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June 26, 2009

Gene Block, Chancellor
UCLA

Dear Chancellor Block:

Re: Department of Chemistry & Biochemistry response to the budget plan

The consensus response of the senate faculty in the Department of Chemistry and Biochemistry to President Yudof's budget plan including the proposed 8% faculty and staff salary reduction is as follows:

1) We understand that when UC's funding drops, it must cut costs. However, we are deeply concerned that UC has chosen its business-as-usual response (across-the-board budget cuts) to what is in fact an extraordinary and growing crisis.

- A. This is not really an 8% cut, but a demand that we concur in a long-term but rapidly accelerating de-funding of the university. Funding for UC has dropped from 8% of state budget in 1965 to 3% in 2008. In real dollars, funding has fallen by about 1/2 since 1980. But whereas that period was slow death by a thousand cuts, this new period of decline is turning into a free-fall. We believe UC is fighting for its life as the finest university system in the world, and our budget-cuts-as-usual approach will only guarantee that we will lose.
- B. We do not see any evidence of a strategic plan to deal with the continually decreasing level of state support for the University. President Yudof implies that, in addition to the pay cuts and fee increases, difficult programmatic choices will be necessary to balance the budget. But the fiscal year is about to begin, and there is no plan in sight. We are therefore left to ask if there is a plan beyond pay cuts and fee increases. Simply passing on budget cuts across the board is not a strategy, but a long-term retreat from the university's mission.

2) If forced to choose between the two options of pay cuts or furloughs, we overwhelmingly prefer furloughs. Some of the reasons follow:

- A. The state cannot reasonably expect to reduce the UC budget by 20% after the continuous budget cutting of the preceding 20 years without reducing the quantity of instruction that can be delivered. If 14 furlough days for academic year faculty are required to achieve 8% salary savings, then the academic year should be shorted by 14 days (4-5 days per quarter). This will inevitably result in reduced course content, but there is no reasonable alternative.
- B. Furloughs could be structured in such a way as to allow faculty with adequate grant resources the option to replace lost pay from the state with pay from contracts and grants. For example, if the academic year is shortened by 14 days as proposed above, then faculty members with academic year appointments should be allowed to earn an additional 14 days of summer salary from extramural sources, in effect replacing lost salary from the state with salary from extramural sources.
- C. There do not appear to be insurmountable barriers to furloughs posed by federal regulations. The University of Arizona is achieving budgetary savings through mandatory furloughs, albeit of a much smaller magnitude than those proposed by President Yudof for UC faculty and staff. See http://www.hr.arizona.edu/furlough_faq.

3) A reduction in pay for personnel paid by extramural research funds is not only unnecessary, but also counterproductive. Some of the considerations that have led us to this conclusion are:

- A. Far from saving state funds, these cuts for such personnel will reduce federal indirect cost returns and state income tax revenue at a time when the university and the state need every dollar they can get.
- B. These personnel tend to be among the lowest paid employees and so would be disproportionately hurt by pay cuts. While principal investigators could decide to give research staff pay increases to cancel out the pay cut, this would be an unnecessary paperwork burden that would have to be reversed if and when the pay cuts are reversed.
- C. Cutting the spending power of federally funded employees runs directly counter to the intent of the federal American Recovery and Reconstruction Act, which is to stimulate the economy by spending.

4) Measures must be instituted to protect especially vulnerable faculty and staff from severe financial hardship.

Some personnel have financial commitments that they will not be able to meet if the proposed pay reductions become a reality. These include MOP loans and childcare expenses. Measures must be instituted to provide these

personnel with the relief they need to avoid undue financial hardship. This includes increased financial aid for UCLA day care and restructuring of MOP loans.

5) Newly hired faculty should be exempted from the pay cuts.

To subject faculty who are just coming on board to these pay cuts in violation of the terms of their recent offer letters would be an especially egregious breach of faith.

Thank you very much for requesting and considering our views regarding the University of California's current budgetary crisis. I know that you share our deep concern for the harm that is being done to this great university.

Sincerely yours

Albert J. Courey, Chair
Department of Chemistry and Biochemistry