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January 7, 2021

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Chief Compliance Officer Wendi Delmendo, Compliance and Policy
Director Lauren Bloom, Office of the Ombuds
Executive Director Niels Jensen, COSMOS
Vice Provost Philip Kass, Academic Affairs
Director Erica Kohl-Arenas, Imagining America
Director Leslyn Kraus, Audit and Management Advisory Services
Director Richard Kravitz, UC Center Sacramento
Chair Richard Tucker, Academic Senate
Director Sarah Meredith, Center for Advocacy, Resources and Education
Project Manager Megon Noble, NAGPRA
Vice Provost and Dean Joanna Regulska, Global Affairs
Associate Vice Chancellor Don Hunt, Office of Enrollment Management
Executive Director Don Roth, Mondavi Center
Chief Government Relations Officer Mabel Salon, Government and Community Relations
Director Whitney Smith, Ceremonies and Special Events
Chief Campus Counsel Michael Sweeney, Office of Campus Counsel
Director Rachel Teagle, Manetti Shrem Museum
Interim Vice Provost and Dean Cynthia Carter Ching, Undergraduate Education
Chief Marketing and Communications Officer Dana Topousis, Strategic Communications
Vice Provost Michael Rios, Public Scholarship and Engagement

RE: 2021-21 BUDGET PROCESS

Dear Colleagues,

We write to formally kick off the 2021-22 budget process for the units reporting to the Offices of the Chancellor and Provost (OCP). Due to the many demands of this extraordinary time, we are beginning our budget cycle earlier this year.

As you all know and as previously noted in the 2020-21 Mid-Year Budget Update and Mitigation Strategies from Provost Croughan (<https://financeandbusiness.ucdavis.edu/news/provost-croughan-introduces-mitigation-strategies-address-financial-impacts-covid-19>), we began in the current budget year the five-year process of reducing the campus' reliance on core funds by \$80-\$100 million by 2025. In addition, the COVID-19 pandemic requires that we address not only our initial target, but also the financial consequences of the pandemic. For reference, please see Chancellor May's response to fiscal constraints

(<https://financeandbusiness.ucdavis.edu/news/chancellor-plans-consultation-campus-response-fiscal-constraints>).

We greatly appreciate the tremendous work that has been implemented across campus, resulting in a savings of more than \$12.8 million. These savings have been accomplished by strategies such as vacancy management, streamlining administrative activities, shifting activities to other appropriate fund sources, or using one-time reserves. Within OCP, reduced travel and entertainment expenses total roughly \$1 million through November 2020. Unfortunately, there is more work needed to achieve our core savings targets.

As you will recall, OCP's share of the core fund structural deficit is \$4 million. In fiscal year 2020-21, we achieved reductions of \$1.3 million, leaving \$2.7 million to go in the next four years. While the attached table illustrates the remaining budget reductions by unit if we were to allocate the remaining amount in the same manner as done in 2020-21 across OCP units with core base funding, final decisions about how to apportion the remaining reductions have not been made pending consultation. The OCP budget team will consult with your budget staff to understand the consequences of the amounts in the table in addition to exploring various reduction scenarios up to 10% of the total base funding. This will help inform decision making later in the budget cycle; however, the figures in the attached table should be considered in your planning.

As you prepare for your upcoming budget presentations we ask that you carefully consider any requests for central investments, which will be necessarily limited this year given the increased financial constraints.

OCP budget meetings will follow a similar format to last year. We request that each unit prepare the following information for your upcoming budget meeting:

1. Brief overview document (1-3 pages), including the following:
 - a. 2020-21 highlights and accomplishments;
 - b. 2021-22 opportunities and challenges (including any space needs, especially for any new staff proposed); and,
 - c. Organizational chart highlighting any changes in positions proposed for 2021-22

2. An overview of your unit's financial information, for which the OCP budget team will provide you with the standard template. Based on the template, we request that you be prepared to discuss:
 - a. Consistent with our previous budget meeting, the proposed strategies for your unit to achieve base budget reductions such as those illustrated in the attached table by 2025.
 - b. Strategies the unit will undertake to address a potential additional 5 percent base budget reduction in 2021-22 as well as the implications of such a reduction for your unit.
 - c. Proposed use of projected carryforward funds or your unit's plans to address a projected deficit.
 - d. Description of any proposed service expansions and accompanying funding strategy.

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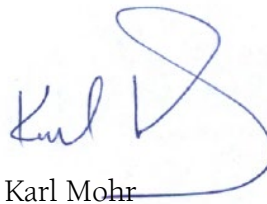
To ensure a thorough review of your unit's information, please submit the budget documents specified above to ocpbudget@ucdavis.edu at least five business days prior to your budget meeting. If you have any questions or need more information, please contact Ariel Cormier, OCP Finance Director.

Again, we want to thank you and your team for all of your hard work and flexibility especially during this challenging time. We are certain that with all of your support we will have a smooth and timely 2021-22 budget process.

Sincerely,



Karl Engelbach
Associate Chancellor



Karl Mohr
Assistant Executive Vice Chancellor

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Attachment

c: Provost Croughan
Executive Analyst Berriz
Executive Analyst McLaughlin
Executive Officer Colbert
Finance Director Cormier
Analyst Caprio
Deputy Director Roberts
Info Practice Coordinator Gabby
Associate Director Firpo
Assistant Director Barr
Chief of Staff Liggett-Nichols
Chief Administrative Officer Muyo
Director Kiefer
Director Inzunza
Director Abot
Managing Director Matlon
Chief Administrative Officer Borchard
Executive Director Arevalo
Assistant Vice Provost Singh
Interim Chief Administrative Officer Walker
Associate Director Simmons

TABLE: Potential OCP Budget Reductions for Years 2 through 5

	<u>COMPLETED</u>		<u>PROPOSAL (For discussion during the 2021-22 budget process)</u>					Total
	Total Base Funding (Core) As Of 2019	Year 1 2020-21	Year 2 2021-22	Year 3 2022-23	Year 4 2023-24	Year 5 2024-25		
Office of the Chancellor								
Audit and Management Advisory Services	\$2,236,421	\$67,093	\$20,419	\$20,419	\$20,419	\$20,419	\$20,419	\$148,767
Campus Counsel	\$1,686,969	\$50,609	\$15,402	\$15,402	\$15,402	\$15,402	\$15,402	\$112,217
Ceremonies and Special Events	\$427,202	\$0	\$6,555	\$6,555	\$6,555	\$6,555	\$6,555	\$26,220
Chancellor's Office	\$1,746,852	\$52,406	\$15,949	\$15,949	\$15,949	\$15,949	\$15,949	\$116,201
Compliance and Policy	\$2,025,835	\$0	\$41,465	\$41,465	\$41,465	\$41,465	\$41,465	\$165,859
Diversity, Equity and Inclusion	\$1,636,136	\$0	\$27,207	\$27,207	\$27,207	\$27,207	\$27,207	\$108,829
Government and Community Relations	\$1,225,645	\$36,769	\$11,190	\$11,190	\$11,190	\$11,190	\$11,190	\$81,530
Ombuds	\$641,895	\$0	\$9,849	\$9,849	\$9,849	\$9,849	\$9,849	\$39,396
Strategic Communications	\$5,514,753	\$165,443	\$50,350	\$50,350	\$50,350	\$50,350	\$50,350	\$366,841
Total for the Office of the Chancellor	\$17,141,708	\$372,319	\$198,385	\$198,385	\$198,385	\$198,385	\$198,385	\$1,165,860
Office of the Provost	Base Funding (Core)	2020-21	2021-22	2022-23	2023-24	2024-25	Total	
Academic Affairs	\$4,108,683	\$123,260	\$53,372	\$53,372	\$53,372	\$53,372	\$336,748	
Academic Senate	\$2,605,214	\$78,156	\$33,842	\$33,842	\$33,842	\$33,842	\$213,523	
Center for Advocacy, Resource and Education	\$554,156	\$0	\$10,307	\$10,307	\$10,307	\$10,307	\$41,229	
Public Scholarship and Engagement	\$311,796	\$0	\$5,799	\$5,799	\$5,799	\$5,799	\$23,197	
Enrollment Management	\$8,711,539	\$261,346	\$113,163	\$113,163	\$113,163	\$113,163	\$713,998	
Global Affairs	\$4,662,112	\$139,863	\$60,561	\$60,561	\$60,561	\$60,561	\$382,107	
Mondavi Center	\$1,240,260	\$0	\$25,386	\$25,386	\$25,386	\$25,386	\$101,543	
NAGPRA	\$275,000	\$0	\$5,115	\$5,115	\$5,115	\$5,115	\$20,460	
OCP Business and Technology Services	\$1,923,342	\$57,700	\$24,984	\$24,984	\$24,984	\$24,984	\$157,637	
Provost Office	\$1,361,622	\$40,849	\$17,687	\$17,687	\$17,687	\$17,687	\$111,599	
Shrem Museum	\$3,161,944	\$94,858	\$41,074	\$41,074	\$41,074	\$41,074	\$259,153	
Undergraduate Education	\$5,770,473	\$173,114	\$74,958	\$74,958	\$74,958	\$74,958	\$472,948	
Total for the Office of the Provost	\$35,366,036	\$969,148	\$466,248	\$466,248	\$466,248	\$466,248	\$2,834,141	
Grand Total		\$1,341,467	\$664,633	\$664,633	\$664,633	\$664,633	\$4,000,000	