

COMMITTEE ON PLANNING AND BUDGET

Interim Report: Divisional 10-Year Planning

To the Academic Senate, Santa Cruz Division:

The Committee on Planning and Budget is now completing a process of intensive consultation with CPEVC Simpson on the ten-year plans that were submitted by the Academic Divisions. The likely result of this process will be both different from, and more fundamental than, what anyone expected at the outset. Instead of producing a single “10-year plan” for the campus based on a vetting and summation of the documents already submitted, CPB and the CPEVC are jointly working toward a redefinition of the respective roles of the Divisions, the Departments, the central administration in proposing and administering academic programs.

Virtually all the Divisions characterize, in strikingly similar ways, their overarching or crosscutting interests in areas of public policy, technology studies, health, the environment, media, and visual culture. Yet none considers the possibility that such initiatives are not as well served by the divisional structure as by the more flexible, crosscutting organization of a school of studies, or, to use the Santa Cruz model, a college identified with multi-disciplinary area studies. In this respect, the School of Engineering provides a model of campus development that transcends the Divisions in ways that will be critical to the future of our campus. From this it may follow that some of the best new ideas put forward by the Divisions will be implemented outside the present divisional structure, and that the relevant Senate committees will take a more direct role than previously in consulting with the Deans over the use of divisional resources to maintain and strengthen existing academic programs. We are confident that the final planning document, to be issued by CPEVC Simpson in June, will identify the priorities by which new initiatives will be phased in and balanced against existing, core programs, and that it will enable the campus to adjust to changes in expected funding, whether positive and negative without having to call for new plans.

Taken as a whole, the planning process reveals a fundamental, conceptual distinction between a budget request and a plan. Whereas a budget request, whose parameters are defined predominantly by proposed FTE, must be approved or disapproved, a plan provides a flexible template for the future use of resources. In practice, a plan implies principles to prioritize proposed program phase-in and budgets, criteria of accountability (short- and long-term), and, finally, guidelines for incorporating new initiatives in relation to existing needs. The CPB report issued in this CALL (AS/SCP/1348) on the campus graduate enrollment goal of 15% illustrates the difference between advocating an academic goal and producing an academic plan.

When we began the current planning process two years ago, we inherited a model in which divisional plans (e.g. the “6-year plans”) were generally conceived as budget requests, but approval of which did not necessarily result in the requested funding. Rather, the annual budget process was something separate, requiring a regular update of the previously approved plans in part to reflect what had not yet been funded. The perception of a gap between the criteria for setting planning priorities and the criteria for budgeting has occasioned some faculty cynicism about the value of academic plans. The more fundamental problem, however, is that planners at

all levels have not been expected in producing their plans, to address the priorities reflected in their base budgets. Instead, our academic planning documents have competed for new resources at the margin, while presupposing the need to maintain existing programs of quality. Although the Call for 10 year plans, issued in January 2001, attempted to move beyond this long-standing feature of campus planning, the plans submitted varied in the degree to which they reflected the impact of the proposed innovations on the division's ability to fund and build upon core strengths.

In our view, a better use of the process would be to develop principles, criteria, and methods for holding divisions and the central administration accountable for what gets funded in both good times and bad. Because the divisional 10-year Plans have proposed far more programs than the campus could have afforded, even in a period of budgetary abundance, the need is greater than ever to provide the criteria for budgetary priorities now and for the future. We have advised the CPEVC to produce a 10-year plan in June that makes explicit the link between planning priorities and budget criteria. In this way will the culmination of the planning process in June be truly meaningful.

Given this expected reorientation of the planning process, what is the status of the plans that have now been submitted by the Deans? Taken together, they reflect a set of broad, agreed-upon campus goals: enhancing graduate education and research; fostering interdisciplinary and trans-divisional education and research; and maintaining and strengthening core academic programs, disciplinary and interdisciplinary, that constitute recognized centers of excellence for the campus. What the EVC derived from the plans in his preliminary March 1 response is the overall size, within given ranges, of each Division, producing a nominally agreed-upon shape of the campus in the future. What has not yet been defined is a set of priorities and principles to structure the decision-process by which specific proposals are to be assessed. At this point, no assumptions should be made that particular items in the divisional plans have been "approved," even in the customary sense that has always left open the question of funding. Under the new system, the process of approving a plan will require articulation of the budgetary conditions under which it will actually be funded. The divisional *resource* plans must make explicit the budgetary interdependencies between programs funded by new resources and those high-priority items in the base budget. Once transparent processes for assessing the impact of the proposal on existing divisional strengths and priorities are in place, the approval process will occur through normal channels of Senate and Administration consultation. Thus, CEP, GC, CAP, and CPB will all continue to play their usual oversight roles in hiring and course-approval. Such ongoing approval processes are critical to insuring that campus plans will be responsive to changing needs and opportunities.

In one of the most fundamental changes produced by the planning process thus far, the relevant Senate Committees will consider the degree to which the best divisional plans should be implemented within the divisions that proposed them, across divisions, or outside of the divisional structure. In addition to determining the overall size of each existing division, the CPEVC has given resources to the VP for Graduate Studies and the VP for Academic Affairs to foster planning of non-divisional programs that may take the form of "groups," "schools" or "colleges." These possibilities are consistent with the Resolution on Colleges adopted by the Senate on March 6, 2002 and the CPEVC's Campus Planning Update of March 1. An implicit

principle of these documents is that faculty proposing new programs and initiatives should no longer be required to fit them into the existing divisional structure.

Although this is only an interim report on 10-year planning, it is worth highlighting some of the most fundamental changes on which CPB and the CPEVC have, in principle, agreed.

Assessing the divisional plans:

- The five divisional plans may best be evaluated on the basis of how explicitly each addresses the balance and trade-offs between new and existing programs. What are the potential synergies/conflicts between the divisional plan itself (“its front end”) and the strengths and weaknesses of the departments and programs currently in the division? Is there unrecognized overlap or redundancy between new and existing programs, or even in the new programs themselves? By the same token, are there unrecognized possibilities for clustering complementary projects and personnel? If the plan reflects a divisional imperative to produce a thematic justification for new hires, which existing programs benefit and which suffer as a result? Is this (implicit) effect of the plan on existing programs warranted? What should the priority of the new programs be in the total budget of the division? Answers to these questions are necessary for building greater divisional accountability into the planning process.
- The five divisional plans must also be evaluated on whether the new initiatives proposed are good for the campus as a whole. How do the plans promote the broad aims of the campus to enhance diversity, to build graduate education, including the development of professional schools, to foster interdisciplinary and inter-divisional approaches to learning?

Assessing the divisional structure:

- The explicit overlap and implicit competition between plans raise obvious questions about the divisional structure. Do the good ideas in the plans benefit or suffer from their location in the Division that proposed them? To what extent is the divisional structure of the campus beneficial or detrimental to the ability of the campus to implement the good ideas in the plans? The plans suggest a newly important role for interdivisional programs, and also a possible role for non-divisionally-based programs (such as a school of environmental science and policy, or a school of media studies) to implement some areas of significant faculty interest across several divisions.
- The foregoing requires a new role in curricular development and resource allocation for vice-chancellors charged with broad campus responsibility (VPAA, Dean of Graduate Studies, VC for Research). In his March 1 Campus Planning Update, the CPEVC has set aside significant resources to allow these officers of the central administration to foster interdivisional cooperation and/or to create and possibly manage new programs outside the divisional structure.
- We have asked the CPEVC to consider centralizing campus business functions and services, including academic information systems, information technology, student employment, and contracts-and-grants. The focus of the Divisions would thus be on the academic mission of the university while business functions are separated off and aggregated, producing both greater

efficiency and better service, and allowing for greater budgetary transparency in the academic support functions of the campus.

- In tandem with the centralization of business functions, we have also recommended a greater decentralization of curricular planning to the departmental level. Now that enrollment maximization is no longer the primary criterion for distributing permanent resources, we believe that Divisions should be much more directly accountable to Departments on issues of academic quality.
- In our review of the plans, we were struck by the positive impact that the School of Engineering has had on the plans of other divisions. We note that, unlike new departments and programs, new schools are eligible for forward funding from UCOP.

Budget and Planning:

- The CPEVC has stressed as one of his highest priorities that the campus secure a new mix of state and private funding that will wean us away from the excessive reliance on state funds that has characterized the method of growth in the past. This means:

- First and foremost, University Relations must be required to assist faculty in integrating plans for private funding into the development of all new programs. Graduate programs that are on the “fast track” must have a development officer assigned and given clear benchmarks of performance. An important future role for CPB will be to monitor and report on the effectiveness of campus development efforts, both in general and in targeted areas.

- Second, resource plans must be formulated by departments, or faculty groups, proposing programs as well as by divisions. Clear templates should be provided by the Administration for developing such plans.

- Insofar as the plan for any academic programs is contingent on private funding, it should be a normal duty of the involved faculty to set fundraising benchmarks and to evaluate the success of the development office in identifying and approaching foundations (etc.) that fund in their area.

- Insofar as a funding plan is based on growth in contracts and grants, involved faculty should have a joint action plan with the Vice-Chancellor of Research that includes understandings about the return of recovered indirect costs to the program.

- Insofar as the plan requires forward-funding from UCOP, there should be a performance timeline for actions by the VPAA and Graduate Dean to establish a new “school” or “college” (such as the School of Engineering) that would be eligible for forward funding.

- Finally, insofar as the plan is to backward-fund the program from existing enrollments, there needs to be explicit analysis of the consequences for existing programs of such resource set-asides by the CPEVC and the Deans.

- CPB believes that it will also be necessary to reallocate funds within the base budget funded by the state in order to support new academic programs, especially graduate programs, that will be, on average, more expensive than our current offerings. To generate more funds for the core campus mission of instruction and research, CPB is focusing on elements of the campus budget that have grown faster than student enrollment, and at the apparent expense of instruction and research. In cooperation with the CPEVC, we will seek efficiencies and economies of scale that will release a larger proportion of enrollment-generated funds for instruction and research over the long term. [In the event that short-term deviations from this goal are necessary (e.g. for infrastructural investments), we will insist that a plan be in place to restore and increase funding to instruction and research.] CPB's methodology for analyzing the base budget has been published as Appendix B to the CPB report on Enrollment Management (AS/SCP1348 appearing in this CALL).
- Academic plans at all levels should consist of analysis as well as advocacy. Review and approval of such plans should focus on the budgetary conditions for the implementation and the administrative actions that will be taken toward this end.

Shared governance

- The 10-year planning process has underscored the centrality of shared governance in both the formulation and implementation of campus goals.
- With the CPEVC's cooperation, divisional decisions will be more directly subject to Senate consultation than in the past. The clearer links between planning and budgeting, described above, should make divisional policies and priorities more transparent. In addition, a new process of more regular, direct consultation among Senate committees and the Deans, essential to the ongoing planning process, will be instituted. Formal consultation between the Deans and CPB on faculty hiring will include the relevant Department chair whenever possible.
- Senate Committees will consult regularly with the CPEVC at all stages in the creation and implementation of campus plans. This process has already allowed for continuing faculty input on how the often overlapping proposals made by different departments and divisions might be best advanced and funded at a campus-wide level. Shared governance thus allows faculty representation both at the level of departmental constituencies and at the broader level at which campus-wide priorities and strategies are formulated.

Conclusion:

The framework described above has been applied by CPB and the CPEVC in many hours of detailed discussion of the individual divisional plans. In the course of our discussions we have looked carefully at both the intellectual and the fiscal strategies embodied in each plan, and we have advised the CPEVC on the significance for the divisional governance of the campus of the overlaps and synergies between them. We understand that he has communicated the results of our joint deliberations to each dean, and that they now have a reasonably clear idea of which elements in their plans should be pursued, and what they must do to pursue them. This feedback has not, however, been communicated to the campus as a whole. We believe that it is, in the first instance, the responsibility of the CPEVC in consultation with the deans to determine how best to communicate more specifically which elements in the plans are realistically worth pursuing.

When we see how this communication occurs in June, we will determine what further information CPB should provide to our faculty colleagues in the Fall.

The purpose of this document is to communicate the fundamental change that has already occurred: that academic planning now includes divisional accountability for management of the base budget, and that this link between planning and budget now lies at the core of shared governance. We believe that this constitutes a reaffirmation in principle and an expansion in practice of the role of faculty in the central decisions affecting our campus.

Respectfully Submitted,
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April 30, 2002