

MINUTES
COMMITTEE ON PLANNING AND BUDGET
Meeting of January 26, 2012

Present: Lynn Westerkamp, *chair*, Sriram Shastry, Robert Boltje, Andy Szasz, Daniel Friedman, Susan Gillman, David Draper, Patty Gallagher, David Helmbold, Joe Konopelski, Jessica Greenstreet, SUA, Matthew Mednick, Committee Analyst, Mary-Beth Harhen, Senate Director

Absent: Deanna Shemek (with notice)

Guests: Committee on Faculty Welfare Chair Suresh Lodha, Financial Aid Director Ann Draper, Financial Aid Associate Director Patrick Register, Committee on Admissions and Financial Aid Chair June Gordon

1. Members Items

CPB member and Senate Chair Susan Gillman reported on the Academic Council's consultation with President Yudof. The President indicated that the \$100 million that UCOP is using to offset this year's mid-year cut on a one time basis may be used to jump start the rebenching of campus budgets. Chair Gillman reported that there seems to be agreement on the rebenching principle of equal funding per student across campuses, however there are three outstanding issues to be determined; what the fund per student amount will be, enrollment targets for campuses (and associated mixture of resident and non-residents), and weighting of graduate students (this has a subset of how health sciences graduate students will be funded).

The UC system as a whole has a 10% enrollment cap for non-residents (NR). Individual campuses may have greater than 10% NR enrollments, (i.e. UCB with almost 20%) assuming other campuses offset their percentage with sub-10% enrollment of NRs. Each campus budget is established with the assumption that they will meet their specific NR targets, and gain additional income from NR tuition. Given this over enrollment of NRs at some campuses, resident enrollments would be offset by other campuses, so some mechanism for shifting funds to the campuses taking California residents must be developed.

2. Sub-Committee on Student Services Realignment

Sub-committee members are meeting with the Dean of Students Alma Sifuentes and Executive Director of Retention Services Pablo Reguerin and the committee discussed what topics should be addressed; the Disability Resource Center, Learning Support Services, the reporting and governance structures, and to get a sense of the immediate and long term priorities for the Students Services units.

3. Committee on Faculty Welfare (CFW) Presentation on Faculty Salary Metrics

Giving a brief overview, CFW Chair Suresh Lodha explained that off-scale salary is the current metric for faculty salary comparisons across campuses. CFW has developed two new metrics, salary growth and promotion growth. CFW has also done an analysis of the effect of the three year merit boost program on UCSC salaries which is not yet finalized for distribution but will serve to contextualize the new metrics. CPB noted the limits of the methodology, that it did not include consideration of market forces on salaries and that it did not account for disciplinary

differences in hiring and time since degree. The data presented only UCSC data and CPB suggested that if at least one comparator campus was not presented, the information could only be used to compare among departments and divisions. Although the study is limited to only a few factors due to the availability of the data, CPB encouraged CFW to pursue getting the data from other campuses so that the cross-campus comparison could be carried out.

4. Sub-Committee on Curriculum and Faculty Workload

In reviewing the material provided, CPB noted that there are differences in the way faculty workload is counted at the department level, possibly at the divisional level, and how it is reported to UCOP. CPB would like to understand the range of departmental policies currently in use, to consider matters of equity, review best practices, and what choices departments make in budgeting faculty time. A more fundamental question the sub-committee will address is, do departments have teaching resources adequate to cover their undergraduate and graduate curriculum? Further, CPB seeks to understand the best ways to support interdisciplinary programs and curriculum outside of creating new departments. Several obstacles to delivering curriculum under the current model were identified; there is no good way to team teach with it constrained by policy as an overload, inability to offer a course that goes over two quarters (especially desirable for graduate teaching), how teaching in summer session counts, and counting of graduate courses with (necessarily) very low enrollments. CPB will try to get the faculty workload policies for all departments in order to understand the range of current practices.

5. Financial Aid Presentation

CPB explained their interest in understanding the total cost to students, not just total financial aid packages, but the mix of types, what they are required to repay, and what factors truly reduce the cost. Director Ann Draper explained that most financial aid at UCSC is need-based and there is very little merit based aid, an exception being Regents scholarships. About 70% of our students receive financial aid that includes some type of loan. 58% receive some form of gift award. 38% of our students are in the lowest income brackets and receive Pell grants. The total cost is estimated at \$33,033 per year for on-campus residence. For students who stay off-campus the estimate is less, about \$28,000.

Looking at the breakdown of costs, CPB questioned the very low \$1,500 estimate for personal expenses. Director Draper explained that this estimate is established by UCOP who do periodic student surveys on discretionary spending. All the campuses use the same numbers for out of pocket expenses. Over time, the big shifts in expense have been tuition and housing. The expectation of \$9,900 for work and loan contribution is also stipulated by UCOP.

Director Draper presented a graph showing undergraduate average aid and family cost by income cohort. She explained that the formula used to determine need is based on the FAFSA (Free Application for Federal Student Aid). The formula does not take into account factors such as regional variability which affect a family's ability to contribute. CPB discussed the new Blue and Gold Financial Aid program at UC Berkeley, which Chancellor Birgeneau describes asking families to contribute only 15% of their income. UCSC has 42% of its students in the low income category, defined as \$40k or less. This percentage is at the high end at the UC system.

CPB discussed the problems with the work study program, which is part of many students' financial aid packages. Director Draper explained that the federal work study allocation to the campus is \$750k, which has not changed for many years, despite significant increases in enrollments. The amount is also insufficient to match the number of awards given annually and there are not enough work study jobs on campus for all eligible students. There are 7,000 students eligible for work study but only 1,500 work study jobs. The campus now subsidizes the federal allocation in order to match the employer contribution. At one time, jobs were also available in the community, but now even the number of work study jobs on campus has been reduced due to the declining budgets and elimination of these positions. Financial Aid is faced with the choice to either give everyone eligible the opportunity to receive work study, or restrict it to a smaller population that more closely matches the number of jobs. If restrictions like this were implemented, revised criteria for eligibility would have to be determined.

She also described the new UC Satisfactory Academic Progress (SAP) rules, revised in conformance with federal mandate, that take effect this year. The two new annual requirements – students must maintain a cumulative GPA of 2.0 and must pass 12 units per quarter - are difficult to track and can be challenging for students to recoup. If students fall below these thresholds, they jeopardize their federal aid, and by extension, their ability to attend UCSC. It is estimated that these new rules will impact about 500 UCSC students per year.

Director Draper summarized the challenges student face; high cost of attendance, high loan indebtedness, inadequate work opportunities, and family inability to provide the expected family contribution. Family inability to contribute is becoming more common as a record number of parents are being denied federal loans due to having bad credit ratings, resulting in more student indebtedness. Also, given the rapid increase in tuition in the last five years, even if parents were saving for a student's education, the sum would be inadequate to cover current tuition. There are additional challenges such as limited summer funding impacting students who need to catch up or improve their GPA, and AB540 students are not eligible for federal aid.

6. Community Studies Preliminary Proposal

With CPB member David Draper recusing himself, CPB discussed the VPAA's request for informal advice on a preliminary proposal for a community studies program.