February 14, 2011

Dan Simmons, Chair
Academic Council

RE: UCSC response to Funding Streams Proposal

Dear Dan:

The Santa Cruz Division of the Academic Senate has reviewed the Funding Streams Proposal (12/21/10) forwarded by Provost and Executive Vice President Larry Pitts. On balance and in principle, we support the proposal as the first step in a two-stage process of funding-streams reform followed by “rebenching.” The goal of the completed process is to bring our systemwide budgetary model into alignment with the identity of the UC as a single system of ten distinctive research campuses. The work done on the Funding Streams proposal has already enabled UCOP to generate a list of its current spending, which has increased budget transparency and led to valuable debate on what activities should be core funded vs. decentralized to campuses.

We have identified one specific element in the proposal that needs further refinement. The responses from Santa Cruz Senate committees (Committee on Research, Committee on Planning and Budget, Graduate Council) stress the need to protect graduate funding in a comprehensive way not currently built into the proposal for the use of graduate USAP funding. The four-sentence section on Graduate Financial Aid lacks the detail necessary to ensure that this critical arena of the UC mission—graduate education as a key component of the research enterprise—is optimally built into the new model. This section needs to be retooled to describe what is actually planned for graduate financial aid in this model.

Given the above caveat, the Santa Cruz Division supports proceeding with the funding streams reform. As our Committee on Planning and Budget comments, we particularly endorse the concept of a single, across-the-board, all-unit, system-wide assessment. The value of the single assessment is its clarity, simplicity, and recognition that UC is a single system. Further, allowing Chancellors to decide how to assess units on their own campus provides the necessary budget flexibility to align this expense with campus budget priorities.

We close by reaffirming that our support of the funding streams proposal is predicated on the subsequent stage of rebenching. Reform of systemwide funding streams will produce the critical transition between budget clarification and transparency, on the one hand, and equitable allocation, on the other, that is the larger goal of this two-stage process. Completing the first
stage will put us in a position to do the truly essential work of rebenching the base budgets of the campuses, both existing allocations and future changes in state funding. The current allocation of state funds is based on historical allocations, augmented when additional state funds are allocated and decremented when state funds are cut. The cumulative effect over time has resulted in a higher amount of state funding per student for some campuses than for others. The momentum in rebenching is clearly in the direction of some formula linking systemwide allocation of core funds to current student numbers, possibly with funding tiers for different classifications of students. Closing the per-student funding gap will bring the UC budgetary model in line with the longheld value, reaffirmed both by the Gould Commission on the Future and the Academic Senate, of a single public university with ten distinctive locations across California.

Our divisional Senate support for the proposal is therefore conditional, resting on the immediate start of the rebenching phase in accordance with the current timeline. We would have much preferred that the two phases proceed simultaneously, in parallel, but short of that option, the funding streams alone do little or nothing toward redefining the future relations of the ten campuses to one another and the system as a whole. Only rebenching will complete the long-overdue fundamental restructuring of our systemwide budget model. Without it, we would not endorse the funding streams proposal.

Sincerely,

Susan Gillman, Chair
Academic Senate
Santa Cruz Division

cc: CEP Chair John Tamkun
    CPB Chair Brent Haddad
    GC Chair Sue Carter
    COR Chair Quentin Williams