

MINUTES
COMMITTEE ON PLANNING AND BUDGET
Meeting of November 5, 2009

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

Absent: Lori Kletzer and SUA Rep, Jennifer De La Torre

Guests: EVC Dave Kliger, VPAA Alison Galloway and Interim VC Peggy Delaney

Member's Items

CPB Chair Haddad reported on a recent UC Planning and Budget (UCPB) meeting that indicated the 2010-11 budget is still not clear, but there is an expectation that the student fee increase will pass. Interim UC Vice Provost Larry Pitts told UCPB that another year of furloughs is a possibility. The UC Office of the President (OP) is undergoing a review of its accounting system. OP is trying to better understand the flow of funds, and where exactly student fees go. Student fees are often used to augment bases budget loses.

Chair Haddad also updated CPB on the Regent's Gould Commission. The Size and Shape of UC Task Force is taking on the question of whether the University of California (UC) is a single university with ten campuses, or ten universities that receive state funding. If UC is a single university, then the argument will be that equitable allocation of funds for all campuses should be restored. It will be disadvantageous for UCSC if the subcommittee determines there are ten individual universities. The task force, which has UCSC faculty representation, will present their recommendations to the Regents next spring. The Senate will be consulted on the implementation of Gould Commission recommendations. Chair Haddad believes if the Senate is going to influence the process it should run a parallel planning process creating recommendations for OP and the Regents to take into consideration when determining UC's vision for the future.

Chair Haddad also said the Interim Vice Provost Larry Pitts informed UCPB that OP cannot take any more cuts centrally, and the number of paychecks in the UC system has to be reduced (although it cannot be done through tenured faculty).

Finally Chair Haddad reported that the Senate Executive Committee (SEC) met with Dean Van Den Abbeele who is the convener of the Council of Deans. The dean reported that the council only moves forward with action items if there is full consensus.

Senate Resolution Discussion

CPB discussed the resolution that was referred to committee by the Senate. CPB believes the intent is to tell the president that the Senate has an obligation to understand the budget scenarios and plausible budget strategies.

Budget Impact Reports

As a result of conversations with the EVC over the summer about assessing the impact of budget reductions on the curriculum, the EVC requested information from the academic deans. That request and the divisional responses were discussed and CPB agreed that the numbers provided tell a limited story of the campus budget cut situation. CPB expressed concern over the ability to reverse damage done by the cuts. Some units, especially non academic, will have easier time recovering from the cuts. CPB is also concerned about cuts to the breadth in Arts, and the immediate danger to retention. If a music class is cut, for example the cello, student cannot substitute it with another class. After a discussion Chair Haddad said he will contact the Committee on Educational Policy (CEP) chair about writing a joint letter to the EVC about budget cut impacts on curriculum.

Dean Consultation Questions

Chair Haddad began the discussion by saying he hopes CPB receives a demonstration of accounting efforts that reveal the problems in how the campus does its financial analysis. CPB would like to know exactly how much “discretionary” money the academic divisions have to work with by excluding faculty salaries since they cannot be cut. CPB would also like to ask units what would happen if they did not exist anymore. What are the consequences? The committee also discussed looking at budgets by function, understanding what units actually do and how is it relevant to the academic mission.

Chair Haddad would like to see each unit show what they are cutting, and track the difference in what services they offer. He believes this will give a better sense of the implications of the cuts.

Consultation with EVC Dave Kliger, VPAA Alison Galloway, and Interim VC Peggy Delaney

VPAA Galloway began by explaining that the draft Framework for Faculty and Student Success in an Unfavorable Economic Environment will try to assess what the reductions will look like at various levels. The intended audience is deans and faculty. VPAA Galloway agreed with CPB that the document is not very specific. She also said it is a problem that there are immediate budget cuts, but the campus does not have the flexibility to implement all cuts immediately. If an academic program is discontinued there needs to be a teach out plan, catalog since there are contractual obligations to students, through catalog rights, that prohibit programs from being cut quickly. VPAA Galloway asked CPB if the committee feels the principles presented in the document are reasonability sound. Diversity has been added to the document, because of concerns about differential impact.

CPB suggested sending a parallel document for the academic deans, with the committee’s principles. The document would include the principles by which the deans are going to look at the revisions of their plans to meet the budget reductions, and by which the administration can access if the plans follow the principles.

EVC Kliger said the framework document is going to be distributed much more broadly than just the academic deans. The EVC asked CPB about the committee taking issue

with the target size of the divisions. The EVC said sizes were not meant to be absolute numbers from year to year. VPAA Galloway added that all the divisions want to grow at the expense of everyone else. No division wants to shrink. CPB asked the EVC and VPAA what incentive the deans have for shrinking their units for the benefit of the campus. CPB also expressed concern about interdisciplinary programs being the first programs cut because they are the easiest. CPB said interdisciplinary programs belong to everyone and no one.

Interim VC Delaney responded there needs to be a funding mechanism to ensure programs that span boundaries can thrive during bad budget times. The EVC has asked the deans to think about what investments can make the biggest impacts.

The EVC updated CPB on the proposed school of management. The chancellor and EVC have a meeting set up with Special Assistant Nirvikar Singh to discuss the issue. The EVC estimates the Senate should receive a proposal by January.

The EVC brought up the Senate resolution on staff making below \$40,000 a year saying if the Senate wants to recommend not cutting a certain band of staff salaries; the Senate needs to provide the EVC with a plan on how to pay for it. The EVC said it will cost at least \$500,000. The EVC also said that President Yudof has again affirmed his commitment to this only being a one year program.

CPB said if it going to make a recommendation on how to fund the under \$40,000 salary band then it needs a list of options. The EVC said there is nothing left to cut that people would not strenuously object to. CPB acknowledged this as true, but noted that funding should be directed toward the campus's highest priorities.

Next CPB asked the EVC about strategies for managing student protests. The EVC said they are taking each protest one at a time, and assessing each individually. Interim VC Delaney added that there are good processes and mechanisms in place to handle protests. The EVC asserted that a lot of these activities are encouraged by a subset of faculty. He agrees with their goals, but does not think the methods are productive. Protests often make things worse, because it costs money that should be spent on other things.

Differential Fees

President Yudof has proposed a differential fee structure for certain programs such as engineering and business. The proposal is on an upcoming Academic Council agenda, and will subsequently appear as a Regents' item. CPB believes there needs to be more analysis on the effect of these additional fees. It is unclear what will be done with the money and the program will not net a significant sum. CPB believes there are numerous ways for students to get around the differential fees including: transferring to UC at a later time and waiting until the last possible opportunity to declare a major. CPB does not view the proposal favorably and will recommend that it either be scrapped or further analysis be done.

History External Review

CPB discussed a number of questions for the external review committee. CPB will draft a letter and circulate it to the committee for final comments.