

MINUTES
COMMITTEE ON PLANNING AND BUDGET
Meeting of January 14, 2010

Present: Chair Brent Haddad, JJ Garcia-Luna, Gildas Hamel, Lori Kletzer, Piero Madau, Marc Mangel, Cindy Pease-Alvarez, Warren Sack, Gene Switkes, Rob Wilson, GSA Rep Kevin Shlaufman, SUA Rep Jennifer De La Torre, SUA Rep Kalwis Lo, and Mary-Beth Harhen

Absent: None

Guests: EVC Dave Kliger, Associate Dean Paul Koch

Member's Items

CPB Chair Haddad reported on a recent UC Planning and Budget (UCPB) meeting. UC plans to reorganize its debt. One of the strategies UC is employing is pushing the large debt obligations out 20-30 years. The Office of the President (OP) plans to separate the bond rating, so UC maintains its top rating for the debt that is collateralized all the way down to student fees. UC will back off debt tied to things like buildings and parking lots to leverage the university more. The university will receive money now that it will not have to pay back for the next 20 – 30 years. Chair Haddad is uneasy about the decision, and does not feel there is true equity in what OP is envisioning. A CPB member commented that UC cannot possibly be in a worse financial state 30 years from now, and if the market is willing to lend to UC then UC should take advantage of it. Chair Haddad said other large state institutions are already taking advantage of debt leveraging.

Chair Haddad also reported that UCPB is writing a report on the failed faculty salary plan.

Budget Planning for 2010/11

Chair Haddad provided an overview of the CPB budget review phases: 1) Initial review of everything, 2) Teams should get together to review of their assigned units, 3) CPB presentations consisting of 20 minutes from each team discussing in detail what each unit is proposing, and 4) CPB will deliver an advisory report on every unit as well as the overall budget.

The teams will draft the narratives for their assigned units and Chair Haddad will play a central role in the overall letter. This activity will be CPB's main agenda item this quarter. CPB noted that each team should try to assess how budget cuts in the units they are reviewing will affect other units. The committee agreed to be especially mindful to recommend reductions resulting in the same amount as the total anticipated campus cut.

CPB members expressed unease with the committee's principles document. Committee members feel they are too broad and do not give reviewers enough criteria to base their recommendations on. CPB agreed it may be necessary to refine the principles document.

CPB then constructed a timeline for committee reviews, based on a mid April completion target. CPB would like to see a single list of all the unit priorities for restoration to help form campus priorities for reinvestment.

Consultation with EVC Kliger

The EVC provided CPB a report on the Governor's proposed budget. The EVC stated that while the outlook for UC is more promising this year, the proposed budget is only a starting point and could change significantly between now and June. The EVC also said that President Yudof remains firm that the furlough program will end.

Responding to a question from CPB about outsourcing, the EVC reported that the Gould Commission is looking at the issue along with a number of others that UC may want to address with the Governor and legislature.

The EVC discussed the budget process and expressed his main concern is about how much harm at cut will do to a specific unit and the campus as a whole. The EVC is hopeful the administration and the Senate can work together in a productive way.

CPB and the EVC then talked about the Humanities Task Force on Reconstitution Report and cross divisional programs. Although neither may have strong budget implications, the EVC said the campus needs to consider the options.

CPB Report on the Budget Process 2010/11

CPB decided to submit a budget process report for the next Senate meeting. The committee would like to share its principles for budget cutting and reallocation with the campus. The committee envisions the report as the first of a series on CPB's input into the 2010-11 budget process. Chair Haddad will draft the report.

CPB Report on Senate Resolution

CPB discussed the revised resolution on fiscal transparency which was referred to the committee by the Senate during fall quarter. CPB still finds the resolution is flawed, and CPB members agreed to review the resolution again and provide additional feedback.

Five-Year Perspectives 2010/11 – 2014/15

CPB noted the list is not up to date. Committee members knew of a number changes. CPB agreed to write a letter to the VPAA expressing the committee's opinion that the document should be live and without inaccuracies.