

COMMITTEE ON PLANNING AND BUDGET Annual Report 2010-11

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 decreasing state support for the University of California. In an ultimately incomplete and therefore unsatisfactory consultation, CPB studied and advised the Administration on allocation of the budgetary reductions.

CPB also considered the implications of UC's emerging funding models, which include a greater reliance on student fees and tuition, overall reduction in state funding, and changing roles and relations between individual UC campuses and the UC Office of the President (UCOP). This led CPB to endorse, study, and advocate for reforms to campus administrative structures. Working with the Senate Executive Committee (SEC; the committee of the Chairs of major Senate committees), CPB engaged in a study of undergraduate retention at UCSC - a process that must start with student recruitment, continue through academic and social support, and culminate with graduation. CPB is alarmed to find that UCSC ranks near the bottom among UCs in 6-year graduation rates. Our research and consultation advised the SEC and the Administration that improving UCSC's retention goals requires action on many fronts. Some actions can be taken immediately; other actions of fundamental importance will require additional planning, such as administrative restructuring (see *CPB deliberations on SEC proposal* below).

CPB considers improving our retention of undergraduates to be a crucial goal over the next 5 years. A key measure of improved retention is the percentage of entering frosh who graduate from UCSC within six years. We would like to see steady improvement in this statistic.

Below we present key aspects of CPB's deliberations, reports, and recommendations to the Senate and campus administration in 2010-11.

2011-12 Budget and Budget Process

CPB reported to the Senate on the 2011-12 budget reduction process in spring quarter.¹ Using the principles set forth by the CPEVC in her letter of February 14, 2011, 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).

CPB's analysis of the current budget submissions was informed by units' proposals from previous years and CPB documentation on budget cuts, as well as other campus documents such as Planning and Budget's *Bird's Eye View*. CPB's examination of budget cutting proposals was hampered by a lack of time for analysis and the lack of information (in some cases) about the entire budget of the unit, not solely what the principal officer presented for cuts. Over several years CPB has persistently pointed to the problem of reviewing budget cuts outside of the context of whole budgets. Again this year CPB was partially information-constrained in the cases

¹ <http://senate.ucsc.edu/committees/cpb-committee-on-planning-and-budget/reports/budget-cuts/CPB052711sep1673.pdf>

where some units did not submit explanatory letters, or only discussed proposed cuts and not the larger context of their unit's budget. Without the larger picture of overall budgets, neither CPB nor the Administration is in a position to evaluate the principal officers' proposed cuts and augmentations.

CPB submitted on May 2, 2011 a confidential, detailed 16-page letter analyzing the budget submissions of all campus units and providing recommendations. CPB linked all its recommendations to budget principles it believes will best serve the campus. This was the last formal communication on the budget between the Administration and CPB. When the Administration's budget and budget letter were released to the campus community, there were clear differences between CPB's recommendations and Administrative choices. An explanation of these decisions arrived on June 24, 2011, after the quarter had ended. This unexpected curtailment of the Faculty Senate consultation process means that consultation was never completed and casts into shadow the promising beginnings during which CPB and the Administration renewed its agreement for confidential access to unit-level budget submissions.

In its recommendations to the CPEVC, CPB advised that if any funding is restored during the summer, the following hierarchy of restoration should guide funding allocations:

1. Restoring research funding to the VCR office and COR research grant programs
2. Restoring faculty FTE lines
3. Supporting the reorganization of admissions and retention activities under academic oversight as described by the SEC proposal of April 22, 2011 (see below)
4. Restoring teaching assistant budgets
5. Restoring Temporary Academic Staffing budgets
6. Restoring staff support to the Development Office to continue campus fundraising efforts
7. Improving research infrastructure, including electricity reliability and internet capacity.

Our campus' budgeting process has for several years been fraught with uncertainty about levels of funding to be received and the timing of when we know what budget we will actually have. These uncertainties have impeded campus planning efforts and Administration-Senate consultation on budget. To proceed with full and effective consultation we first propose continuing the successful process of sharing confidential, pre-decisional budget correspondence between CPB and the Administration. We further suggest that the formal budget consultation process start at the beginning of Fall Quarter so that CPB can review the outcomes from the previous year's consultation. We suggest that all future unit budget submissions provide and justify for all unit activities what is being cut, what is being preserved of that same budget, and what is being augmented. The combination of sufficient time, sharing of confidential materials (already in place), comprehensive budget proposals that provide a full budgetary picture of a unit (its current budget, proposed changes, and rationale), and finally an Administration response to CPB explaining what aspects of our advice were followed, which weren't, and why, will enable CPB to fulfill its mission as advisor on this crucial issue of annual campus budgeting.

Rebenching

CPB supports the rebenching initiative occurring at the systemwide level. Specifically, CPB supports equitable allocation of state-provided general funds to campuses based on student enrollments. State funds should be provided equally to students across the system. Additionally, CPB notes that rebenching implies that the additional funds accrued from education fees from out-of-state students will become a necessary source of UC campus funding. While retaining a commitment to serving a diverse and robust in-state student cohort, the UCSC faculty and administration must make the campus attractive for recruitment and retention of a national and international audience. Rebenching requires administrative and faculty consultation.

Post-Employment Benefits, Health Care, and the UC Retirement Plan

Responding to a resolution from the floor at the Fall Quarter Senate Meeting², CPB reported back to the Senate that the plan for returning the UC Retirement Fund to full funding was being implemented. It is a multi-decadal plan involving an extensive investment by UC and its employees and should be monitored through the years. A report on the future of UCRP was prepared and included in the call of the Spring Quarter meeting of the Academic Senate.³

Academic Planning – Disestablishment, Suspension, and Establishment of Programs and Departments

The interplay of evolving academic interests, programs, and curriculum with tight budget times has led to numerous actions and proposals related to suspension and/or dissolution of departments and programs. CPB set a high bar for finance-based proposals to dissolve programs and departments. In its February 25, 2011 letter to Interim VPAA Lee, CPB advised that any action to disestablish a department or program on fiscal grounds requires “a very high level of documentation,” including department budgets, operating costs, alternative uses of funds saved, and confirmation of effort to identify financial resources to preserve the program. CPB alerted the Administration that it would ask for extensive justification should such a request be made in the future.

CPB identified the importance of securing clear and meaningful agreements of faculty support for new interdepartmental programs. In particular, CPB pointed out that letters of commitment from faculty should be acknowledged by home departments and integrated into the regular workload expectation of the participating faculty. Faculty and their home departments should be held accountable for commitments made so that resources are truly available to carry out the new program.

CPB also recognized the importance of the welfare of individual faculty when prior home departments are dissolved. CPB requested that departmental votes on the transfer of faculty to new departments should be documented and explained (if there is a split vote) to the same extent that one would document a vote on a new hire. And in cases in which faculty have not specified a new department, special care must be given to protect the welfare and career opportunities afforded such faculty.

² <http://senate.ucsc.edu/senate-meetings/minutes/Minutes%20New%20PDFs/2010OctMinutesFinal.pdf>

³ <http://senate.ucsc.edu/committees/cpb-committee-on-planning-and-budget/reports/budget-cuts/CPB052711sep1672.pdf>

SEC Proposal to Align Admissions and Retention Functions with Academic Administration

CPB's study of retention finds that UCSC ranks near the bottom among UCs in 6-year graduation rates and is plagued by a combination of inadequate and unheeded statistical data on retention; lack of coordination between the academic and student life aspects of retention; inadequate funding of the academic aspects of retention; poorly-conceived theories of retention; lack of accountability; and nearly non-existent academic oversight.

Among the many problems related to student retention, CPB identified the lack of academic leadership over academic aspects of retention to be most troubling. Currently, crucial academic activities (such as advising in the lower division, the Registrar's office, and the Admissions office) compete with food service and housing for administrative attention and budget. These activities are located in our campus's largest unit, the Division of Student Affairs. CPB investigated and offered strong support to SEC's proposal to move academic aspects of retention to a unit that reports directly to academic leadership, the office of the Vice Provost and Dean of Undergraduate Education. (Note that Provosts are academic positions and Chancellors are administrative positions.) CPB reviewed and endorsed the SEC proposal⁴, and then held consultations on proposal implementation with CPEVC Galloway, VCSA McGinty, VCPB Delaney, and Acting VPDUE Cioc. These consultations led CPB to confirm our earlier support and endorse proceeding with the administrative restructuring without delay. CPB considers restructuring to be a fundamental aspect of improving our weak performance in retention, but also recognizes that other actions to improve retention can and should be taken in parallel, including better utilization of retention data and better coordination among retention-related divisions.

Professional Degree Fees and Professional Supplemental Degree Tuition (PSDT)

The Administration and Graduate Council developed draft guidelines for establishment and implementation of Professional Degrees at UCSC. To date, UCSC has no degrees of this kind, which is a formal category of degree at UC. One department has a well-advanced proposal (Economics: M.S in Applied Economics and Finance program); others are in preparation. CPB identified both justifications for charging Supplemental Tuition (overall justification and amount), as well as how that tuition would be allocated throughout the campus as important issues requiring consultation and resolution. There was a fairly strong time constraint since the Economics Department hoped to meet systemwide review deadlines.

Master Capital Improvement Plan and Space Management Principles

CPB consults with the Advisory Committee on Campus Planning and Stewardship and advises the EVC on various issues of capital planning, including the yearly update of the campus's ten-year Capital Financial Plan. Highlights of this year's discussion and CPB concerns included:

- The absence of state funding and state bond measures designated for capital improvements have required postponement of the next phases of planning and construction on several UCSC academic projects including the Coastal Biology Building (2012-13), the Environmental Health and Safety Facility Building (2015-16), and alterations for Physical, Biological, and Social Sciences (2015-16).

⁴ <http://senate.ucsc.edu/archives/proposal-align/SEC-Proposal-to-Restructure.pdf>

- Campus funding will be used to initiate pre-design of high priority academic buildings including the Social Sciences Facility [to be located on the site northeast of SS1 identified in the Northeast Campus Area Plan] and improvements to instructional facilities [which includes proposed Classroom Auditorium Building to accommodate large lecture classes].

CPB emphasized its concerns that:

- Capital planning proceeds post-haste on planning for Classroom Auditorium Building. Lack of facilities for and difficulties in the scheduling of large lecture classes are seen as impediments to students' ability to progress to degree.
- Capital improvements in IT infrastructure and stability of power grid are essential to the campus's research and instructional missions.
- Capital improvements for non-state funded facilities should not contribute to students' annual total cost of education.
- Capital planning should take into account reconsideration of the future shape and structure of the campus as dictated by current and projected budget realities.

Chancellor's Fellows Program

CPB proposed a "UCSC Chancellor's Fellows Program" to counter the multiple problems of an aging faculty in certain divisions and more broadly the limited availability of tenure track positions in various divisions. CPB suggested the creation of a class of untenured scholars with fresh PhDs who would split their time between teaching and research, and have a long stay of 4 to 5 years, with the possibility of co-funding between groups of Faculty mentors and the central administration. This proposal was considered by the Administration but not pursued due to logistical issues that would require our campus to develop a specific proposal for establishing new personnel appointment mechanisms for junior-level positions.

Systemwide Issues

CPB responded, along with other relevant Senate committees, to the following issues:

- Post-Employment Benefits Proposal
- Downsizing Proposal from Academic Council and UCLA
- Funding Streams Proposal
- Off-The-Top Funding Distribution Proposal
- UC Online Education Project
- Interim Report of the Systemwide Library Planning Task Force

Regular Committee Business

FTE Review

In addition to reviewing divisional requests for faculty recruitment authorizations for 2011-12, double-hire requests from the current recruitments, and waivers of open recruitment to move forward with a partner hire, CPB also reviewed and made recommendations on a Target of Excellence (TOE) appointment.

CPB also reviewed and responded to six requests for FTE transfers.

Program Review

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

CPB also reviewed proposals for a B.A. in Network and Digital Technology, a B.S. in Robotics Engineering, and the proposed discontinuance of the Religious Thought Concentration in the Department of Philosophy.

On the graduate front, CPB reviewed revised proposals for new Ph.D. programs in LALS and Feminist Studies, a new proposal for a M.A. in Theater Arts, and a name change request from the International Economics Ph.D. program.

CPB also provided comment on the Academic Review Report of the CITRIS program and the ITS External Review.

Continuing Issues for CPB 2011-12

Basing its investigation on Senate plenary and consultative authorities, CPB identified the growing cost of a UCSC education as an impediment to many students' academic progress. The growing cost puts increased work burdens on students, causes many students to withdraw from the university, prevents some students from purchasing required texts, and increases financial stress on students and their families. These impacts reduce students' ability to perform in our curriculum, an area of *plenary* Senate authority. CPB elaborated a goal that in the interest of improved curricular performance the total cost of an education as paid by students and their families should not go up, but rather should come down. This goal launched an investigation of what is the actual cost of an education to UCSC students. Cost categories and costs to students are identified on the following campus web sites:

Cost of Attendance (prepared by Financial Aid)

<http://financialaid.ucsc.edu/cost.shtml>

<http://financialaid.ucsc.edu/costs/undergraduate-costs.html>

On Campus Housing Rates

<http://housing.ucsc.edu/rates/rates11-12.html>

Overview of Registration Fees (Provided by Registrar's Office)

<http://reg.ucsc.edu/Fees/fees.html>

<http://studentservices.ucsc.edu/students/student-fees/index.html>

The cost categories often call for a range of costs (e.g., books, travel) but only are represented by a single figure. CPB framed the following questions for further investigation:

- What are all the categories of costs of an education?
- For each category,
 - o what is the range of costs?
 - o how do the costs change year-by-year?

- Overall, what is the least amount a student must pay to receive an outstanding undergraduate education at UCSC?
- What actions can be taken on our campus to reduce the overall cost?

How CPB Functions

At the March 9, 2011 Senate Meeting, the Senate approved an amendment to Bylaw 13.24, which added an invitation for the Senate Director to formally sit with the Committee. Senate staff members also attended meetings and provided support to the committee.

Respectfully submitted,

COMMITTEE ON PLANNING AND BUDGET

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