

February 5, 2009

EVC David Kliger
Chancellor's Office

Re: CPB recommendations on the Mid-Year Cut Worksheet

Dear Dave:

The Committee on Planning and Budget (CPB) has discussed the draft mid-year reduction options that you presented at today's meeting. The committee is surprised at your timing, given that the major discussions and decision-points had already been reached by the time we were shown the worksheet. It's neither the ideal nor usual practice for the committee to operate at the margins of the decision-making process.

You framed these reduction options by stressing your principle of equity among units. Yet the reductions that were carefully planned last year were explicitly differential, based on the number-one campus priority of protecting instruction that has guided and continues to guide the process of budget reduction.

Given that priority, CPB recommends that you choose the third option, based on original 08-09 targets. Units have already planned how to take those cuts, so why not simply implement the plans that were developed after significant deliberation? Anything other than this option reverses the work that was done to plan for 08-09 cuts.

If that option is simply unacceptable to some units, then CPB suggests a compromise: a weighted option, not as you recommend but consisting of 50% core budget and 50% of original 08-09 planned targets. We do not endorse your current weighted option because we do not believe that adjusted year-end balances can be effectively compared. They are managed for different purposes by different units, making it difficult to draw comparative judgments based on total amounts with any degree of accuracy or equity.

Finally, we conclude with a question. Your weighted option reverses the principle of protecting I&R on which we have based all consideration of budget reductions to date. What is the rationale for introducing the principle of "equity" at this time? What has changed?

Sincerely,



Susan Gillman, Chair
Committee on Planning and Budget

cc: VC Planning and Budget Michaels
Assistant Provost Moreno