618
- Other State non-19900A: 23,873
- TOTAL State/Core Funds **4,188,041**
- Non-Core Funds: 7,838,666
- TOTAL ALL FUNDS: 12,026,706
- TARGET SHARE OF \$24.5M **4,125,000**



Overall Budget Reduction

- **UC San Diego Share** **\$87.1M**
 - Undesignated Cut \$20.0M
 - From Cut/Furlough Program \$24.5M
 - From Campus Loan \$42.6M
- **Health Sciences Share**
 - Undesignated Cut \$3.5M (17.5%)
 - From Cut/Furlough Program \$4.1M (16.8%)
 - From Campus Loan \$15.2M (35.9%)
- **Health Sciences Budget**
 - 12.24% of the campus' state budget
 - 17.46% of the campus' core funds budget
 - State Funds represent a small portion of the budget
 - 4% of the HS Total Revenue including Medical Center
 - 8% of the School of Medicine Total Revenue



Health Sciences Budget Planning

- Anticipated 25% State Budget Reduction by end of 2011
- Elimination of Administrative State Budget
 - Planning initiated June 2008
 - Review Cost of Doing Business
 - Process Redesign
 - Automation of Functions
 - Develop Benchmark Workload for Administration
 - Workforce Reduction
- Health Sciences would have accommodated budget reduction without a cut/furlough program





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