

COMMITTEE ON PLANNING AND BUDGET
Annual Report, 2007-08

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. The uncertainties of ongoing budget reductions were to an extent counterbalanced by new stability in the offices of the Chancellor and CPEVC, while there remain two vacancies among the Deans of Academic Divisions (Arts, Engineering). As UCSC struggled with significant cuts in total state operating funds and planned for more cuts of uncertain magnitude, the campus vetted a Strategic Action Plan that outlines implementation steps for campus academic planning in a new environment of slowed and slowing growth. Recognizing that a steady-state is closer than had been anticipated during most of the planning process, CPB developed a set of conditions for growth¹ and recommended a series of accountability measures to monitor the quality of undergraduate and graduate education in the wake of a decade of intense growth. At the same time the campus reached formal agreement with the city of Santa Cruz on the Long Range Development Plan (LRDP) for the physical side of potential growth. CPB undertook a year-long review of the possibilities for professional schools on campus that have been identified as a possible means to the campus goal of growth in graduate education. CPB continued to monitor the troubled financial and organizational situation of University Extension (UNEX), which, in the continuing absence of a dean, has been placed under the oversight of VPAA Galloway. In conjunction with UNEX and the issue of professional schools, including a possible School of Management, CPB addressed the larger context of a developing UCSC presence in Silicon Valley.

As in years past, the committee worked to enhance regular processes for consulting with the administration on budgetary issues. As part of this process, CPB was kept apprised of campus fundraising by University Relations and the ongoing reorganization of business and information technology functions and of other academic support functions led by the reorganized unit of Information Technology Services (ITS). CPB continued oversight, with the Committee on Faculty Welfare, of faculty housing and childcare; in conjunction with the Committees on Academic Personnel, Faculty Welfare and Privilege and Tenure, a comprehensive study was begun of issues related to faculty salaries, which will continue in 2008-09. Finally, the committee offered recommendations on departmental and program external reviews, policies forwarded from the Academic Council, requests for off-cycle, partner and double hires as well as annual FTE requests from each academic division, 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

¹ <http://senate.ucsc.edu/cpb/CPBConditionsforGrowthReport.pdf>

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 2007-08, no Arts faculty served on CPB, and the committee struggled to compensate for that lack of representation. CPB also had an undergraduate student representative (although unfortunately no graduate representative was found). In the fall term, CPB was joined by a Senate Service Scholar, Lora Bartlett (Dept. of Education). For the sixth 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, most prominently a weekly hour with CPEVC Kliger, oral reports from CPB members, and discussion.

Communication among CPB members outside the normal meetings is conducted primarily via email. Members represent 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 2007-08.

1. Academic Planning

We have officially entered an era of rapid change when academic planning doesn't last very long. The divisions produced their planning documents on which the Strategic Academic Plan (March 2007) was based in an environment of expected campus growth and increased resources, while now overall campus planning has to continue in the very different context of imminent steady state. There will be less overall growth at a slower pace than had been anticipated when the planning process began. What this does is to make the next phase, beginning to consider issues of implementation, into a hybrid of past assumptions and present realities, dealing with divergent views of the future. The Strategic Action Plan (May 2008) produced by VPAA Galloway outlines steps to implementation based on several key principles for building the campus. Of these, the most significant, positive and potentially far-reaching in CPB's view is the more realistic emphasis on the reallocation of existing FTE opened by retirement or departure, rather than on new positions from increased enrollments. The prospect of steady-state planning over the next several years changes the criteria for hiring: rather than incremental change and differences at the margins across all areas of instruction and research, faculty hiring must aim to be transformative, ideally strengthening the intellectual profile of related

departments. Departmental requests should align with divisional strategies of differential investment targeting development in areas of greatest impact. For all departments this means a change in their annual FTE requests, focusing on the strategic use and potential of replacement positions. This kind of departmental planning must be supported by better, more finely calibrated data than we currently use, more readily available at the right annual times to the departments, on enrollment and curricular management². It also requires carefully nuanced measures of progress and accountability, which are still only broadly defined in the Strategic Action Plan. Overall, CPB recommended a finer breakdown of strategies and measures by unit, to ensure that campus goals are specifically aligned with fields and reflect differences in disciplines. More explicit attention to trade-offs--the balance of the undergraduate-graduate ratio rather than simply to the goal of 15% graduate enrollments, the balance between often competing goals of strengthening the disciplines while encouraging interdisciplinary work --would also help to make the plan better fit the specific situation of our campus.

2. Data Subcommittee

Following up on the CPB report "Conditions for Growth," the committee worked in collaboration with CEP and the Office of Planning and Budget on several major issues affecting undergraduate education, including enrollment management, retention and graduation rates, and General Education reform. A series of reports produced by Julian Fernald, Director of Institutional Research, Planning & Budget provide retrospective and prospective views of undergraduate enrollment and major migration patterns among various student cohorts. The information will enable monitoring of the effects of growth in the recent past as well as predicting outcomes for subsequent cohorts and in effective curriculum delivery. The data we have started to identify and collect is critical for both departmental and divisional planning in the current environment, intended as a tool in the coordination and delivery of the curriculum, cutting across departments if not divisions, too. CPB will continue to identify other data, especially parallel graduate information, needed for planning at the departmental and divisional levels, as well as establish a timeline for annual monitoring of the data.

3. Budget Reductions

CPB worked throughout the year with CPEVC Klinger on various scenarios for budget cuts, with different estimated targets based on continuously updated information from the Office of the President, across the academic and support units. Using the principles set forth by the CPEVC, CPB evaluated how consistently and effectively they were followed. The first and primary principle was to protect units closest to the academic mission of instruction and research (I & R). The exception was to protect the development function of University Relations (UR) and to continue investment in Information Technology (IT). CPB's assessment: this unquestionably sound principle is complicated by the presence within the academic divisions, whose budgets are the most transparent on the campus, of both categories of Academic and Institutional Support. Academic and Institutional Support are not equivalent budgetary categories, although they look alike. As a result it was difficult to assess what kind of protection the

² <http://senate.ucsc.edu/cpb/SubcommitteeonResearchFundingReport.pdf>

differential cuts would actually achieve for different units. The principle of protecting functions across units also remained difficult to track.

Once CPB pointed to this fundamental unevenness in the application of the principle, the CPEVC revised his formulas for the cuts, even within the two protected areas of UR and IT (which were in the end no longer 100% protected). He worked within CPB's recommendations, revising the cuts and expenditures so that the principle of prioritizing investment in I & R was more consistently followed. First, in order to achieve the overall spread of 1-10% cuts, the specific amounts were more flexible and applied more precisely to different functions within units. Second, differential cuts were defined and applied more consistently, in relation to functions across units.

CPB believes that the principles established in the budget reductions, seeking throughout to align cuts with goals, as well as some of the basic research (for example, the ten-year Summary of Allocations and Reductions), will serve the campus well as it sets priorities for academic and budgetary planning. In particular, the distinction between academic and administrative units still needs to be better, more substantively defined so that the principle of differential investment may be more actively applied. To identify further possible cuts in "truly" administrative units is especially critical in relation to faculty salaries (see # 6 below). The shadow of previous budget cuts still lies over the issue of how to handle the first year of the Office of the President's system-wide salary increase in relation to open faculty provisions (280 FTE), which were explicitly left out of the plan as an unfunded Office of the President (OP) mandate. (Many of the open FTE are used to fund lecturers or other instructional personnel in support of offering the curriculum.)

4. Professional Schools

CPB devoted a substantial amount of time and energy throughout the year to the project requested by CPEVC Kliger of collecting, reviewing and assessing the options for professional education at UCSC. Professional schools have long been assumed as a possible means to fulfilling the Senate goal of increasing graduate enrollments to 15%, but efforts to date have been *ad hoc*, with no comprehensive overview of the pros and cons of the available options.

To recap: CPB hosted a Senate forum in fall 2007 at which presentations of four possible professional-school pre-proposals were made (for Schools of Education, Environment, Management and Public Health). At that forum a timeline and process for reviewing the pre-proposals was agreed upon. CPB followed up on each of the four projects with a written response addressing a common set of questions based on the criteria set forth in a memo of December 19, 2007. Each response included an assessment of the overall viability of the proposal and ended with a series of questions to be addressed during our individual consultations in the spring with representatives from each group. Having completed those consultations, CPB provided final recommendations for each pre-proposal and outlined a timetable of possible next steps. (All materials are accessible from the Senate home page.)

Our conclusions: CPB saw the fundamental test for any professional school, given a sound intellectual and pedagogical conception, to be whether the structure of a school is beneficial, providing value-added in accomplishing the proposal's research and training goals (or whether an alternative, such as a graduate group, would serve as well or better), and if so, whether there is an identifiable point of development when becoming a school would be critical. We looked for timelines with conditional plans for growth based on observable metrics and decision points. On these grounds, we concluded that of the four projects, only the proposed School of Environment had not made a sufficiently compelling case to go forward with further planning and resources. We prioritized the other three groups as follows: Public Health, Education and Management.

Public Health is the least well developed of all the initiatives (as indicated by the need for stable faculty leadership to bring together all of the related work in this area spread out over the campus) but has the best developed timeline of growth with clear incremental advantages at each identified stage. Education is closest to the moment of transition from department to school and needs further planning to refine its size and scope in both short and long-term perspectives. Management is the most fully developed *as a proposal*. This reflects the generous resources it has received, far greater than any of the others, a direct result of the priorities of the campus administration and the special OP funds earmarked for Silicon Valley planning. Despite this support, the proposal raises questions about the accuracy of the budgetary information, projected enrollment numbers and comparisons to other schools. Most critically, the Management proposal has the greatest distance to go as an actual enterprise and is the most resource-intensive of the proposals. Thus must it must provide the most detailed timeline for conditional development, based explicitly on fixed fundraising targets.

In addition to these specifics, CPB came to two key conclusions. These proposals represented an unusual transdivisional faculty-administrative collaboration that, by the account of all participants, would never have emerged so quickly and so full blown without the process of the professional school pre-proposals that CPB developed and oversaw through the 2007-08 year. While it produced a range of intellectual and pedagogical visions that we believe represent possible futures at UCSC, they are not the final word on graduate and professional education on our campus. Rather it should initiate what we hope will be more experimentation with different kinds of programs--academic as well as professional--to create the mix of undergraduate and graduate education and the optimal mix between teaching and research missions, reflecting different priorities, that we are seeking. Finally, the critical question of allocating resources and developing firm priorities among these three initiatives remains for the administration. From the process initiated by the CPB forum, two other viable initiatives have emerged that must now be adjudicated in relation to a School of Management, which has heretofore been supposed the only option. It is time to identify the initiatives that will both benefit most from a professional-school structure and will be most beneficial to the campus.

5. Double hires from single searches (including partner policy and Presidential Postdoctoral Fellows)

CPB advised the CPEVC on an unusual number of requests this year for second or cluster hires out of single searches. Given the volume and urgency of these requests, CPB agreed that the campus needed to develop a set of guidelines for considering them. Our goals: to take advantage of the opportunity represented by these hires, to ensure their quality and fit in planning, and finally to ensure fairness across departments and divisions.

In any request for a second hire from a single search, CPB expects to see the following issues discussed. Where is the FTE in the department's priority list? What need does the second hire meet? What is the quality of the pool, and how does this assessment affect the qualifications of the candidates? What process of consultation, departmental and divisional, was followed?

6. Faculty Salaries

In the wake of the UC Office of the President's (UCOP) four year plan to increase faculty salaries, the Academic Senate has engaged in discussions on a variety of problems with its implementation, focused particularly on the standing of UCSC salaries relative to other UCs. It has long been known that UCSC salaries significantly lag UC averages, to the point that in 2006-07, CPEVC Kliger formed a task force to consider what type of local program, as most UC campuses have already instituted, could appropriately be applied here to address the problem. This effort was put on hold by the EVC, pending the outcome of the Regents' plan. Now that the salary adjustment of October 2007 has been put into place, our campus needs to assess its effect on UCSC's relative position. The most pressing dilemma is the degree to which the new salary scales have failed to bring up salaries at UCSC relative to the other UC campuses. Measures of UCSC faculty productivity warrant a better position relative to our salary ranking in the UC system. The low salaries at UCSC serve to hamper the upward trajectory of our campus's academic ranking overall by causing problems with faculty recruitment and retention.

Comparative data on system wide salaries demonstrate the degree to which UCSC continues to lag behind in the rank and step system. A joint Senate-Administrative Task Force has been appointed, and a complete analysis of the data is in progress, continuing over the summer and through the 2008-09 academic year.

7. University Extension (UNEX) and Silicon Valley Initiatives

The large deficits being accumulated by University Extension following the economic slowdown in Silicon Valley are of deep, longstanding concern to CPB, the Senate, and the Administration. In fall 2007, CPEVC Kliger reported to the Senate that during 2007-08 VPAA Galloway would undertake an administrative restructuring of UNEX, imposing twin budgetary conditions of a 10% increase in enrollment and \$1 million reduction in the deficit. By August 2008 enrollments had not met the stated goal, and the administration made the decision to focus on the core academic mission, providing courses for the advanced professional. Extension operations in Santa Cruz will be discontinued over the coming year, and over the next five years, UNEX will keep only three-four major programs, to be consolidated in a new Silicon Valley facility (consisting of a single building rather than the multiple leased spaces we now have) in 2009. This

decision reflects the continuing advice of CPB over several years and, coming now, we believe, offers the campus the imperative as well as the opportunity to plan comprehensively and coordinate UCSC activities in Silicon Valley. Key issues include how business and engineering programs in UNEX could best fit with campus plans to offer courses and degree-granting programs in related areas. See below #c.

8. System-wide Issues

CPB responded, along with other relevant Senate committees, to a revised Board of Admissions and Relations with Schools (BOARS) Eligibility Proposal (1/11/2008), expressing the committee view that the proposed changes were unclear and their outcomes uncertain or potentially undesirable, especially for campuses like ours that are just moving toward selectivity in admissions. CPB's position was echoed by several other campuses but ultimately not supported at the system-wide level, and the BOARS' recommendations were accepted essentially unchanged.

9. Regular Committee Business

CPB reviewed revised proposals for a new Ms/Ph.D. program in Technology and Information Management and for an Ed.D. in Education. CPB commented on the charges for external reviews of the following departments or programs: Astronomy, Computer Engineering, Computer Science, History of Consciousness, Information Systems Management, Literature, Math, Ocean Sciences, Politics, Sociology and Theater Arts. CPB commented on the External Review reports and other documents, assembled for final review at the closure meetings, for the following departments: Anthropology, Community Studies, Ecology and Evolutionary Biology, Environmental Toxicology, History of Art and Visual Culture, Philosophy, Politics, Sociology and Writing.

CPB consulted with deans and the CPEVC and made recommendations on off-cycle, Target of Excellence (TOE) or double-hire requests in Anthropology, Applied Math and Statistics, Arts, Community Studies, Computer Engineering, Education, Feminist Studies, History of Art and Visual Culture, Latin American and Latino Studies, Biomolecular Engineering, Ecology and Evolutionary Biology, History, Languages, Literature, Environmental Toxicology, Chemistry and Biochemistry and Molecular and Cellular Biology, Physics, Politics, Psychology, and Sikh & Punjabi Studies. The number of these nonstandard FTE requests this year was greater than normal, triggering an effort jointly undertaken by CPB and the administration to clarify and codify policy and procedures (see #5 above).

10. Continuing Issues for CPB 2008-09

a. Budgetary reporting of administrative units: Working with the Office of Planning and Budget, CPB has refined the budgetary data requested from the Academic Units, such that the campus now receives sufficiently detailed, consistent information about expenditures across the divisions that make clear budgetary flexibility and how goals translate into funding priorities. Development of similar reports from all Academic Support Units are critical to the campus. In particular, CPB should focus on reporting categories used by Business and Administrative Service, Information Technology, and Student Affairs. The budgets of these units are not as transparent as those of the

academic divisions, their budgetary categories not always in alignment with one another or with those used across campus, and as a result it is difficult to assess the resources in these units. Given that campus planning is based on reallocation of resources, CPB advocates a sustained budgetary analysis of units farthest from the academic mission—holding true to the CPEVC’s principle established in the budget reductions.

b. Information Technology: The CPB review of the Information User Costing Model proposed by ITS began in the spring quarter and will continue in 2008-09. Issues still to be addressed are service levels across and within campus units, definition and weighting of “users,” costs and reserves, and, perhaps most critical, the overall question of IT governance. CPB will meet regularly with VC Mary Doyle for consultation on the continuing IT reorganization.

c. Silicon Valley Center: Coordination of ongoing and future development by UCSC in Silicon Valley is critical. Activities range from a variety of uncoordinated instructional efforts, from the UNEX curriculum focusing on professional development, to on-site course offerings by UCSC faculty (mostly in Engineering) and some distance learning, to aspirations for a school of management. In contrast to instruction, research activities appear to be better coordinated under the umbrella of the University Affiliated Research Center (UARC). CPB will consult regularly with VC Joseph Miller, who directs all instructional and research activities at the Silicon Valley Center.

d. Data Subcommittee: Continuing the work of this group, the 2008-09 CPB should partner with the Vice Provost of Academic Affairs to create annual reports that go to the departments and coordinate data, currently disseminated primarily at the divisional level, on enrollment patterns, major migration, and retention and graduation rates. Next year’s committee might also consider developing an analytical budget sheet that would isolate functional categories, such as development costs, so that they could be compared across academic and administrative units. (Because development costs are split among the divisions and University Relations, it is difficult to track the overall campus development budget, how much is being spent, and whether it is appropriately allocated.)

Conclusion

The 2007-08 academic year was marked by frank and open dialogue between CPB and the administration. CPB expects this solid working relationship to continue in 2008-09. The committee appreciates the time and effort our faculty and campus administrators put into shared governance.

Respectfully submitted,

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