

**MINUTES**  
**COMMITTEE ON PLANNING AND BUDGET**  
**Meeting of October 29, 2009**

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

**Absent:** (with notice) Warren Sack and SUA Rep Kalwis Lo

**Guests:** EVC Dave Kliger and Interim VC Peggy Delaney

**Member's Items**

CPB Member Marc Mangel initiated a discussion about the proposed school of management. CPB agreed that it seemed from the chancellor's remarks at the recent Senate meeting, that the chancellor would like to move forward with the school. CPB Chair Haddad reported that Special Assistant Nirvikar Singh has requested a meeting with Chair Haddad to discuss the proposed school.

The committee then briefly discussed the resolution that the Senate voted to send to CPB for revision. Chair Haddad stated the goal is not to change the resolution but to refine the language. He asked CPB members to review the resolution and send proposed changes to him. The final draft will be approved at the next CPB meeting. CPB agreed that the value of what the Senate receives from the Office of the President (OP) depends on what is asked for. CPB has the expertise to frame the questions correctly.

**Draft Principles for Investment and Reallocation**

CPB continued to refine the document and agreed on an overarching introduction. The principles can be used to clarify the committee's choices when making recommendations. Chair Haddad proposed presenting the principles to the administration and the Senate as the basis for CPB's evaluation of all matters.

**External Reviews – Legal Studies Closure**

The committee discussed the review. Legal Studies is program, not a department and core management of the program has always been in politics, but during this time of reduced resources Politics has found it difficult to administrater the program. After the Politics external review, an *ad hoc* committee was formed to review the program. CPB had a lengthy discussion about the review and determined a number questions to raise in the closure letter.

**Pre Consultation – Divisional Deans (November 12 and 19)**

Chair Haddad reported on a recent meeting he and Senate Chair Kletzer had with the EVC during which the EVC stated that unless there is a profound change in what we do here we can expect budget cuts to units to be the same as last year. Chair Haddad asked the EVC what profound changes are, and the EVC responded that he does not know.

CPB discussed the possibility of changing the current FTE economy, combining divisions into a college of letters and sciences, or restructuring the academic support units. CPB would like to ask the divisional deans their thoughts, and about what the deans need to implement their goals. CPB also would like to know how each dean would adjudicate resources among divisions if it was up to them. CPB discussed zero based budgeting and what information the committee would need from each unit.

### **Consultation – EVC Kliger and Interim VC Delaney**

The EVC began by informing the committee of the chancellor's stated priorities for the comprehensive campaign. The priorities are: coastal environment, human health, 21<sup>st</sup> century arts and humanities and exploration and discovery.

Next the EVC discussed FTE and whether or not they should be left at the division or pulled to the center. The EVC has asked Planning and Budget to provide an analysis of the consequences of both models.

CPB asked the EVC about the furlough savings by salary band. Interim VC Delaney responded that she has the breakdown in a couple of ways. She would like to show the big picture percentages by salary bands. The proportions and approximate dollars can be provided easily. For UCSC the band of under \$40,000 a year is about \$500,000. The EVC said the campus did lobby unsuccessfully not to cut staff making less than \$40,000 a year. As far as the EVC understands, the campus does not have the option to make salaries whole. The campus cannot choose to exempt a band of people from the program. CPB asked about a number of options including donor contributions and incentive award programs. The EVC responded that donor contributions would be very difficult for human resources to implement and he is not sure about the incentives.

The EVC also said that to include faculty who make less than \$75,000 a year, it would cost an additional \$1,000,000.

Next Chair Haddad asked the EVC about Silicon Valley and the proposed school of management. The EVC responded that he expects a proposal by the end of the year which will come to the Senate for review.

### **FTE Overview**

Interim VC Delaney provided the committee with a background of the FTE economy. She explained: the definition of FTE, the origin and distribution of FTE, and filled versus unfilled FTE. Interim VC Delaney explained that during time of budget cuts funds for FTE are hollowed out, and it is a long term budget challenge to refill the FTE. CPB expressed concern about the practice and how it affects other activities, such as funding lecturers.

CPB believes filled ladder rank faculty positions should be excluded from the base budgets used to determine cuts, similar to the way utilities are excluded from the BAS budget since they cannot be cut.