

COMMITTEE ON PLANNING AND BUDGET Annual Report, 2004-05

To the Academic Senate, Santa Cruz Division:

Introduction

The Committee on Planning and Budget (CPB) conducted business this year in the context of continued stresses imposed by the state budget crisis and continued changes in offices of the Chancellor, CPEVC, Deans of Academic Divisions, and other senior administrators. As UCSC struggled with significant cuts in total state operating funds, the campus continued to develop academic plans to accommodate potential enrollment growth and produced a draft Long Range Development Plan (LRDP) for the physical side of potential growth. CPB offered comments as part of the WASC accreditation process, which concluded this year. The campus began to develop concrete plans for transforming Business Processes and Information Technology, with the goal of creating user-friendly, efficient, cost-effective, sustainable, and adaptable services in these two essential areas through centralization. CPB continued to monitor the troubling financial situation of University Extension. CPB investigated the financial support for writing courses. As in years past, the committee had a goal of developing regular processes for consulting with the administration on budgetary issues. CPB began to study issues related to faculty salaries and housing, which will continue to be a focus in 2005-06. Finally, the committee offered recommendations on departmental and program external reviews, resolutions forwarded from the Academic Council, requests for off-cycle hires, and other issues brought to the committee by the CPEVC.

How CPB Functions

CPB consists of ten regular members (one of whom serves as Chair), including two *ex officio* members, the Chair and Vice-Chair of the Senate. All members are selected by the Committee on Committees (COC) and are subject to Senate approval. CPB brings a balance of perspectives to campus issues by including members from each academic division. In 2004-05, CPB also had a graduate student representative. Unfortunately, the SUA was unable to find an undergraduate representative who could meet with the committee. In fall term, CPB was joined by a Senate Service Scholar, Karen Ottemann (Dept. of Environmental Toxicology). For the fourth year, CPB extended an open invitation to Vice Chancellor for Planning and Budget Meredith Michaels to attend its meetings, which she did regularly. Senate staff members also attended meetings.

CPB meets weekly on Thursdays during the academic year. Information packets and agendas are circulated to members in advance of meetings, and consultations are scheduled well in advance. Meetings include a combination of in-person consultation, oral reports from CPB members, and discussion. In 2004-05, our primary dialogue was first with Interim CPEVC Delaney, then with Interim CPEVC Kliger.

Communication among CPB members outside the normal meetings is conducted primarily via email. Members represent the CPB on other academic and administrative committees and share the tasks of writing and editing documents. The duties of the Chair include setting meeting agendas, facilitating meetings, assigning tasks to CPB members

for preparing reports and written responses, meeting commitments in terms of timely response to consultation, and signing CPB documents. All CPB letters and reports, unless otherwise noted, represent the consensus opinion of CPB. Consensus is sought, first via email discussion and edits to draft letters and documents, but final conclusions emerge from discussion and agreement at CPB meetings.

Below we present key aspects of CPB's deliberations, reports, and recommendations to the Senate and campus administration in 2004-05.

1. Regular Committee Business: CPB reviewed the proposal for a new graduate program, the Doctoral Degree in Education Leadership, to be offered jointly with Cal State San Jose and Cal State Monterey Bay. It reviewed the proposal for a Ph.D. in Music. It considered a proposal for a M.S. and Ph.D. in Statistics and Stochastic Modeling in early June, but decided to defer comments until fall term. CPB commented on the charges for external reviews of the following departments or programs: American Studies, Environmental Studies, and Science Communication. CPB commented on the External Review reports and other documents, and members attended the closure meetings, for the following departments: Psychology, Earth Sciences, and Music.

Following the turnover in the Humanities Dean's position, that division began to reanalyze its short-term and long-term academic plans. CPB had numerous meetings with Interim Dean Lease and recommended a number of hires that were off-cycle, Target of Excellence (TOE), or Presidential Faculty Fellows in different departments (American Studies, Feminist Studies, History, Philosophy, Linguistics, and Literature). CPB also consulted on off-cycle or TOE requests in Astronomy, Earth Sciences, Ecology and Evolutionary Biology, and MCD Biology.

With respect to system-wide issues, CPB solicited information on cuts to health care services for a report on the subject by UCPB. CPB offered a response to the Academic Council Resolution on Restrictions on Research Funding Sources (<http://senate.ucsc.edu/cpb/restrictions.pdf>). The committee offered a split recommendation, but most members felt that the resolution was too far reaching and should be modified. CPB's position was not supported at the system-wide level, and the resolution passed essentially unchanged.

2. Academic Planning: The Annual Report of CPB 2003-04 noted that the 10-year planning process launched by CPEVC Simpson, which ended in 2002 (Looking toward the UC Santa Cruz of 2010 ... the path to implementation) <http://planning.ucsc.edu/plans2001/JBSupdate-021007.pdf> failed to yield concrete plans for academic growth. The plans were not integrated to capitalize on interdivisional synergies, most did not consider issues of implementation or student demand for new programs, and some called for FTE growth far out of line with the resources the campus is likely to offer.

Interim CPEVC Delaney acknowledged that the steps to implementation called for by CPEVC Simpson were not followed, largely because the campus had spent the

intervening two years focused on the budget crisis. Interim CPEVC Delaney and VPAA George Brown offered the following goals and timeline for academic planning.

Goals

1. Produce a revised 10-year campus academic plan in Winter 2006.
2. The expected enrollment is 17,215 students in Fall 2010.
3. The faculty recruitment timescale is academic year 2012-2013 (allowing for two-year lag in hiring).
4. The final plan will be synthesized by the CPEVC and VPAA from the divisional proposals.
5. The Academic Senate will be consulted at all key phases of the planning process.

Timeline

January-March 2005: Develop *Planning Criteria* and *Progress Goals*. Following consultation with Deans and Senate, provide minimum numbers of FTE expected in each division by 2012-13.

February-June 2005: Divisions revise 2001 divisional proposals as necessary, based on the new resource environment, progress over the past 5 years, and any new areas/opportunities that have arisen since 2000.

July-September 2005: Provost synthesizes draft *Academic Plan*.

October-December 2005: Senate reviews draft *Academic Plan*.

January 2006: Provost revises draft *Academic Plan*.

February 2006 Provost issues final *Academic Plan*.

The timeline (but not the goals) shifted somewhat when Interim CPEVC Kliger arrived in February 2005 and with the departure of VPAA Brown in summer 2005. Interim CPEVC Kliger used winter and spring terms to examine the analysis underpinning the sizes of the divisions in 2012-13 and offered modified divisional FTE targets in June 2005. He never explained the logic or analyses by which he reached these new targets, and CPB will request further information on this in Fall 2005. Given delays in the 2004-05 academic year and turnover in the VPAA and Deans' offices, we expect that final plans will arrive somewhat later than February 2006, but no later than Spring 2006.

3. LRDP: CPB offered extensive comments on the first draft LRDP, which was released in Fall 2004. Our primary concerns related to housing, parking and traffic, and academic space. The detailed comments are included in:
<http://senate.ucsc.edu/cpb/CPBLRDPPrpt1451.pdf> .

4. Transformation Processes: While transformation plans for both Business Processes and Information Technology moved forward rapidly in 2004-05, CPB spent most of its time on the IT transformation for several reasons. The Business Processes transformation had a clear outline by late fall and could offer a view of how the transformed system would operate. It had a relatively transparent budget, and it was clear how much money would be saved by the transformation. Finally, centralization would bring staff into Business & Administration Services, an academic support unit with a relatively long history on campus. In contrast, the IT transformation plan continued to evolve

throughout the year, budgetary issues remained fluid and contentious, there was greater campus anxiety about the loss of local IT services, and staff were being centralized into Information Technology Services (ITS), a relatively new and unfamiliar academic support unit.

CPB reviewed the reorganization proposal for ITS, with two formal consultations and numerous discussions with VPIT Larry Merkley and his staff. ITS divided its activities into Personal Solutions (desktop technical support and helpdesk), Campus Solutions (central applications such as AIS, departmental and web applications), Infrastructure Services (server support, network and telecommunication services), Instructional Services (instructional computing and media services) and Building Block Services. Of these, Instructional Services was still being reviewed by ITS and therefore was not included in the reorganization proposal.

For Personal Solutions, which was being run at the Divisional level, the proposal planned to have a single organization reporting to the VPIT. Some technical staff would remain in the Divisions, while others would be moved to a central unit. The primary motivation behind this plan had to be budgetary savings or improvement in service. However, CPB was concerned that such savings might not materialize, and recommended that centralization should only proceed after the ITS proposal was endorsed by the Divisions, with individual divisions allowed to argue for opting out.

For Campus Solutions, budget increases were sought for various additional activities to be undertaken. CPB recommended canceling or deferring several of these, in view of the university's tight budgetary situation. A substantial budget increase was also sought for Infrastructure Services, to improve the network infrastructure and security. CPB recommended that this should be postponed until the base budget for Infrastructure Services could be scrutinized by CPB and CCT, except to cover urgent security needs. CPB also felt that the proposed management structure was top-heavy and should be reduced, especially for the Building Block Services unit.

CPB will follow up in 2005-06 to determine if any of its recommendations on ITS were followed and to assess the status of both processes.

5. University Extension (UNEX): The large deficits being accumulated by University Extension following the economic slowdown in Silicon Valley are of great concern to CPB, the Senate, and the Administration. CPB 2003-04 reported on the issues in detail in <http://senate.ucsc.edu/cpb/CPBunexRpt1429.pdf>. Here we briefly report on follow-up actions in 2004-05. Interim CPEVC Delaney took two actions. First, she asked Vice Provost and Dean of UNEX Cathy Sandeen to develop a financial model for UNEX that would stem the current losses and eventually return UNEX to the black so that it could pay down its debt. A model was developed that was reviewed by the Executive Budget Committee and then by CPB in Winter 2005. The data to support the model were clear in showing that UNEX had cut costs and staff very considerably over the past three years, and that they consistently spent less money than they budgeted. Unfortunately, for the past three years, income was even lower than expected, so the deficit continued to grow.

Income may have stabilized at roughly ~\$10 million/year, and expenditures have been cut to close to this amount. If this assumption holds, then UNEX should have a positive budget within the next two years, and should start paying down its debt in earnest once expensive leases in Silicon Valley have expired. CPB remains concerned, however, that income may continue to drop as services are cut or adjusted, and needs to follow up on the assumptions about growth in income and expenses underpinning the long-term model in Fall 2005. CPB urged the CPEVC to monitor the situation closely and report back to the Senate in the Fall 2005.

Interim CPEVC Delaney also requested a joint Administration/Senate task force to examine the mission and oversight of UNEX. The task force met in Winter and Spring 2005. The task force report will be reviewed by the Senate in Fall 2005.

6. Writing Report: A subcommittee of CPB created a report on funding for the Writing Program at UCSC that set out the agreed-upon facts, outlined contentious issues, and made some recommendations. The process was a long one, in part because different informants had different understandings of the facts at hand. The report is ready for comment by CEP, Grad Council, and CAFA.

With an annual budget of about \$1.6 M, the Writing Program (WP) is charged with helping about 1000 students each year pass the Entry-Level Writing Requirement (ELWR, formerly known as Subject A) in about 50 sections and with delivering composition courses to about 2200 to 2500 students a year in classes of about 22 to 24 students. The WP works with the colleges to staff the ELWR, the composition courses and the W courses. It pays for 24 ELWR sections of college Core classes and about 90 sections of Writing 1. In addition, it staffs and pays for Writing 169, the course taken by undergraduates who wish to serve as writing assistants in ELWR courses, and Writing 203, the course taken by graduate students who wish to teach W1. The demands of the new system will remain essentially unchanged. The reason is that the system adopted by the Senate in the spring of 2004 (with C1 and C2) and will be implemented in Fall 2005, does not change the numbers of students who are educated, but rather changes the pattern of courses taken.

In the process of preparing the report, CPB uncovered issues about which different constituents have strong, and sometimes conflicting, points of view. One important issue is the role of graduate students in the WP. Obviously, graduate students benefit if they can be trained to deliver writing courses, and undergraduates may also benefit in some situations; but to assure high quality writing instruction of undergraduates by graduate students is an arduous task for the WP faculty. The second contentious issue concerns the adequacy of funding. CPB feels that differences concerning the adequacy of resources can only be resolved with data that track students—noting, for instance, how, when, and where they satisfy their writing requirements. At present, the Office of Institutional Research does not track students or courses in a way that allows for the best planning at the campus level (as opposed to providing data for the purposes of the Office of the President).

Perhaps most important is an insight that came to the subcommittee as it worked to resolve conflicting interpretations of fact. The insight carries within it an implicit recommendation. Specifically, the report shows how the issue is not the amount of the allocation to the Writing Program but rather the funding model. CPB worries about the negative consequences of the present practice of funding at a minimum level and then augmenting (with Humanities Division dollars) when a great need is manifest. Such a system places a great strain on the chair of the Writing Program, creates uncertainty for loyal lecturers, and potentially saddles undergraduate students with “last minute” hires. Given the class sizes of 25 or fewer students, if 50 students more than expected fail to pass one of the writing exams, it may be necessary to mount two extra courses. CPB believes that the current funding model might best be supplanted by an enrollment-based model, perhaps funded directly from the center and not through the conduit of the Humanities Division as now occurs. If the Chair of the WP were able to assure lecturers that they would be given assignments and were also given the authority to make last-minute adjustments (e.g., shifting someone’s teaching to the winter if there is not enough demand in the fall), a great deal of good might be accomplished.

7. Budgetary Reporting: In order to provide informed advice during consultations and to monitor campus planning and growth effectively, CPB has worked with the Office of Planning and Budget for the last several years to regularize the types of data it receives and the timelines for their receipt. In 2004-05, subcommittees of CPB worked on budgetary reporting for the academic divisions, Student Affairs, and University Relations (UR). The UR subcommittee made no progress, in part because of turnover of senior staff (i.e. AVC for Development). The Student Affairs subcommittee met with VC of Student Affairs Hernandez and his staff to go over budget issues, but did not follow-up to develop a budgetary template. The subcommittee working on budget reports for academic divisions, in contrast, made excellent progress. After a series of consultations on content, CPB received budget reports that included expenditures for the past two years as well as the budget for the upcoming year. This information made clear the flexibility divisions have in their budgets and how their goals translate into funding priorities. It greatly informed CPB consultations on requests for new FTE from the divisions. CPB 2005-06 should work with divisions to refine these reports.

Development of similar types of reports from all Academic Support Units would be beneficial to the campus. In making their requests for new resources this year, most Academic Support Units provided little budgetary context. They merely described their needs and offered justification for new resources. Without context on their overall budgets and expenditures, these requests seemed *ad hoc*. It was difficult for CPB to offer the CPEVC useful advice on prioritizing these requests.

8. Continuing Issues for CPB 2005-06: CPB addressed several important and unresolved issues that we hope next year’s committee will pursue. We list them below:

- a. There was a good deal of discussion about whether faculty and staff salaries were keeping pace with salaries at comparable institutions. In the case of UCSC faculty salaries, an issue arose about whether faculty *ad hoc* and senate

- committees themselves could remedy what is perceived to be an inequity. Campus labor actions (strikes) this year drew our attention to the crisis precipitated by staff salaries being incommensurable with local high costs of living. Campus health requires that we think imaginatively about this situation.
- b. Our analysis of the LRDP led the committee to take a strong stand on making adequate faculty and staff housing a prerequisite for enrollment growth. CPB was also deeply concerned about potential mitigations for parking and traffic problems, and the overall plan for development of the core campus versus regions to the north. As the LRDP and EIR process proceeds, CPB should continue to consult with the administration about these serious concerns.
 - c. Issues remain concerning the relationship of faculty to UCSC-related educational efforts off campus. These include the Silicon Valley Center, MBEST and 2300 Delaware.
 - d. As was the case for the Writing Program, we believe that a similar inquiry should focus on the campus funding of the Language Program.
 - e. CEP explored the possibility of enacting significant changes in the implementation of the "Q" requirement. Issues regarding their costs and effects on graduation rates and retention remain.
 - f. CEP, CAFA, and CPB have been requested by the Senate to examine campus student retention issues and to report back in 2005-06.
 - g. The UCSC Extension deficit has now hit local newspapers. CPB should continue to monitor progress on UNEX's financial situation and on enhancing its ties to faculty.
 - h. One concrete recommendation resulting from the WASC review was that the campus should consider development of professional schools. The Academic Senate and Administration have developed a strategy for soliciting plans from faculty and CPB will have a role in reviewing and advising on these plans.

9. Concluding remarks: While the issues that CPB tackled in 2004-05 were difficult, the year was marked by little rancor or squabbling between the committee and administration. We had frank, informative consultations, especially with VPIT Merkley and his staff, with VCPB Michaels and her staff, with VPD of UNEX Sandeen, with the Academic Deans and their staff, and with both Interim CPEVCs. CPB is hopeful that this relatively open working relationship will continue in 2005-06. The committee appreciates the time and work these administrators put into joint governance this year. Respectfully submitted:

COMMITTEE ON PLANNING AND BUDGET

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