

MINUTES
COMMITTEE ON PLANNING AND BUDGET
Meeting of January 28, 2010

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

Absent: Marc Mangel

Guests: EVC Dave Kliger, Interim Vice Chancellor of Planning and Budget Peggy Delaney

Member's Items

Senate Chair Kletzer provided CPB with an update on the UC wide workgroup on funding streams. Currently there are many formulas for allocation of funds to UC campuses. These formulas were developed at specific moments in history to address current problems. Interim Vice Chancellor of Planning and Budget Peggy Delaney is co-chairing a system-wide committee that is trying to rationalize the formulas. Some formulas advantage some campuses and disadvantage other, so the process will be contentious. The Academic Council and UC Vice Provost Larry Pitts agree a new, more contemporary model is needed.

Senate Chair Kletzer also reported on a recent Academic Council meeting where President Yudof repeated his commitment to end the furlough program. There is concern about the cost to campuses, because while the program will end UC will likely not receive all the state funding it needs to restore salaries. The burden to UCSC is about \$12m.

CPB Chair Haddad reported on a UC Committee on Planning and Budget (UCPB) meeting where the nonresident tuition policy was discussed. UCPB members feel half the fees should go towards the retirement system. Senate Chair Kletzer said the Academic Council endorsed the UCPB white paper on the subject, but is still concerned about the continued process of funding the program piecemeal. CPB discussed the idea of routing more out of state students through the summer program, because the campus retains summer fees. A CPB member noted that campuses like Berkeley tend to think about maximizing revenues while staying within UC policies. UC Santa Cruz thinks about ideals, and has not demonstrated the same strategic pursuit of revenue which is a hindrance from the budget perspective.

CPB Report to the Senate

A CPB member expressed concern about confidentiality. CPB agreed that most faculty are probably not interested in every detail, and the report CPB provides the Senate can be at a higher level than what will be provided to the EVC. CPB members again discussed the need to better define the principles and criteria it will use to make its

recommendations. A CPB member pointed out the contrast in details from the administration's principles which are very operational and CPB's which are very high level.

CPB discussed including part of last year's committee recommendation for base budgeting in the report. CPB wants to show it made a request to the administration that that a comprehensive budget review would be extremely helpful to the process and the administration decline to move forward with the review.

Unit Review – University Relations

The University Relations CPB leads provided an overview of the budget reduction submission. Based on the discussion CPB developed a number of questions to follow up on with the unit. The leads will distribute the letter for information to the committee for comment prior sending it to University Relations.

Unit Review – Chancellor's Office

CPB developed a brief set of questions for the unit.

Unit Review – EVC's Office

CPB concluded its discussion on the unit. The committee determined it had no additional questions.

Unit Reviews – Academic Personnel

The Academic Personnel (APO) leads provided a detailed overview of the budget reduction submission. CPB also discussed the APO Budget Advisory Committee (BAG) subcommittee report of last year. The committee determined it had sufficient information to make a recommendation, and no additional information is needed.

Unit Reviews – Review Central Resources Cash Flow with Interim VC Delaney

CPB began by asking Interim VC Delaney about Funding Streams Workgroup. Interim VC Delaney report there is a good fight to be had between UCSC, Irvine, Santa Barbara and San Francisco. The desired outcome is a transparent, clear, accountable system of distribution of funds. The goal is to come up with some concepts and principles that would focus on how to fund OP and system-wide initiatives and how funding flows to campuses. This started as a result of campuses not getting back fees because state funding has been cut and OP using the fees to make up the difference. The workgroup hopes to complete its work in time to implement the new allocations in 2010-11.

Interim VC Delaney reported that Planning and Budget is still working on the updated consolidated central resources cash flow. The interim VC said small assumptions ripple through to the out years. Interim VC Delaney also reported that most campuses are using the 5.5% budget scenarios in their plans to OP. CPB had difficulty with the material presented since categories varied significantly from the previous year's view.

Unit Reviews – Graduate Division and Office of Research

CPB completed the Graduate Division. The unit leads provided an overview of each submission. Following a CPB discussion CPB determined a number of questions for the Office of Research. CPB will continue the discussion at its next meeting.