

COMMITTEE ON PLANNING AND BUDGET Annual Report 2009-10

To the Academic Senate, Santa Cruz Division:

Campus Budget Planning

CPB's year was consumed by the ongoing state budget crisis and its implications for budget and planning on our campus. The campus's planning envelope for the upcoming 2010-11 year was deeply uncertain, ranging from a possible 0% cut (best case) to an 11% cut (worst case) in core funding, taking into account increases in student fees.

During Fall Quarter, 2009, CPB debated and unanimously approved the following principles on budgeting:

CPB Principles for Investment and Reallocation

The Committee on Planning and Budget has developed and adopted these principles to help guide its deliberations. We will apply the principles to procedural and substantive issues related to campus planning and budgeting. These principles are consistent with CPB positions in recent years and with broader campus values. Their purpose is to provide the ability to weigh alternatives and reach conclusions and recommendations that have ethical consistency and are rooted in historic and current campus values.

- 1. UCSC is a public research university committed to the tripartite mission of instruction, research, and service. Given the demographic profile of California, UCSC must address the academic needs and aspirations of a diverse student population. The dissemination of knowledge (instruction) and creation of knowledge (research) are the services that UCSC provides to society.*
- 2. Equal resource distribution is a lower priority than differential resource distribution based on potential for or evidence of excellence in instruction, research, and service. It must be acknowledged that certain areas of instruction, research, and service will not be a priority at UCSC. Intellectual leadership is needed to make these judgments. The sources of intellectual leadership are the faculty and campus academic leadership.*
- 3. Investment of resources in academic support units must be clearly justified in terms of satisfying or advancing the academic mission and meeting basic legal obligations of the campus.*

CPB then launched a review of proposed campus-wide budget cuts in parallel with CP/EVC Dave Klinger's "Budget Advisory Group." CPB was provided confidential access to budget cutting proposals from Divisions, and prepared an extensive confidential analysis and recommendations to CP/EVC Klinger. CPB also released a March 15, 2010 summary report to

the Faculty¹, providing to the campus our over-arching recommendations and justifications. The following excerpt summarizes CPB's principles in recommending cuts:

The Fundamental Trade Off

In a declining resource environment, protection of instruction and research funds necessitates reduction of resources in academic support and institutional support activities.

Ultimately, our core activities are instruction and research. Our front-line ability to provide instruction and carry out research has already been compromised by the combination of rapid enrollment growth and long-term erosion of state support for higher education. If we are to protect budget lines that directly affect instruction and research (e.g., graduate student support, lecturer salaries, FTE provisions), we must be willing to live with reduced or lost services in other areas. After two years of extensive budget cuts, we have few opportunities left that do not create gaps in services we value. However, we value the instruction and research missions even more and they are equally at risk.

The budget review process CPB followed enabled us to compare reduction proposals from across the campus side-by-side so we are aware of the high quality and important activities that will be cut or compromised if our proposal is adopted. But few activities equaled or exceeded the importance of resources dedicated to the classroom experience, graduate education, and direct research support.

All campus constituencies benefit from well-run academic and administrative support units. Our campus benefits from hard-working, dedicated staff and professionals who, over the past two years, have seen budget resources decline while attempting to maintain and improve services. CPB in making its recommendations has been mindful of legally mandated and extremely valuable services provided by these units.

Process and Communication

Early in the year, CPB and CP/EVC Klinger agreed that all budget reduction proposals submitted by divisions would be reviewed by CPB, on the condition of confidentiality. This led to a large improvement in CPB-Administration communication compared to the previous year. From our January 28, 2010 report²:

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

¹ <http://senate.ucsc.edu/committees/cpb-committee-on-planning-and-budget/reports/budget-cuts/CPB%202nd%20Report%20to%20Senate2.pdf>

² <http://senate.ucsc.edu/committees/cpb-committee-on-planning-and-budget/reports/budget-cuts/CPB201011BudgetReport1SCP1632.pdf>

“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.

FTE Review

One of the normal activities of CPB, reviewing requests for authorization to hire new ladder-rank faculty, was deeply curtailed since there was little funding for new or replacement faculty.

Program Review

CPB participated in and commented formally on the ongoing program reviews of 17 departments, ranging from comments on the charge to External Review Committees to participation in closure meetings.

CPB recommended that non-academic units undergo an external review process similar to what academic departments experience. The Administration agreed to lead an external review of the Information Technology Division.

Looking Ahead

In terms of process, during yet another fraught budget year, communications between CPB and the Administration improved. CPB had access to campus budget planning documents and was able to provide analysis, feedback, and advice before decisions were made on budget cuts. In terms of outcomes, the campus took small steps toward a fuller comparative evaluation of all budget categories that would enable us to identify redundancies and low-priority spending, and allow us to compare budget choices between academic and non-academic endeavors side-by-side. This year, we focused on the portion of divisional budgets identified for possible cutting (up to 11% of any budget) in a comparative way. We hope soon to examine entire budgets using the same scrutiny, perhaps through the external review process.

Respectfully submitted,

COMMITTEE ON PLANNING AND BUDGET

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