

MINUTES
COMMITTEE ON PLANNING AND BUDGET
Meeting of October 4, 2007

Present: Chair Susan Gillman, Michael Brown, Emily Honig, Lori Kletzer, Tracy Larrabee, Herbert Lee, Karen Ottemann, Grant Pogson, Quentin Williams, Lora Bartlett, and Mary-Beth Harhen

Absent: Kelvin Cen (with notice)

Guests: EVC Dave Kliger, VPAA Alison Galloway, VPDUE Bill Ladusaw, VC Meredith Michaels, AVC Planning and Budget Karen Eckert. Assistant Provost Charlotte Moreno

Member Items

The committee approved the September 27, 2007 draft meeting minutes with Chair Gillman's edits.

CPB discussed EVC consultation procedures. Chair Gillman will draft a letter to the EVC outlining the information and timetable CPB would like to have in place when the EVC presents the committee with a request.

CPB Member Pogson reported that the advisory Committees for Facilities (ACF) has received information on additional lease space of 1900 square feet at the NASA/AMES facility for UNEX and a new program in linguistics and technology. This lease space is in addition to what EVC Kliger approved last spring. The funding for the facility is from the Silicon Valley Center OP funds, and the cost is \$1.55 per square feet for a total of \$64,000 annually. CPB expressed concern about planning and oversight for the incremental increases in growth at SVC and for UNEX and will ask the EVC for more information.

Senate Chair Williams reported on the September 27 Academic Council Meeting. The University of California (UC) is reviewing the Los Alamos situation and the possibility of canceling the contract. Also, the department of finance is forecasting a tough upcoming year for the state. The Public Utilities Commission is pushing a climate change initiative and a tax that will benefit UC.

Humanities Request for FTE Transfer

With member Emily Honig recusing herself, CPB discussed how the transfer of her FTE to History will affect the Feminist Studies department and its overall ability to deliver the undergraduate curriculum and launch a graduate program. CPB determined that the committee needs more information before making a recommendation and decided to invite the dean for a consultation the week of October 18.

BOARS UC Freshman Eligibility Reform

Chair Gillman reported that UCPB has declined to take up the matter of the BOARS UC Eligibility proposal. CPB found this to be outrageous, given that the matter falls squarely within the purview of that committee. CPB requested that Chair Gillman clarify if the UCPB chair plans to abstain from the vote at council on the proposal or if he plans to exercise his discretion and vote without discussion from his committee.

CPB discussed the lack of analysis of potential outcomes in the BOARS the proposal. Chair Gillman will write a letter to the Senate chair, breaking down the proposal into four parts rather than considering the proposal as a whole, since there are aspects of it that will have a positive effect and others with unpredictable and possibly negative consequences.

Proposed Amendment to Senate Regulation 636 Writing Cap

CPB supports the proposal but expressed concern that this is an unfunded mandate. CPB tried to determine if there is a local cost analysis but did not find one. The committee feels the cost is probably minimal but is concerned about making a recommendation without all the budgetary information. Chair Gillman will find out more information on the funding, and the committee will continue this discussion in the near future.

CPB 2007-08 Agenda Building

CPB discussed subcommittee assignments. It was determined that Michael Brown, Emily Honig and Lori Kletzer will form the professional schools subcommittee, Herbie Lee and Grant Pogson are on the enrollment data subcommittee and Karen Otteman will lead the subcommittee on University Extension (UNEX) and other auxiliary deficits.

Consultation with EVC Klinger, VPAA Galloway, VPDUE Ladusaw

The EVC began by reporting that short term issues are: Arts replacement FTE, Ecology and Evolutionary Biology (EEB) deferral, Education change in focus and the Community Studies replacement. Longer term, for this year the EVC would like to focus on integrated capital, budgetary and academic planning. There are many budget uncertainties, and the campus needs to be more strategic in determining how to use resources. The EVC would like to have clarity on campus priorities.

EVC Klinger provided an update on faculty salaries. The campus now knows what the new salaries scales are and what it will cost. However we still don't have any information from the Office of the President (OP) on how the salary increases will be covered. Two different funding models are on the table. In the first model if the total is 1.6 percent of payroll then everyone gets 1.6 percent, and the second is based by campus, which could be more advantageous to UCSC.

The EVC indicated that at UCSC the basis for putting faculty on the scale is formulaic. Case by case would be too arbitrary and uncertain. The EVC has an algorithm which he will forward to CPB.

CPB asked the EVC about the issue of leasing additional space in Silicon Valley. The EVC confirmed that the additional lease expense at UNEX will come from funds of the

Silicon Valley Center (SVC). CPB requested an accounting of the SVC year by year. The EVC added that OP has now committed SVC funds for three years instead of year by year. OP has indicated that if exciting programs are pending, OP may contribute more and make the funding permanent. Also, UNEX is thinking about moving some of the Sunnyvale leases to SV. The search for a temporary vice provost of Silicon Valley is moving slowly.

EVC Kliger stated that a set of criteria to judge whether to continue with UNEX is coming soon.

Enrollment Planning

EVC Kliger reported that the timing of the 19,500 enrollment projection is unclear because of the LRDP lawsuits. The issue is not about a judge limiting enrollments but control of the building of facilities. There is a push for enrollment planning for the UC system as a whole. The regents and legislature have requested that UC produce a comprehensive plan. The highest priority for undergraduate growth is Merced. Growth on our campus will likely come from graduate and transfer students. There is a general sense that graduate growth is under funded at UC, and the legislature needs to understand why there must be more funds for this population. OP is collecting information on planning for graduate growth by field or discipline so that it can be justified as a benefit to the state.

The deans have been asked to fill in templates which OP distributed asking for enrollment projections. After the deans fill out the templates with initial projections, which are due October 9, they will work with department chairs to better refine the information. The campus must submit this information to OP by mid December. When the EVC receives the completed templates from the deans, he will bring the information to Senate committees for review. There is a UC wide meeting at the end of December to go over what was turned in by each campus. The president will then make a decision on what campuses can move forward and with what enrollment targets.

The committee and EVC discussed ways for the campus to create new capacity. The areas of education, nursing and public health are perceived needs of the state. UCSF may be interested in partnering with UCSC on healthcare. CPB stated that the campus needs to think strategically as far as twenty-five years out.

The EVC said the reason to have visibility in Silicon Valley is that it is one of the richest areas in the world. If UCSC has some link there and Silicon Valley believes the campus is meeting needs of its population, then the possibility of large donations would be real. VPDUE Ladusaw pointed out that Silicon Valley is not represented on the OP templates.

Finally, VPDUE Ladusaw provided the committee with additional information on the writing cap proposal and ELWR courses on this campus. The campus adopted an exam-based approach to ELWR, meaning that the course itself does not satisfy the ELWR but it prepares students for the exam. Because the preparatory courses are not remedial. This means they will have to adhere the 20 limit.

Budget Overview by Vice Chancellor Michaels

VC Michaels provided background on the budget. The budget is comprised of permanent and one-time money. One-time money comes from either OP, fundraising, extramural or carry forward. It is the combination of permanent and one time money that gives campuses their operating budgets. Expenditures are how much campuses spend and for what purpose. Financials, an accounting of how campuses spend their money, are reported to OP each year.

The campus put together a permanent budget overview five years ago. The budget is updated annually and is available at <http://planning.ucsc.edu/budget/Reports/profile2006.pdf>. The title is “Birds Eye View”. Another online document is the UCSC budget handbook, updated in September 2006. Most of the descriptions of fund sources are accurate but the process of how resources are allocated has been updated since the handbook was published.

VC Michaels went over the profile of traditional resource streams document. Resource streams include: state funds, fees, indirect cost recovery, federal, private gifts and grants and other. The “other” category includes STIP interest, miscellaneous income, special UCOP allocations and auxiliary enterprises. State funds cover general costs. It has been UC’s agreement with the office of the governor since 1995 that for each student, campuses would receive a flat amount called the “marginal cost of instruction.”

The second handout VC Michaels presented was UCSC’s Operating Budget for 2007-08. This included an explanation of where the funds come from and how the funds are used.

Finally VC Michaels explained that the terms core and general funds are interchangeable.