Assessments

The current campus assessment, which totals $209 million, is composed of expenditures that are controlled by the Chancellor's Office (i.e., "avoidables") and expenditures that are outside campus control (i.e. "unavoidables"). In order to make the assessments more predictable, the following change is proposed:

1. For every academic RC except Informatics (see point 2), assessments for each of the next three year (FY2006-FY2008) will be a fixed percentage increase on the "avoidables" component of the school's FY2005 assessment plus whatever actual increase occurs in (a) University Tax, (b) utilities, and (c) insurance.
2. The Chancellor's Office will recalculate Informatics' FY2005 assessment to reflect its actual 2004-05 faculty staffing levels. This "recalculated FY2005 assessment" will be the baseline from which assessments will be calculated in the next three years.
3. For FY2006, the increase in the "avoidables" component will be set at 2.5%. Because this component comprises 68% of total assessments, each school's FY2006 assessment will be 1.7% higher compared to its FY2005 assessment in order to cover the increased cost of "avoidables".
4. As the actual increases in "unavoidables" (i.e., University Tax, utilities, and insurance) become known, these increases will be passed along to each academic RC. The Chancellor's Office will work with the University Budget Office to obtain these data as soon as possible.
5. By October 15, 2005, the Chancellor's Office will notify each school of its share of the FY2007 "avoidables" component cost increase.
6. By December 15, 2005, the Chancellor's Office will estimate each school's share of FY2007 "unavoidables" cost increases.
7. The campus will rebase all assessments for the FY2009 fiscal year. This rebasing will be phased-in over the FY2009, FY2010, and FY2011 fiscal years.

Chancellor's Fund

A larger Chancellor's Fund is needed to both (a) leverage long-term campus and university priorities, and (b) address problems created by RCM over which RCs have no control (e.g., faster growth in tuition revenue than has occurred in state appropriation). In order to increase the Chancellor's Fund from $2.6 million in FY2005 to $4.0 million in FY2006, the following changes are proposed:
1. Withhold 0.5% of net GF expenditure\(^3\) from each support unit for each of the next three years (FY2006-FY2008) and reallocate these funds *among support units only* through the Chancellor's Fund.

2. Withhold 0.2% of direct expenditure from each academic unit for each of the next three years (FY2006-FY2008) and reallocate these funds *among academic units only* through the Chancellor's Fund.

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1. 68% of 2.5% is 1.7%.
2. The School of Informatics will use its "recalculated FY2005 assessment."
3. Financial aid, utilities, CTE, insurance, library materials, summer school, student technology funds, and debt service will be exempted from withholding.