

COMMITTEE ON PLANNING AND BUDGET
Report on 2010-11 Budget Process

To the Academic Senate, Santa Cruz Division:

By way of background, the Committee on Planning and Budget (CPB) has eight faculty members representing all academic divisions. The Senate Chair and Vice-Chair are *ex officio* members, and graduate students (via GSA) and undergraduate students (via SUA) appoint representatives who regularly participate in our meetings. Our weekly meetings include regularly scheduled consultations with CPEVC Kliger and as-needed consultations with other administrators.

The campus is in the process of preparing for another round of cuts to its core (state-funded) budget for the 2010-11 fiscal year, which begins July 1, 2010. Because this budget preparation process is now reaching full steam, this report focuses on describing the process and modes of Senate-administration consultation that will take place. It is important to understand at the outset that CPB is an advisory committee to CPEVC Kliger on budgetary matters. CPB has no authority to make budgetary decisions: our role is to advise the administration on the budget planning process. Furthermore, specifics of state funding for the University, and the University's allocation to the campus, are only forthcoming late in the academic year, thus campus budget planning must be carried out on the basis of expectations and contingencies.

Budgeting started last summer, with one-day administrative budget retreats that considered the campus overall budget. Academic Senate leaders attended some these retreats, as well as principal officers and other leading administrators. Out of these retreats, an administrative workgroup process emerged, in which committees were charged to present white papers on the context of budget problems facing important units on campus. The workgroups included: UG Education, Graduate Education, Organization Structures, Library, Research, and Strategic Academic Framework.

These white papers were due in fall quarter; to date CPB understands that one is complete (Library) and some are nearing completion. Their purpose was to frame an informed, campus-wide perspective on what was (and still is) presumed to be another round of budget cuts. Delays in producing final documents have reduced their direct influence on budgeting, although there is residual benefit to the participants from learning about campus activities and their costs.

This year's budget process to determine reductions for 2010-11 closely mirrors the process followed last year. CPB had little input in developing the process but is hopeful that the provision of information to the committee, as detailed below, will address our concern about consultation. Even as this year's process moves along, we want to note that, at the conclusion of last year's process, CPB called for a more comprehensive base budget exercise by the campus. From CPB's June 2009 report:

“We call on the administration to change the budgetary model of the campus, too long based on incremental growth and too long perceived as in need of change. Our own “UCSC Budget Handbook” (issued by the CPEVC and dated December 2008) argues for

this change: “The annual budget process currently focuses on incremental resources available to the campus, recognizing the need to undertake a closer review of base budgets over time with an eye towards understanding the adequacy of the base. This would be developed within the context of a broader qualitative review that must bring budgetary reality to the process” (“UCSC Budget Handbook,” p. 12).

Given that this base budget process was not agreed to by the administration, over the course of the winter and spring quarters, CPB will provide the campus with reports about ongoing budget deliberations and cuts. Through these reports, the committee aims to inform faculty and staff about the budget reduction process and projection scenarios, CPB’s perspective on the principles and justifications underlying the process, and the overall budget context of the University. We hope these updates will help to provide some of the transparency necessary to enable greater faculty participation in the process and a more considered assessment of the impacts and risks.

The senior management (principal officers) of all campus units (academic divisions, academic support and institutional support units) have submitted their budget reduction plans. The principal officers have been asked to provide information--submitting both an itemized listing and a narrative explanation of projected cuts and their consequences-- on how each unit would cut 5.5% and 11% from their budgets, as well as a scenario if these cuts are reduced. Based on this input and the CPB analysis, CPEVC Klinger, working with his Budget Advisory Group, will produce a proposed set of campus-wide budget cuts.

We emphasize the high level of uncertainty about the size of the cut to the campus budget. The state-funded part of UC’s budget will not be known until a state budget is determined. Given recent history, that information will not be fully known until June or July of this year. Thus, the campus process must prepare for various possible outcomes, ranging from (an unlikely) budget increase to a more likely (but unknown in size) budget cut in the projected 5.5% to 11% range.

CPB’s role in this budget projection and implementation process will be as follows. The administration will forward all materials to us as received from divisional officers. We will continue to consult weekly with CPEVC Klinger, and other administrative officials, amplifying the exchange of information, questions, projections, and analysis.

CPB is in the process of undertaking a parallel review of budget reduction submissions from all units. We will submit comments on all proposed budget plans, along with our campus-wide proposal, in advance of proposals from the administration’s Budget Advisory Group and the final decision-making by CPEVC Klinger so that CPB can provide timely input into the consultation and decision-making process.

Any final decision-making authority rests with CPEVC Klinger.

Preparing for the budget reduction process was a primary activity of CPB during the fall 2009 quarter, and budget projection and implementation is the primary issue for winter and spring quarters. CPB will consider individual unit reduction proposals in the widest possible context. CPB also welcomes suggestions from faculty about reducing campus costs or increasing

revenue. It would be most appropriate to receive these suggestions or this feedback in winter quarter since our report and recommendations will need to be completed by mid-March.

Respectfully submitted,

COMMITTEE ON PLANNING AND BUDGET

JJ Garcia-Luna

Gildas Hamel

Lori Kletzer

Piero Madau

Marc Mangel

Cindy Pease-Alvarez

Warren Sack

Gene Switkes

Rob Wilson

Brent Haddad, Chair

Jennifer De La Torre, SUA

Jerroyd Moore, SUA

Kevin Schlaufman, GSA

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