

COMMITTEE ON PLANNING AND BUDGET 2012-13 Annual Report

To: Academic Senate, Santa Cruz Division

Introduction

The Committee on Planning and Budget (CPB) had a productive year working with their Senate colleagues, Campus Provost and Executive Vice Chancellor Galloway (CP/EVC), Vice Chancellor Planning & Budget Delaney and other related administrators. While the campus' budget continued to contract, CPB focused on a pro-active agenda intended to consider strategies for reversing the negative budgetary trends by consulting on areas where the University can increase revenue, streamline support, and further academic and research goals. In particular, the committee was committed to consulting on areas of graduate growth, summer session enrollments and vision, the campus' recharge economy, (graduate) programming in Silicon Valley, and overall campus enrollment planning. CPB successfully engaged on a number of these topics, many of which being multi-year projects which will continue to be addressed in 2013-14.

2012-13 Budget and Budget Process

The Committee on Planning and Budget (CPB) reviewed the 2013-14 budget reduction proposals using the augmented general principles finalized in 2011-12 to assess the proposals and provide specific recommendations to the CP/EVC. Beyond the normal recurring issues, CPB has become aware of the increasing difficulties units have faced in parsing through the need to reduce their budgets. Strategies that have been used in previous years, such as filling in with one-time funds or taking the cuts with future separations, are becoming unavailable. One-time funds are dwindling, structural deficits are maintained, and those "cuts identified for the future" are now being taken: in other words, units are experiencing less flexibility in accommodating budgetary demands.

It is the conclusion of the committee that across-the-board cuts are no longer viable for our campus. For many units, (notably the Academic Divisions, University Relations, units in deficit, etc.) cuts are taken and later offset by supplementary investments of unfilled FTE and one-time funds. These targeted offsets are counter-productive to the creation of a transparent resource management methodology. For the rest of the campus, the vested principal or operational managers make decisions on what to fund in the absence of, or even counter to, campus wide priorities or strategy. Under these circumstances coordination is, at best, ad hoc and serendipitous. With so many reduced budgets and a growing number of units that we agree cannot be cut any further, the implementation of across the board cuts cannot be supported as it undermines the core operational needs of our campus.

In addition to the growing inflexibility with regards to across-the-board cuts, the CP/EVC proposed sensible restrictions which arose out of previous CPB recommendations. For example, in the academic units, faculty FTE and TAs have been taken off the table. This represents the recognition of the importance of maintaining the academic mission, supporting the undergraduate curriculum, and attending to graduate student well-being.

One additional budgetary effort of importance: The committee has worked to change the process of decision-making. CPB has encouraged units to think in terms of priorities, that is what must be protected, rather than what can be cut. This has begun to lead towards consideration of complete budgets that include all sources of income, all conserved resources, and all tasks performed. When this approach is taken by all units, the EVC, the VCPB, and the committee will have a better sense of resource decisions that are made and the impact of those decisions upon the particular units and upon the campus as a whole. This focus upon priorities will be particularly important over the next four years when the additional resources provided by rebenching are distributed with specific goals and objectives.

Graduate Growth

In keeping with our campus' long stated desire to grow graduate enrollments, and with the funding provided as part of the rebenching initiative, the Vice Provost and Dean of Graduate Studies (VPDGS) has begun the process of planning and implementing long anticipated to graduate growth. Due to the need for significant planning and for campus cultural adjustments, as well as the complex and inter-related nature of graduate admissions, curriculum, and funding, the Senate and administration charged a joint Senate/Administrative task force for developing and vetting challenging ideas and pathways, a task force that would have the appropriate moral force in championing them with both faculty and administrative constituencies.

In parallel to this process, CPB consulted with VPDGS Miller in both Winter and Spring on his preliminary plans for graduate growth, which were essentially a litmus test for achievable targets in the short and long term, as well as providing an approximation of the total cost, in new funding, of re-alignment of existing resources, and assuming additional revenue generation. While this process is ongoing, 2012-13 marked the first year of intensive collaboration on this issue among the Senate, Graduate Division, and the Academic Divisions. Due to the way in which graduate enrollment and support interfaces with all our academic and research functions, growth considerations were pervasive in CPB considerations on a variety of topics, for example, budget recommendations, Divisional faculty FTE requests, and program reviews.

Non-resident Enrollment

The campus engaged in continued efforts to increase both non-resident and international student enrollment in 2012-13. CPB's separate but related interactions on this issue are long range enrollment planning and consideration of the current budget shortfall based on UCOP enrollment targets. As long as UCSC is unable to meet its non-resident student enrollment obligation, as implemented through systemwide "funding streams", the budget shortfall (\$3.57M in 2010-11, or \$7.53M between 2007 - 2011) will continue to burden our campus' permanent budget. This at a time when all other UC's are dramatically increasing their non-resident student enrollments, and tuition revenues, far beyond merely their base targets. CPB is supportive of the efforts to increase non-resident enrollments undertaken by CAFA and the administration, and look forward to the reversing the trend of actually losing enrollments in this area since 2006.

Impaction

A CPB subcommittee reviewed the issue of impacted majors. Using a report prepared by the former interim VPDUE Mark Cioc, and a white paper written by the UCEP in 2009, the

subcommittee reviewed several departments that reported having impacted majors. In order to identify different causes for impactedness (e.g., loss of faculty in recent years, course sequencing, major requirements, etc.) the subcommittee intended to devise an actionable definition for impactedness which the CPB would use to determine possible recommendations.

However, after conducting these reviews, the committee felt that more information is needed before the causes, and subsequent possible resource solutions to these causes, can be identified with any useful detail. As a result, the CPB, in collaboration with the CEP, will be collecting data from departments across campus to pinpoint local causes for impactedness and generate guidelines for department chairs and deans for solutions to this problem (and identify which causes are academic, which are resource-based). The committee will continue its work on this issue next year.

Retention

In January 2012 several CPB members were charged with preparing a report on undergraduate student retention and related matters. They met with Retention Services Director Pablo Reguerin and AVC/Dean of Students Alma Sifuentes who provided an overview of the many relevant activities within their purview. For data we were referred to Planning & Budget - Institutional Research (IR) office. After numerous false starts, member Friedman met with IR Director Julian Fernald and VCPB Peggy Delaney, who decided that direct access to the data would be impermissible, but extended an invitation to join a working group meeting summer 2012 to help prepare a charge letter for CP/EVC Alison Galloway to deal with the issue in a unified manner.

The working group met several times in the summer of 2012. It assembled and briefly summarized a raft of previous reports and presentations from UCSC over the last decade, as well as numerous materials from external sources. Work was completed by September 1, 2012. A month or two later, CP/EVC Galloway used that material to charge VPDUE Richard Hughey, requesting a plan for improving retention, graduation, and time to degree.

The VPDUE first tasked various staff members to analyze all materials transmitted by the working group. From an expansive dataset they extracted a list of 350 suggestions, which they cross-indexed and sorted. In December 2012 the VPDUE formed the [Undergraduate Student Success \(USS\) Team](#) to consider ways to improve retention, graduation, and time to degree. Its executive summary, issued April 22, 2013, called for two immediate actions and three strategies, as follows.

Action 1: Appoint a limited-term “Champion” to catalyze rapid reforms.

Action 2: Expand access to information that will empower students, advisors, programs, and administration to make decisions crucial to student success.

Strategy 1: Increase On-Campus Jobs for Students.

Strategy 2: Engage with student mental health, alcohol, and other drug issues.

Strategy 3: Develop Degree Paths that Increase Success.

The final report, issued May 24, 2013, runs over 50 pages and includes clusters of detailed recommendations to help guide the Champion (Linguistics Professor Jaye Padgett 2013) and the campus community.

Recharges

During the cyclical discussions of budget cuts it became clear that the campus was not, and CPB could not, ascertain the magnitude and impact of funds transferred between units through recharges. The recharge system transfers funds between accounts to pay for certain services provided by on-campus units. [The Planning & Budget website](#) contains information on recharge rates and associated policies. The Direct Costing Committee reviews the recharge rates annually. It is important to keep in mind that recharges not only transfer funds between core-funded units, but also provide a mechanism for auxiliary enterprises to contribute to a share of the costs for basic campus operations. CPB's preliminary analysis of data collected and organized by Planning & Budget Director Troy Lawson shows that the recharge economy appears (with two possible caveats) to be working appropriately.

One area that may warrant further examination is the recharge activity within Business and Administrative Services (BAS). This division has units with comparative disproportionately large amounts of recharge expenditures and income. However the issue is confusing as BAS may use different accounting practices and this could cause expenses like salaries sourced from multiple accounts to inflate the recharge activity shown in the data.

Another area of concern to several principal officers is the mandatory Information User (IU) assessment fee imposed to support the campus' telecommunications and computer network infrastructure. This year CPB did not have time to examine the details of the user information assessments, and a future examination should be conducted jointly with the Committee on Computing and Telecommunications. We do note that the information user assessment fees are an important mechanism for auxiliary units to support the general campus infrastructure. Furthermore, if these fees were eliminated or reduced then additional cuts in base budgets would be needed to provide funding for essential networking and communications services.

Long Range Enrollment Planning (LREP)

The UC system has not engaged in enrollment planning since the 2007-2008 academic year, but the implementation of new financial methodologies for the campuses, based on the ideas of 'funding streams' and 're-benching' necessitated the development of a new LREP focused on campus enrollments through the 2020-2021 academic year.

CPB invoked its historic presence as the lead Senate committee for enrollment planning dialogue. Senate Chair Joe Konopelski, ex officio member of CPB, joined the LREP committee during the early discussion stages and CPB was consulted on an advanced draft of the LREP at the end of the academic year. The final version of the LREP was submitted to UCOP on the due date of July 1 and the Senate has received a copy of that transmission. CPB will review the final version of the documents early in the fall quarter, and consult as it deems suitable.

Online Education

UCSC's administrative decision to join Coursera together with the Governor's \$10M 'carve-out' for online education development at UC has thrust the use of technology to augment the undergraduate curriculum into the spotlight. While the Senate Committees on Teaching and Educational Policy have organized several forums on the issues surrounding online education, CPB spent the year consulting with the campus administration on a policy for moving forward with online education in all its forms and venues. In addition, the recognition that significant campus resources will be needed to mount successful online offerings will continue to put CPB in regular consultation with the administration in the coming year.

Summer Session

CPB has been keenly focused on effecting much needed change to the orientation of the Summer Session enrollment period for several years running. After several consultations both in 2011-12 and 2012-13 with VPDUE Highley and Summer Session Director Parikh, the Undergraduate Education office has charged a Summer Strategy Group which intends to recommend action on several key items quickly, in order to effect changes for Summer 2014. Foci include: financial incentives to departments and programs for offering courses, TA allocation policy revisions, course cancellation policy, fees, especially those charged to visitors, and online education incentives.

CPB intends to follow-up with the outcomes of this summer group early in Fall quarter. Some but not all of the issues identified by CPB are on the docket for review, and CPB will ensure that ladder-rank faculty participation, summer support for graduate students as instructors, graduate-student-instructor compensation levels, compensation for summer teaching assistants, strategic departmental offerings to help students finish quickly, student aid in the summer, budget allocation strategies, academic support services required, and summer research possibilities are all addressed as critical concerns of the faculty constituency.

Other Campus Reviews

CPB responded to the Office of Research Self Study and a request to vet plagiarism software for campus use. Additionally, CPB took keen interest in updates on operations in Silicon Valley and UARC and consulted with CP/EVC Galloway numerous times on future planning for these initiatives. CPB also weighed in on the proposed Library student fee referendum, which funded Library hours and services.

Systemwide Issues

CPB responded, along with other relevant Senate committees, to the following issues:

- APM 600 – Salary Administration;
- Financial Aid Funding Policies;
- Open Access;
- Rebenching.

Regular Committee Business

FTE Review

CPB re-reviewed the divisional requests for faculty recruitment authorizations (16) for 2012-13, as well as the additional twenty authorizations requested for 2013-14. The committee consulted on several partner-hire requests, and waivers of open recruitment. CPB also reviewed and made recommendations on six Target of Excellence (TOE) appointments.

CPB additionally reviewed and responded to five requests for FTE transfer and one Presidential Post Doc appointment.

Program Review

CPB participated and commented formally on the ongoing program reviews of seven departments, ranging from comments on the charge to External Review Committees to participation in closure meetings.

CPB also reviewed proposals for the establishment of the Technology Management Department, the Spanish Studies B.A., an Education M.A. and the reinstatement of the Community Studies B.A.

Continuing Issues for CPB 2013-14

CPB has identified several items for continued consideration in the next academic year. These include continued attention to Retention & Graduation rates; Non-resident admissions and support; programming in Silicon Valley and changes to the UARC contract; Summer Session; and major impactedness.

How CPB Functions

CPB consists of ten regular members (one of whom serves as Chair), including two *ex officio* members, the Chair and Vice-Chair of the Senate. All members are selected by the Committee on Committees (COC) and are subject to Senate approval. CPB brings a balance of perspectives to campus issues by including members from each academic division. CPB also had a graduate student representative and places for two undergraduate student representatives to sit with the committee throughout the year. Members represent CPB on other academic and administrative committees and share the tasks of writing and editing documents. The duties of the Chair include setting meeting agendas, facilitating meetings, assigning tasks to CPB members for preparing reports and written responses, meeting commitments in terms of timely response to consultation, signing CPB documents and attending UCPB. All CPB letters and reports, unless otherwise noted, represent the consensus opinion of CPB.

Respectfully submitted;

COMMITTEE ON PLANNING AND BUDGET

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