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Operating Efficiencies at some UC and CSU Comparator Universities

California Postsecondary Education Commission
www.cpec.ca.gov

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In December 2010, CPEC staff surveyed public universities in other states to learn how they have dealt with cuts in state funding. All of the institutions CPEC surveyed have increased tuition and/or fees at least once in the last two fiscal years, and many project additional increases. All have made cost-saving measures or efficiencies over the budget year. Many have reduced general administrative spending, cut academic programs and class offerings, and reduced faculty and staff with voluntary or involuntary retirement or termination. While none of these institutions have managed to completely protect academics, a few have managed to increase need-based financial aid.

University of California Comparators

University of Illinois

The University of Illinois has raised incoming freshman tuition by 9.5%. Trustees have targeted an additional 5–10% reduction by 2012 in administrative costs. The state appropriation for operating funds is \$700 million (a reduction of \$47 million or 6%). Since fiscal year 2002, direct state appropriations have been reduced by 30% or \$130 million when adjusted for inflation.

A review panel has made recommendations on efficiencies the university is considering. These include general administrative reductions, \$5 million in advancement activities such as alumni relations and fundraising, \$3 million by reorganizing executive-level positions; \$2 million by reducing spending on communications and publications, and \$500,000 by reducing off-campus leasing. The university spends more than \$300 million annually on supplies and services. About \$22 million could be saved by group purchasing and \$18 million by streamlining IT purchases and functions.

www.uillinois.edu/our/news/2010/Nov18.Statutes.cfm

www.uillinois.edu/our/news/2010/Sept23.BoT.cfm

www.uillinois.edu/our/news/2010/June23.ARR.cfm

University of Michigan

The university has taken significant cuts since 2002 with a 10% reduction in state funding. It has cut health and pension plans and has instituted an energy conservation campaign. Payroll was changed from paper checks with stamped envelopes to an electronic system. Other changes have contributed to savings. For example, office trash pickup was reduced from daily to twice weekly.

The fiscal year 2011 budget raised tuition by a 1.5%, the smallest since 1984. The budget plan included a record amount of undergraduate financial aid and established the Economic Hardship Program. The budget includes a 10.6% increase in centrally awarded financial aid for undergraduates and \$500 economic hardship grants.

www.npr.org/templates/story/story.php?storyId=126436541

www.annarbor.com/news/coleman-calls-for-more-cuts-to-university-of-michigan-budget/

ur.umich.edu/0910/Jun21_10/1324-budget-lowest-tuition

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University of Virginia

Since 2007, the University of Virginia took a 25% reduction in state appropriations, amounting to \$38.6 million. Faculty and staff will not receive raises, and a variety of cuts in 2010 will all affect students: the library budget was reduced by 5.7%, housing fees were raised by 10%, and fees were raised by 4%.

University at Buffalo, New York

The university took \$40 million in reductions since the start of the 2008–09 fiscal year. The university has drained \$5 million in reserves and distributed cuts of \$8 million to unit budgets. Other efficiencies include slowing faculty growth, course enrollment minimums, program capacity limits, and cancelling course sections. Internal research support and research infrastructure continue to decrease and additional reserves will be used.

www.provost.buffalo.edu/budget/index.shtml

Selected CSU Public Comparators

Rutgers University

State funding was cut 15% or \$47 million in the 2010–11 budget year. This is the lowest appropriation that Rutgers has received in 16 years. Funding anticipated for faculty and staff salary increases and some tuition assistance programs was cut from the budget.

Rutgers raised tuition by 4% for 2010–11 and raised mandatory fees, including a \$200 capital improvement fee. Student housing costs are increasing by 5.1%, and faculty and staff salaries have been frozen.

president.rutgers.edu/letter_031710.shtml

www.nj.com/news/index.ssf/2010/04/rutgers_university_protest_hig.html

uwire.com/2010/07/18/nj-students-to-see-4-percent-tuition-increase-at-rutgers-u/

Illinois State University, Normal

The university took a 6% cut and approved a combined increase of 6% in tuition, fees, and room and board for 2010–11, and future tuition increases are anticipated. The university has also delayed big-ticket purchases.

president.illinoisstate.edu/speeches/

mediarelations.illinoisstate.edu/news_releases/0910/may/bottuitionrates.asp

University of Connecticut, Storrs

The university raised tuition and fees by 6%. Campus construction projects have been delayed, and reductions in many areas such as printing costs and travel expenses have been ordered. In February 2010, the Board of Trustees raised in-state tuition by 5.7% for 2010–11.

www.ctmirror.org/print/6401

articles.courant.com/2010-02-18/news/hc-web-uconn-tuition

Wayne State University, Detroit

Tuition was raised by 4.4% for undergraduates and 4.9% for graduates in 2011. In fiscal year 2011, tuition and fees were 56% of the cost of education, compared with 28% in 2001.

The university proposes to use funds from the tuition increase to increase the number of full-time, tenure and tenure-track faculty, strengthen academic programs, and increase the number of graduate assistants.

budget.wayne.edu

wayne.edu/tuition/president-message.php

University of Maryland, Baltimore

State funding to the university is down 1.3% from the 2010 fiscal year working budget. A \$5 million transfer back to the state is expected due to furloughs and other one-time measures. The university has handled most of the funding cuts by reducing salaries. Higher-paid employees are receiving larger cuts. In April 2010, the university approved a 3% tuition increase — its first increase in five years. In the last two years, the system has returned over \$250 million to the state in operating budget cuts, fund balance transfers and savings, due to hiring freezes, furloughs, and temporary salary reductions.

www.umaryland.edu/president/TSR/index.html

www.budget.umaryland.edu

www.bizjournals.com/baltimore/stories/2010/04/12/daily46.html

University of Texas, Arlington

The university has instituted a voluntary separation incentive program and about 25% of 247 eligible employees participated. The university absorbed a 5% reduction in 2009–10, and a 5% reduction in 2010–11. Since November 2008 the university has used a system-wide flexible hiring freeze, a salary freeze for vice presidents and deans through August 2010, and stricter guidelines for travel and discretionary expenses. The Board of Regents approved a 4% tuition increase for 2010–11.

www.theshorthorn.com/content/view/20773/265

www.theshorthorn.com/content/view/18981/265

www.uta.edu/president/messages/2010/jun18.php

www.uta.edu/president/messages/2010/feb05.php

Cleveland State University

The university approved a 3.5% tuition hike for 2009–10 and a mid-year increase in 2010–11.

www.craigslist.com/article/20100503/EMAIL01/100509975

George Mason University

The Board of Visitors approved increases in undergraduate tuition, fees, and room and board for in-state and out-of-state students for 2010–11. Undergraduate tuition and fees will increase by \$950, or 6%. Out-of-state undergraduate tuition will increase by \$1,730, or 5.5%.

The state general fund appropriation has been reduced four times since 2007–08, resulting in cuts of \$45 million, including a reduction of \$4.5 million in 2010–11. Faculty and staff have not received a salary increase in three years.

eagle.gmu.edu/newsroom/818/?search=budget%20cuts

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Georgia State University, Atlanta

The state legislature cut \$227 million from the system-wide budget. There has been discussion of significant layoffs. There will be a system-wide closure at the holiday break. Tuition increases range from 2% at community colleges to 16% at research institutions.

netcommunity.gsu.edu/NetCommunity/Page.aspx?pid=263
www.gsu.edu/budgetnews/35526.html
www.ajc.com/news/for-some-georgia-tuition-524594.html
www.onlineathens.com/stories/051210/uga_637702633.shtml

Arizona State University

After the 2009 budget was released, the university capped enrollment and closed freshman applications for 2010–11 five months early. The university closed four dozen academic programs, many at the Tempe campus. State budget reductions since June 2008 totaled \$88 million or 18% of the university's base state budget.

Cost-saving measures at the Tempe campus included:

- Raised tuition by 20% for incoming students and 13% for continuing in-state students.
- In 2010, the School of Engineering cut academic units by 40%, and closed the Clinical Laboratory Sciences program and an MBA Sports Business program. Admissions for new nursing students were reduced by 18%, or 80 slots.
- Started a hiring freeze. Started 10- to 15-day furloughs for all employees, including the president, provost, vice presidents, deans, varsity coaches and faculty. Eliminated 550 staff positions, including four deans' positions, two dozen department chair positions, and 200 faculty associate positions.
- Reduced purchases and established energy conservation programs.

www.asu.edu/budgetcuts

University at Albany, New York

Over the past three years, cuts to the university's base state allocation have totaled more than \$33.5 million, a 30% decline in state funding. The university has cut 200 vacant positions, instituted a soft hiring freeze, and has reduced non-personal expenditures and temporary services.

In the current fiscal year, the university faces a \$12 million cut in state funding. It anticipates eliminating the equivalent of 160 full-time positions by the end of the 2012 fiscal year.

The university is starting an early retirement program with voluntary resignations and other future vacancies. It will make a higher percentage of cuts in administrative and support services, expecting that in this and the next fiscal year, administrative units will absorb another 10% reduction in their state operating budgets. Colleges and schools will have an additional 7% reduction. Over four years, these cuts amount to 22.4% to administrative units and 16.2% to colleges and schools.

The president suspended admissions to programs with low enrollment. These are: classics, French, Italian, Russian, and theatre. The university is closing a program for freshmen to explore educational opportunities.

www.albany.edu/news/9902.php
www.albany.edu/empowerment/students.php

University of Colorado

The University of Colorado raised tuition 9% at all campuses, started a hiring freeze, and eliminated 200 positions (130 vacant). In fiscal year 2009–10, it took a \$29 million reduction with a \$10 million reduction in operating budgets. In 2010–10, the reduction is \$50 million, and operating budgets will be reduced by \$7 million. About 140 positions (60 vacant) will be eliminated.

www.cu.edu/content/budgetupdateapril72010

www.cu.edu/content/amidcolorado'sbudgetfundingshortfallscraisestuition9percent

North Carolina State University

In 2010–11, trustees approved a \$750 tuition increase to help offset a funding reduction of almost \$20 million. In the last three years, the system-wide budget cut has been \$575 million, with a \$3 million shortfall. The university plans to use the tuition increase to restore some classroom seats and course sections, and to support faculty and research. The university committed to use 20% of the tuition increase to support need-based financial aid. Trustees approved a 6% tuition increase for 2011–12 to backfill a 15% reduction in state funding.

news.ncsu.edu/releases/nc-state-tuition-increase

www.wsocvtv.com/news/25876692/detail.html

University of Nevada, Reno

The university raised tuition 13% for 2010–11. Three hundred class sections were canceled (about 9,800 seats), 117 faculty positions were eliminated, and 323 staff positions were eliminated. Funding was reduced for centers and institutes, building maintenance, and new construction. Faculty are taking on larger classes and larger teaching loads and there has been a 3% drop in instructional capacity. Next year, the university plans to increase tuition 17%.

www.unr.edu/vpaf/pba

www.fis.ncsu.edu/rm/budget_central

nevadasagebrush.com/blog/2010/11/15/asun-plans-protest

Efficiencies at Other Universities

Brown University

The university renovated a factory for its medical building rather than constructing a new building. Brown reportedly saved \$35 million. This practice is spreading to other universities, according to a November 2010 piece in the *Chronicle of Higher Education*.

chronicle.com/blogs/buildings/turning-an-old-factory-into-a-new-college-building/27962

Universities in Missouri

The governor of Missouri has asked campuses to list programs granting fewer than 10 bachelor's degrees, five master's degrees, or three doctoral degrees per year, suggesting these programs should be eliminated.

www.columbiatribune.com/news/2010/nov/22/micromanaging