

MINUTES
COMMITTEE ON PLANNING AND BUDGET
Meeting of October 20, 2011

Present: Lynn Westerkamp, Chair, Robert Boltje, David Draper, Daniel Friedman, Patty Gallagher (via teleconference), David Helmbold, Joe Konopelski, Sriram Shastry, Deanna Shemek, Andy Szasz, Mary-Beth Harhen (ASO), Alexander Hirsch (GSA), Jessica Greenstreet (SUA), Stephanie Casher (ASO).

Absent: Susan Gillman

Guest: VCPB Delaney, AVC of Budget and Resource Management Karen Eckert, Director of Institutional Research & Policy Studies Julian Fernald.

1. Members Items

Chair Westerkamp updated the committee on upcoming CPB consultations. Dean Kamieniecki and Anthropology Chair Rutherford will attend the 10/27 meeting to discuss the request to defer the Anthropology Department External Review, and on 11/10, VPDUE Hughey is coming to talk about realignment, major mapping, the class times proposal, his current priorities, and his thoughts on the Writing Program. Other future consultations include:

- Michelle Whittingham, AVC of Enrollment Management and Director of Admissions, to talk about Admissions. What is she doing specifically to recruit and retain out-of-state students? Are they investing in recruitment? What is their track record?
- Ann Draper, Director of Financial Aid, to give a presentation on financial aid packages. Does her office have data on the indebtedness of students?
- Tyrus Miller, Dean of Graduate Studies, to discuss total cost to Graduate Students.
- The Chair of Writing Program and Dean of Humanities to discuss the funding and location of the Writing Program.

2. CPB Budget Training

For the remainder of the meeting, VCPB Delaney provided budget training for CPB members.

Some Statistics

3,460 undergraduate degrees were awarded in 2010-11.

Psychology, Business Economics and Literature are the most popular majors at UCSC.

Current tuition for resident students \$12,192.

Current tuition for nonresident student \$35,070.

UCSC's current operating budget is \$595.8 million, broken down in the following percentages:

- 34% from Student tuition and fees
- 25% from Extramural Support
- 22% from the State of California
- 14% from Auxiliary Enterprises

- 5% from Other Sources

The UC system has been raising tuition dollar for dollar in proportion to the cuts to state funding.

One thing UCSC has been having to deal with in recent years, is that in addition to the cuts to state funding, is an increase in mandatory costs, which include bargaining agreements, faculty merits, employer UCRS contributions, etc.)

UCSC, unlike many other campuses, implemented their cuts as they were assigned, so we are done cutting (for now). Some other campuses, that used bridge funding and one-time funds to avoid having to make cuts, are now in the position of grappling with how to take their cuts. In this regard, UCSC is actually ahead of the game, as our challenge now is how to move forward in the “new normal”.

CPB moved on to the faculty FTE picture for 2011-12.

- 586.8 filled FTE
- 149.27 unfilled FTE
- 124.35 hollowed out FTE

FTE is a control number we receive from the state for each faculty position. They are set up as Assistant III and include a marginal cost of instruction. When a faculty member retires, the Division keeps the salary associated with the FTE, up to Professor 1 level, and the remainder is swept back to the center.

We are mandated to keep at least 10% of our FTE unfilled as a reserve.

In terms of generating revenue, it is important to hire new faculty because mid-career faculty tend to be more productive than faculty in the later stages of their career, and bring in the highest amount of research dollars.

*We do not have a coherent academic statement on how we think about the size and shape of the academic divisions.

3. Distribution of Overhead

Federal Indirect Cost Receipts are distributed as follows:

- 20% to Off-the-Top fund (6% to UCOP tax, 25% central admin, 45% academic divisions, 10% VCR, 20% BAS, 25% EVC Units)
- 36% to Opportunity Funds (6% UCOP tax, 40% academic divisions, 40% central admin, 15% VCR, 5% COR)
- 44% to General Fund
- The current ICR rate at UCSC is 51.5%. Our last ICR rate increase occurred in 2006-07.
- One of the factors that contributes to differing ICR rates among campuses is the proportion of their space/buildings dedicated to research.

- The UC system would like to see a uniform and higher ICR rate across all campuses.

4. Enrollments

In terms of funded enrollments, we are overenrolled as a system. At UCSC, we are overenrolled in resident students, and under-enrolled in nonresidents.

Each campus has a target number for nonresident enrollment, and budgets are developed with this target. When the campus does not meet their target, other resources must be used to compensate for the shortfall. UCSC has seen a trend in decreasing undergraduate nonresidents, which our Admissions and Enrollment office are working to address.

5. Funding Streams Initiative

Now the proposal is all revenues remain at the source campus. There is a 1.6% assessment on campus expenditures to fund UCOP operations. The total assessment in the UC system is \$277.7 million. UCSC's share is \$7.3 million.

The majority of our Student tuition and Ed Fees stay on campus, with the exception of a portion that goes back to UCOP for Financial Aid (Return to Aid). Financial Aid for students is handled centrally, so that all campuses are able to offer aid to needy students, regardless of what percentage of their students are wealthy vs. low-income.

6. Rebenching

Rebenching tweaks the formula so that allocations are based on your percentage of enrollments.

They are proposing that cuts are assigned based on ability to pay, i.e. percentage of enrollments + nonresident tuition + professional fee income.

The Rebenching proposal is still being debated at the systemwide level.