

MINUTES
COMMITTEE ON PLANNING AND BUDGET
Meeting of November 29, 2012

Present: Lynn Westerkamp (Chair), Zsuzsanna Abrams, Don Brenneis, Sue Carter, E.G. Crichton, David Draper, Daniel Friedman, Susan Harding, David Helmbold, Joe Konopelski, Susan Schwartz, Valerie Poyner (GSA), Mary-Beth Harhen (ASO).

Guests: EVC Galloway, VC P&B Delaney

Member's Items

Senate Chair Joe Konopelski reported on the November Academic Council meeting where composite benefit rates and the proposed pilot for a negotiated salary plan were discussed. In Council's consultation with UC Provost Aimee Dorr, she expressed concern about declining quality in UC education. She has identified seven quality indicators and recognizes that the campuses differ in relation to each. She is asking the campuses, through their administrations, to identify which indicators are most important to improve and develop measures of accomplishment that will show progress toward improving quality.

Member Dan Friedman reported that the Retention Committee charged by the EVC has not yet met.

Consultation with Vice Provost and Dean of Graduate Studies Tyrus Miller

VPDGS Miller requested that the consultation be rescheduled.

CPB Budget Review Feedback

The committee reviewed the principles by which they reviewed budget reduction proposals last year, discussed the review process and looked at a complete and comprehensible submission example from an academic division last year (Humanities). CPB agreed that they would follow a similar process to last year's, that members would be assigned as sub-committees responsible to thoroughly review specific units, including last year's submissions and resultant cuts, lead the discussion of that unit and draft prose reflecting the committee's deliberation for the final recommendations to the EVC. CPB agreed on two small changes to their process. First, upon receipt each member would go quickly through their assigned units to assess if the submissions were complete so that the committee could immediately recommend the EVC go back to those units for missing materials. Second, CPB would have an initial discussion of all units to rapidly determine which Principal Officers would be scheduled for consultations with the committee.

CPB reviewed the new principles they added last year, since they also used these to evaluate unit submissions. *Elimination of unnecessary and costly risk aversion*, especially identifying where there is flexibility to determine how much to invest in compliance and risk aversion, understanding what policies, whether federal, state, UC wide or UCSC come into play, and which are under our control to modify. This point is linked to another CPB principle, *reduction/removal of bureaucratic layering*, which asks that processes be streamlined and that "siloed" organizations which duplicate processes for their own reasons coordinate with other

units. The principle of *shifting funding streams* gives scrutiny when activities are shifted from core funds to other fund sources. Because CPB was not able to review cuts in the context of whole budgets (including non-core funds) it was sometimes difficult to determine the priorities of principal officers. There are situations when shifting the fund source of an activity from core to other sources is appropriate and produces alignment of function and fund source. CPB also discussed the necessity of *incentivizing revenue production* in units given that there is potential for some units, even academic units, to increase revenue but since the possible benefits to the unit are not clearly articulated units cannot assess the cost and benefits of changes.

Consultation with EVC Alison Galloway

EVC Galloway described the negotiations with UCOP about the UC Observatories (UCO) Director as on-going since there is a discrepancy between the APM and the Compendium about who has authority to appoint a new Director. VCP&B Delaney has put together a proposal for UCOP about how to move the UCO faculty FTE back to the campus.

EVC Galloway reported briefly on developing composite benefit rates, that UCOP has now proposed four rates, but is still talking about the issues around summer salary for faculty. She noted that UC Davis, when implementing composite rates just charged faculty grants without a lot of repercussions. She noted that on this issue, the Divisional Senates and the Administrations coordinated their responses. It was an issue that the divisional chairs collaborated with their VCP&Bs to create greater understanding on both sides.

The EVC reported that the administration has been given draft long range enrollment planning documents by UCOP with guiding principles and campus responses are due in March. Also from UCOP, she reported that there now seems to be acknowledgement that the funding streams assessment (for the UCOP budget) must be an assessment of all fund sources. However, there was little recognition that the cost of the assessment is based on UCOP's spending and operations. There is no self-imposed cap on this assessment. The Regents set the budget for UCOP, but the only information they see is from UCOP. One accomplishment of the funding streams project has been to identify the budget of UCOP and how it is funded.

Responding to a question about the Office of Research (OR) self-study, EVC Galloway responded that through the process of an administrative review she hopes to provide candidates for the Vice Chancellor Research position with a picture of what is currently provided by OR and what are unmet needs.

Turning to the proposal for supplemental TA allocations based on enrollments, EVC Galloway explained that the model to establish the base of TA allocations was developed and successfully implemented over three years. The number of TAs is based on the entire enrollment of the division, not on any single department, program or class. TA ships do not have the same type of system wide control figures as faculty FTE, but they are tracked internally. The results of this re-baselining has been some small shifts among the divisions. The goal was to get this budget information out to divisions earlier for curriculum and leave planning. Each division has its own methods and criteria for allocating TAs to classes. The central administration never goes back to reclaim funds if projected enrollments are not met. CPB inquired, if this is the case, how does the administration know how the funds are actually being used? The EVC believes

that all TAships allocated are used as intended and that beyond that, divisions must often supplement using their own funds. CPB encouraged reporting on this to understand how much the divisions augment over time. The committee noted that for those TAships funded centrally, the cost of fee remission (tuition) is provided through the Graduate Division. But it was not clear how the cost of fee remission was covered for those TAships created divisionally. Further CPB noted that non-resident stipends are a possible additional expense for the divisions. Now that the base is established through this three year implementation, that amount will be allocated as the base and only the supplemental portion will be determined annually. VCP&B Peggy Delaney, also attending, noted that divisional expenditures on TAships could be provided.

Silicon Valley Initiatives were briefly discussed and the committee agreed to fully apprise themselves of the current activities, budget and academic planning for SV for consultations with the EVC early in winter quarter.

Post Consultation:

CPB agreed to ask for the available information on division expenditures for TAs since this is a source of graduate student support. If it is true that the deans are supplementing the base of TAships, then what are the effects of returning TAships as budget reductions? CPB noted the distinctions between the methodology of TA allocations from the center and the methodologies of the academic divisions, which vary. The committee also questioned the practice of separating funding of TAships and the funding of fee remission. Would it be simpler and more transparent to combine these so that a TAship also includes the tuition remission? For some TAs funded by divisions, students also have to pay their tuition, so it is expensive. CPB noted that many faculty have not altered the way they teach, even though enrollments in their classes have increased and TA resources have been reduced. This situation has an effect on the workload of TAs. The results of a graduate student survey were briefly discussed, that it asked about funding stability, the effects of larger class sizes and other issues.

CPB also noted that in counting Ph.D. enrollments, there is a possibility of counting some Masters students as Ph.D. enrollments for two years, thus immediately increasing our enrollments by a small percent.

Pre-consultation for VC Business and Administrative Services Sarah Latham

CPB decided to frame the consultation around understanding the new VC's perception of BAS and its relationship to the campus as a whole, especially how BAS fosters the academic mission and how this mission influences her decision making in balancing areas for support such as operations, compliance or fiduciary responsibility.

Beyond a general discussion of the workings of BAS, CPB noted their issues of primary concern:

Many units are working with dramatically reduced resources in these times of budget cuts. However, some believe that units with a strong recharge funding stream may be more immune to the effects of the budget cuts and there are many such units within BAS.

On UCSC's culture of compliance: what are the best practices for assessing reasonable risk versus investment in risk aversion that could potentially be applied here?

Campus housing is for both primary populations: student housing and faculty/staff housing. What methods could be used to reduce the cost of housing?