EXECUTIVE SUMMARY

Purpose of the Council: To initiate, coordinate and implement academic planning that promotes the quality and diversity of the academic experience; provide advice on the campus budget, capital planning and allocations of resources and space.

Highlights:

- Council participated in the academic program review of four academic departments.
- Council studied FTE plans from each department and college/division, met with the Deans about their unit’s FTE needs, and made recommendations to the Executive Vice Chancellor about new FTE allocations.
- Council reviewed several campus-specific proposals, including eight proposals to establish new centers (two of which were to be housed in an ORU).
- Council considered twelve requests for Exception to Open Recruitment (EOR).
- Council reviewed one proposal to establish an endowed chair.
- Council continued with budget discussions and through Council leadership (as well as other Senate leadership) engaged in dialogue as part of the Chancellor's Advisory Committee on Budget Strategy.
COUNCIL ON PLANNING AND BUDGET
ANNUAL REPORT: 2010-11

I. Overview

Meetings

The Council on Planning and Budget (CPB) met for twenty-one regularly scheduled sessions (seven in fall, six in winter, and eight in spring).

CPB’s agendas typically included the following items:

- Academic program reviews
- Review of campus issues (proposed centers, policies, procedures, reports, etc.)
- Review of systemwide issues (reports, proposals, etc.)
- Review of departmental and college / division FTE plans
- Consultations with University officials
- Review of 10-year capital plan
- Exceptions to open recruitment (EORs)
- Endowed chair proposals

Council Membership:

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
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<tbody>
<tr>
<td>Gary Leal (CPB Chair and UCPB Rep)</td>
<td>Chemical Engineering</td>
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<td>Matt Begley</td>
<td>Mechanical Engineering</td>
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<td>Collie Conoley</td>
<td>Counseling, Clinical, &amp; School Psychology</td>
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<td>John Foran</td>
<td>Sociology</td>
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<td>Steven Gross</td>
<td>Music</td>
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<td>Richard Hecht</td>
<td>Religious Studies</td>
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<td>Joao Hespanha</td>
<td>Electrical &amp; Computer Engineering</td>
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<tr>
<td>Stephen Humphreys (Chair of Committee on Academic Planning &amp; Resource Allocation)</td>
<td>History</td>
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<td>Sara Lindheim</td>
<td>Classics</td>
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<td>Bruce Kendall</td>
<td>Bren</td>
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<td>W. Davies King</td>
<td>Theater &amp; Dance</td>
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<td>Ken Millett</td>
<td>Mathematics</td>
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<td>Harry Nelson (CPB Vice Chair, and Chair of Committee on Development &amp; Community Relations)</td>
<td>Physics</td>
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<tr>
<td>Catherine Nesci</td>
<td>French &amp; Italian</td>
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<td>Peter Rupert</td>
<td>Economics</td>
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<td>Chuck Samuel (Chair of Committee on Capital &amp; Space Planning)</td>
<td>Molecular, Cellular &amp; Developmental Biology</td>
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<td>Michael Stohl</td>
<td>Communication</td>
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<td>William Warner</td>
<td>English</td>
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II. Academic Program Reviews

CPB participated in the academic program review of four departments:

1. Department of Chemistry
2. Department of Computer Science
3. Department of East Asian Languages & Cultural Studies
4. Department of Music

Initial reviews of these units were first conducted by its respective area subcommittee: Engineering (Computer Science); Humanities & Fine Arts (EALCS and Music); and Mathematical, Life, & Physical Sciences (Chemistry).

When asked to provide recommendations for the Program Review Panel (PRP) reviews for 2012-13, Council reiterated its concern that many departments had not been reviewed in ten or more years. CPB suggested prioritizing departments for review based on the greatest length of time since each unit’s last review:

<table>
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<tr>
<th>Department</th>
<th>Last Review</th>
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<tr>
<td>Counseling, Clinical, &amp; School Psychology</td>
<td>1999-2000</td>
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<tr>
<td>Art</td>
<td>2001-2002</td>
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<tr>
<td>Feminist Studies</td>
<td>2001-2002</td>
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<tr>
<td>College of Creative Studies (undergraduate program)</td>
<td>2002-2003</td>
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<tr>
<td>Materials (graduate program)</td>
<td>2002-2003</td>
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<tr>
<td>Psychological &amp; Brain Sciences</td>
<td>2002-2003</td>
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III. Exceptions to Open Recruitment

In accordance with UCSB’s *Campus Policies and Procedures on Academic Personnel* (section VII-1 of the “Red Binder”), departments may request an exception to open recruitment (EOR) for two reasons, in the absence of an approved FTE or an open search: 1) the hire or retention of a Senate faculty member involving a hire for a spouse or domestic partner; or 2) an unanticipated opportunity for a ladder faculty appointment of an individual whose unique qualifications and outstanding promise or accomplishment will make an extraordinary contribution to the campus’ goals of excellence and diversity.

CPB reviewed twelve requests for exceptions to open recruitment (an additional request was received by Council, but then withdrawn before it was reviewed). Council opposed two of these requests (which were both later denied by the Executive Vice Chancellor) and offered a varying degree of support to the rest (which were all ultimately approved by the EVC).
Council expressed frustration and disappointment at the late submission (June) of several requests, which prevented an in-person discussion during a regularly-scheduled meeting. CPB also opposed one request explicitly on the grounds that it appeared the department was attempting to use the EOR process as a means of circumventing the regular FTE planning process.

IV. Review of Endowed Chair Proposals

In accordance with UCSB’s *Policy on Endowed Chairs*, CPB was consulted regarding the appropriateness of the proposed subject area and its conformity with the academic mission of our campus. CPB received and endorsed one endowed chair proposal: the Richard Whited Endowed Chair in Interdisciplinary Science, which established an endowment from a gift of $1,000,000 “to support an outstanding tenure track assistant professor working at the interface of disciplines such as physics and environmental studies with an emphasis in energy efficiency...” The Committee on Development and Community Relations provided initial review of the proposal and drafted a response for discussion at the following CPB meeting. Council submitted a final recommendation to the Executive Vice Chancellor via the Office of Academic Personnel.

CPB noted in particular the important support that the endowment would provide to junior faculty. Furthermore, Council expressed appreciation for the efforts of UCSB’s development staff in securing endowments such as this one.

V. Review of Campus Issues

The Council on Planning and Budget participated in reviews of the following campus issues during the 2010-11 academic year.

FTE Planning

CPB was consulted by the Executive Vice Chancellor for its recommendations on academic positions (“FTEs” = full-time equivalent appointments). In October, CPB was asked to comment on FTE searches for Materials and Music. The EVC received departmental requests to re-activate two faculty FTE searches. Since both these were for positions that were only briefly filled, CPB recognized these as “failed searches.” Council endorsed these two requests, noting the urgency in the hiring process.

The Council on Planning & Budget spent a great deal of time in winter and spring quarters reviewing updates to departmental and college / divisional FTE plans. The EVC’s call for FTE plans was sent to the deans in November, and they were made available to CPB in spring quarter. Winter quarter was spent meeting with the deans during Council’s regularly scheduled meetings. CPB reviewed the FTE plans from the divisions of the College of Letters & Science, the College of Creative Studies, the Gevirtz Graduate School of Education, and the College of Engineering. (An FTE plan from the Bren School of Environmental Management was not available during the review period.)
These plans were submitted in accordance with a call for FTE plans from the Executive Vice Chancellor in November 2010.

CPB was distressed by the paucity of FTEs to distribute and warned of an impending crisis unless the rate of faculty hiring is increased. The EVC provided a target of 15 FTE to be allocated campus-wide, but CPB noted that there are a great deal more highly legitimate needs, and Council’s recommendations ultimately exceeded this target. Furthermore, it appeared to CPB that a few of the target 15 were already accounted for due to prior commitments, and therefore the net target was effectively reduced because of this.

CPB devised a primary list of 17 (Tier 1) recommendations, and a smaller secondary list (Tier 2) that represented important needs that should be addressed if it were possible to authorize additional positions after the primary list was filled.

**Engineering (3):**
- **Tier 1:** Computer Science, Materials, and ECE
- **Tier 2:** Mechanical Engineering

**MLPS (4):**
- **Tier 1:** Chemistry (failed tenure case), PSTAT (failed tenure), EEMB (with preference for an appointment that would complement Marine Science), and Math
- **Tier 2:** Earth Science (top priority), followed by .5 LSOE in Math shared with CCS, Environmental Studies, and MCDB.

**HFA (5)**
- **Tier 1:** History, Linguistics, Film & Media Studies, Religious Studies / East Asian (Powell replacement), and English
- **Tier 2:** Writing Program (LSOE)

**Social Sciences (4):**
- **Tier 1:** Sociology (Social Demography), Political Science, Communication, Anthropology (Biological)
- **Tier 2:** Black Studies

**Graduate School of Education (1):**
- **Tier 1:** LSOE in School Psychology
- **Tier 2:** Clinical Psychology

**College of Creative Studies:**
- **Tier 1:** None
- **Tier 2:** .5 LSOE shared with Math

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1 Tier 1 lists were given in priority order. Tier 2 lists were not prioritized.
Bren: No recommendations

Proposed Masters Degree in Actuarial Science

In November, the Council on Planning & Budget (CPB) reviewed the response from the Department of Statistics & Applied Probability (PSTAT) to CPB’s questions (April 2, 2010) about its proposal to establish a Master of Science degree in Actuarial Science. Council reiterated its original opinion that the establishment of this degree program would provide a valuable asset to the University and to the State of California. The responses to the questions raised by CPB appeared satisfactory, and the proposal seemed useful and implementable.

CPB endorsed this proposal with the understanding that no new resources would be required for the development of this program. Nonetheless, the Graduate Council initially refused to approve the proposal due to some conflicting information about FTEs. After having its concerns addressed by the department, the Graduate Council later endorsed the proposal in April.

Proposed international agreement with Basque Institute

CPB reviewed the proposed international agreement between UCSB’s Department of Spanish & Portuguese and the Etxepare Basque Institute. Council endorsed this request, noting that UCSB’s financial commitment ($20,000 per year) to support a visiting lecturer would come from an existing endowment, the José Miguel de Barandiarán Chair in Basque Studies. Considering that the Basque Institute’s contribution would be almost 60,000 euros for the three-year period, CPB believed that this is a beneficial agreement for UCSB. As a matter of due diligence, CPB also recommended that the yearly report offered to the Etxepare Basque Institute should also be made available to UCSB’s administration (i.e., the Dean of Humanities & Fine Arts and the Executive Vice Chancellor).

Proposed Centers

Council reviewed proposals for eight new centers, including two proposed centers under an existing organized research unit (ORU), the Institute for Social, Behavioral & Economic Research (ISBER). CPB expressed concern regarding the apparent proliferation of centers, and questioned the balance between costs and benefits in the formation of centers. There are many groups of researchers on campus that could equally well form a center based upon mutual research interests with more or less the same general motivations as this proposal. Council questioned whether it generally would be beneficial to the campus to have such centers. Does it cost departments, for example? Clearly, research funding funneled through a center is funding that is not going through a department. Hence any infrastructure that depends on the level of research funding (staff levels for example) may be diminished based upon the formation of so many centers. Perhaps it is appropriate that department’s responsibilities be limited to educational issues and everything else be farmed out to centers. However, a major responsibility of
any department is the education of its graduate students and this is inseparably connected to faculty research. Is there any mechanism in place to be sure that the research agendas of centers do not clash with the graduate educational objectives of departments?

**Revised Proposal for Center for Bioengineering**

In November, the Council on Planning & Budget reviewed a revised proposal to establish a Center for Bioengineering. This revision addressed feedback from CPB and other reviewers from its initial review in spring 2010. From its previous review, CPB requested clarification on four main issues:

1) What is the source for the initial resources (funding and space) needed for the center?
2) What is the position on this issue of the College of Engineering executive committee and of the different engineering departments of the faculty involved in the center?
3) How does the center relate to the BioMolecular Science and Engineering (BMSE) Program?
4) Is the goal of the center to eventually develop an academic program?

The revised proposal and support letters addressed all the main concerns that arose within CPB when reviewing the original proposal. Overall, CPB saw the proposed center as a relatively small investment with the potential for a large return. CPB endorsed the proposal subject to the understanding that the institutional funding would be limited to an initial period of three years in view of the limited resources that are available for such new initiatives.

**Proposed Center for CyberSecurity**

The Council on Planning & Budget (CPB) reviewed a proposal to establish a Center for CyberSecurity and gave its qualified support in December, noting UCSB’s existing strength in the area of internet security and the advantages to research and fundraising that such a center would bring. Despite its support, CPB also raised several issues:

1. Value and focus of the center was not clearly defined.
2. The educational rationale for this center was not well specified.
3. Without new resources for this center, CPB questioned how will it be significantly different from the existing “Security Group”?
4. A discrepancy was noted in the name of the center, alternately referred to as “The Center for Internet Security” and “The Center for CyberSecurity.”

**Proposal for Center for California Languages & Cultures (CCALC) in ISBER**

The Council on Planning & Budget reviewed a proposal to establish a Center for California Languages & Cultures (CCALC) under an Organized Research Unit (ORU): the Institute for Social, Behavioral & Economic Research (ISBER). CPB fully endorsed the proposal. Council’s original questions regarding the impact of the proposed center on
the department workload were addressed by a memo from the Linguistics Department Chair Pat Clancy to HFA Dean David Marshall.

Proposed Broom Demography Center in ISBER

In June the Council on Planning & Budget reviewed a proposal to establish the Leonard & Gretchan Broom Center for Demography within the Institute for Social, Behavioral & Economic Research (ISBER), to be funded principally by a major gift from the Broom family. CPB found the proposal to be very sophisticated, innovative, and carefully designed and in principle CPB strongly endorsed it. CPB noted Dean Oliver’s statement that some Social Sciences divisional resources will be required during the coming years to supplement these gift and endowment funds. Before offering an unqualified endorsement, therefore, CPB requested further clarification and detail regarding the specific resource needs.

Proposal for Center for Geometric Computation

In March, the Council on Planning & Budget reviewed a proposal to establish a Center for Geometric Computation, to coordinate the work of several faculty members connected with this field of inquiry. CPB recognized that Geometric Computation is an important emerging field, and that coordinating the work of faculty and graduate students engaged in it could prove a valuable stimulus to research and graduate training. However, Council first requested to have answers to a few questions before offering an unqualified endorsement of the proposal. The questions posed were with regard to its administrative support, the value-added of the proposed Center, and whether there were plans to operate the center as an ORU. After later reviewing additional clarifying comments by Professor Subhash Suri (Computer Science), Council offered its full endorsement of the proposed center.

Proposed Center for Marine Assessment & Planning in Bren

The Council on Planning & Budget initially reviewed a proposal to establish a Center for Marine Assessment & Planning in December. While CPB was heartened that the initiators did not make any immediate requests for campus resources, Council was unable to offer its endorsement until several questions and concerns were first addressed. CPB noted that no requests are made at this point regarding budget or space; however the proposal made reference to “at least eight additional offices,” which would constitute a significant allocation of resources. Furthermore, CPB requested clarification on the administrative structure of the proposed unit.

CPB later considered additional information provided on the proposal in March. Council was satisfied with the answers to its questions and offered its full endorsement of the proposed center.

Proposed Reading Center in Gevirtz Graduate School of Education
The Council on Planning & Budget reviewed the proposal to establish a Reading Center within the Gevirtz Graduate School of Education. CPB agreed that the idea of such a center was a worthwhile endeavor with potential value to the community as well as the academic program of the Gevirtz School. However, Council expressed serious reservations about the financial plan and about the lack of any detailed budget analysis for the proposed center.

CPB raised several questions related to support, and questioned whether the ambitious activity could realistically be sustained by one associate professor and two graduate students without significant additional support. Furthermore, CPB was concerned that there was no evidence offered for the demand in the community. Council suggested that a market analysis be conducted to assess the demand to better determine the financial viability of the program.

Proposed Center for Scientific Computing

EVC Gene Lucas requested CPB review a proposal to establish a non-ORU center, the Center for Scientific Computing. Last academic year the Academic Senate reviewed an earlier draft of the proposal. While the review was generally positive, some questions were raised. The initiators responded to those questions and revised the proposal. CPB reiterated its endorsement (from May 11, 2010) and had no objections to the revised proposal.

UCEAP Memorandum of Understanding

The Council on Planning & Budget reviewed the draft memorandum of understanding (MOU) between the UC Office of the President (UCOP) and UCSB regarding the future governance, administration, and financing of the UC Education Abroad Program (UCEAP). Both the governance and administrative structures proposed in this document appeared sound to CPB, and the respective roles of the several players—vis-à-vis the UC Provost, UCEAP Governing Committee, University Committee on International Education (CIE), and UCSB administration—appeared to be carefully spelled out. CPB sought resolution with regard to the following points: confirmation regarding the cost to EAP students under the new structure; confirmation from the Executive Vice Chancellor that the sharing of costs and resources between UCSB and UCEAP is satisfactory and will impose no net unreimbursed costs on a campus that has no money to spare; clarification regarding the specific cost-sharing measures (what services/support UCSB would be reimbursed for and how the charges will be determined); and acknowledgement of the necessity of Academic oversight of UCEAP.

ESCI Online Proposal

CPB reviewed the multi-phase plan for implementing online course evaluations (ESCI: Evaluation System for Courses and Instruction). CPB noted the following concerns: the implementation of the program, specifically with regard to distributing evaluations
beginning in week 6 of the quarter; apprehension that the response rate of the evaluations would decrease as compared to the current system; and concerns that the manual compilation of evaluations is very time-consuming and may not save any money.

CPB recommended that the implementation process be slowed and modified to allow for a meaningful trial, with the opportunity for re-evaluation and modification as needed following careful analysis of the results.

Report on Operational Effectiveness at UCSB

The Council on Planning & Budget reviewed the report of the Operational Effectiveness Initiative at UCSB, and felt that it may provide a useful path toward the consolidation and simplification of UCSB operations, possibly providing some cost savings after the initial up-front expenditures are absorbed. However, CPB expressed concerns regarding the need for quantifiable and concrete results and noted that the plan did not address the campus accounting system, which many feel is in drastic need of an overhaul. Council also expressed the necessity for faculty and staff to be kept well informed and actively engaged in the initiative.

Statement on Nonresident Enrollment

CPB discussed the potential impacts of the current (and future) budget cuts on the UCSB campus. Noting that there are limited ways of dealing with our share of the system-wide $500M budget cut plus the additional unfunded liability costs, Council strongly recommended that the campus do everything possible to immediately increase enrollment levels for non-resident, domestic and international, students even if this leads to a short-term increase in the faculty/student ratio.

Although CPB recognized and lamented the fact that increased tuition compromises the concept of a university that is financially accessible to all eligible students, Council noted that additional tuition increases were an unavoidable source of enhanced revenue. However, it is unlikely that tuition increases alone can provide sufficient revenue to avoid severe cuts to academic programs. Council advocated that UCSB maintain at least the current level of undergraduate enrollment, but strive to replace enrollments above the state/system mandated levels of in-state students with exceptionally well-qualified non-resident domestic and international students.

Station Q Proposal

The Council on Planning & Budget reviewed the proposal on Station Q as put forth by Executive Vice Chancellor Gene Lucas. The EVC’s proposal called for Station Q faculty to be hired in a manner consistent with our Exception to Open Recruitment (EOR) process, with a prospective department submitting a case for the appointment. Upon appointment, the faculty member would immediately be placed on an indefinite (unpaid)
leave of absence, and then hired by Microsoft. Council was satisfied that the questions previously raised by the Academic Senate were adequately addressed. CPB noted the potential benefits to the University by continuing to be affiliated with prestigious researchers who are employed through this collaboration.

CPB noted several questions related to academic personnel and matters beyond the purview of the Council. First, CPB expressed concern that work done as a Microsoft employee may not be published in customary academic journals and hence the home department’s ability to review the research of the participating faculty as part of faculty merit cases may be compromised. Furthermore, CPB was concerned about questions related to the proprietary rights of the intellectual property generated.

**SUN Agreement**

The Council on Planning & Budget reviewed the draft Agreement between UCSB and SUN (Sustainable University Now), a coalition of community groups, which spelled out the mitigations and implementation procedures which the Campus would agree to take in order to insure SUN support for the 2010 Long Range Development Plan (LRDP). CPB acknowledged the wisdom of negotiating such matters in advance, thereby avoiding the potential cost, frustration, and uncertain outcomes of litigation.

Council raised several concerns regarding the negotiation process, the existing mitigations with various local governments, and the lack of more complete and detailed information which would help it better evaluate the merit of individual points in the agreement. In addition, CPB questioned whether UCSB can really afford the financial commitments of the agreement. Council requested commitment by the major SUN groups listed (especially Surfrider, CEC, Sierra Club, Audubon) to support UCSB in its presentation of the LRDP to the Coastal Commission. CPB raised questions about monthly parking permits and parking restrictions as well as the recommendation to have faculty and staff live as close as possible to campus. Council felt that it was inappropriate to have official SUN representatives on UCSB committees, except as “ex officio, non-voting observers”. Finally, Council expressed concern that the requirement for regular monitoring and data collection may result in significant costs.

**Proposed Sustainability Policies**

The Council on Planning and Budget reviewed the eight proposed policies sent for endorsement by the Chancellor's Campus Sustainability Committee. Overall, CPB supported the intent and objectives of the policies. However, in the absence of an in-depth budget analysis, the Council could not offer its full endorsement. Although noting that most proposed policies contained a section dealing with a financial assessment of the implementation of such policies, a more comprehensive assessment of the short-term and long-term fiscal impact of the policies is necessary before CPB could comment further. CPB wondered if the Chancellor's Campus Sustainability Committee planned to address the initial investment required to implement some of the most costly policies and where the funds would come from in order for each policy to be implemented. CPB
acknowledged that such policies would not necessarily generate immediate and substantial savings to the campus, but the Council urged that the longer-term budgetary impact of the complete package of policies be revenue neutral or close to it.

WASC Capacity Preparatory Review

At its meetings on May 18th and 25th, the Council on Planning & Budget discussed the draft Capacity Preparatory Review in preparation for the WASC re-accreditation process. CPB was impressed by the portion of the Review devoted to graduate education; Council found it to be concrete, precise, and accurately reflecting faculty experience with graduate study at UCSB. The undergraduate section was much harder to evaluate, in large part due to the problem of dealing with the ill-defined “learning outcomes” assessment demanded by WASC.

CPB felt the effort to deal with learning outcomes and other issues required by the accreditation process had the potential to consume much of our faculty and staff resources. Therefore Council urged the relevant campus agencies to draw on existing practices and data at UCSB in order to make the process as efficient and carefully focused as possible, lest faculty and staff be unnecessarily diverted from their core responsibilities for instruction and research.

Name change for ESL Program

At CPB's October 6th meeting, the proposal to rename the English as a Second Language (ESL) program to “English for Multilingual Students Program” was on the consent agenda. There were no objections to making the change.

Name change for Psychology

The proposed name change from the Department of Psychology was a consent item on the February 16th agenda for CPB. There were no objections to the change.

VI. Systemwide Reviews

The Council on Planning and Budget participated in the following systemwide reviews during the 2010-11 term:

Funding Streams Proposal

In January the Council on Planning & Budget reviewed the Funding Streams Proposal which examined the history of the current allocation of funds (State General Funds, UC General Funds with its several components, tuition / Educational Fees, etc.) by the UC Office of the President (UCOP) to the ten UC campuses. CPB felt that the current system of allocations and charges is a haphazard affair, the result of many ad hoc responses to various crises or new situations over the past half-century. CPB in general endorsed the
move toward autonomy and transparency, and found the Funding Streams proposal to be a useful step in this direction.

However, CPB raised certain concerns and questions. CPB found the proposal lacking in a clear statement of the basis and the procedures that will be followed to determine the budget for UCOP. Council sought a clearer statement of the criteria and frequency for establishing the assessment for each of the UC campuses. CPB felt that a “flat tax” would help create a simpler system that is harder to politicize by special interests. Council was also concerned about the impact on graduate admissions and support of localizing graduate financial aid. Finally, CPB felt that the relationship between the Funding Streams Proposal and the contemplated “rebenching” of centrally controlled funds should be more fully articulated.

Online Education Project Loan

In April, the Council on Planning & Budget reviewed the materials and commentary submitted in connection with the UC Online Education Pilot Program. CPB declined to endorse the proposal. Instead, CPB strongly supported the reservations expressed by Academic Council Chair Daniel Simmons in his letter to President Yudof, dated May 6, 2011.

Council made several points vis-a-vis budget and finance. CPB questioned how this program would be integrated into the existing undergraduate curriculum at UC. CPB was deeply concerned that a project initiated and sponsored by UC at the highest levels had failed to gain any significant external financing, apart from a start-up grant of $750,000. While many if not all of the campuses were unable to allocate adequate faculty FTE to meet urgent instructional needs, CPB questioned the wisdom a loan of $6.9 million to start up an online education project. CPB wondered how long would it take before these online courses could be "marketed" to the public, directly or via other institutions. Even a two-year timeline seemed unrealistic. CPB was troubled that the target audience for this program (non-UC students) differed from earlier proposals that were endorsed by Academic Council. CPB questioned whether online instruction would reach the putative breakeven point of 5400 enrollees in view of the plethora of online courses offered by for-profit institutions. Furthermore, CPB suggested concentrating on advanced-level courses versus general education courses, where UC’s research-oriented faculty would have some comparative advantage.

Post-Employment Benefits Task Force Report

The Council on Planning & Budget reviewed the report and associated documents of the Post-Employment Benefits Task Force in October. CPB felt adamantly that any decision on the proposed new options for the UC Retirement Program (UCRP), and the cost to employees to remain in the current UCRP, must be accompanied by a plan to bring salaries (and total remuneration) in line with competitive levels with our comparison institutions. CPB strongly favored Option C, and opposed Options A and B. CPB was generally very concerned about any plans that are integrated with Social Security
Covered Compensation (such as Options A and B). Regarding retirement health costs, Council grudgingly supported the recommendation to reduce the university’s contribution to retiree health benefits from an average of 90% to a floor of 70%. CPB supported a plan to borrow Short-Term Investment Pool (STIP) funds to fund the shortfall between actual employer-employee contributions and ARC cost, for the first 5 years. Finally, CPB urged a cap of 7% on employee contributions to UCRP.

Powell Report

The Council on Planning & Budget reviewed the report of the Academic Senate Special Committee on a Plan for the University of California (the “Powell Report”) in June. Overall, CPB was pleased with the report and agreed with most of the recommendations therein. However, there were several points with which CPB dissented. As a principle, CPB agreed that a quality UC education should be accessible to all qualified citizens of the state. However, Council believed that this may simply be untenable if the state does not restore a reasonable resource level. CPB was unconvinced that cutting the size of the University is a route to financial security. CPB noted that although privatization is a risk, many other public universities have managed to successfully transition to this model. Although CPB recognized the University’s ethical obligations in subsidizing the Merced campus, Council questioned how long the University would be able to afford to do so at the current levels. CPB questioned the seriousness and consistency of the recommendation to develop an entrepreneurial process. CPB was incredulous of the proposed administrative audit and felt it could be counter-productive and have unintended consequences. Finally, CPB was skeptical of the “continued exploration” of online instruction.

Renaming Fees as “Tuition”

The Council on Planning & Budget reviewed the UC Commission on the Future recommendation to rename University fees as “tuition” at its meeting on October 6. There was unanimous agreement to support this proposal. Council primarily felt that this was an issue of “truth in advertising” and increased transparency, and that certain University fees (e.g., the “Educational Fee”) should accurately be labeled what they really are, which in essence is tuition.

Self-Supporting Part-Time Graduate Professional Degree Programs

The Council on Planning & Budget reviewed a proposed revision of the 1996 Policy on Self-Supporting Part-Time Graduate Professional Degree Programs (SSPs for short) and associated Implementation Guidelines. Among the primary points raised by CPB were the following:

1. CPB strongly disagreed with the proposed generalization of the criteria for establishing an SSP program (dropping the requirement that such programs be restricted to part-time and professional degrees).

2. CPB was concerned that the source of revenue could be used to justify a further reduction of the state’s contribution to the UC budget.
3. CPB supported the revision that programs should be fully self-supporting such that SSPs would not consume state funds for their regular programs. However, Council was skeptical that the revenue generated from such programs would be sufficient to cover all of the costs as indicated, without making the program fees unreasonably high.

4. CPB agreed with the revision that SSP faculty should be appointed through the regular campus processes.

5. CPB agreed with the revision that clarified the administrative hierarchy needed to establish and oversee SSPs.

6. CPB recommended that the language be changed to require a portion of the revenues to be “invested” in financial aid mechanisms.

Library Task Force Report

CPB received the Library Task Force Report but chose not to opine.

VII. Committees

The Council’s standing committees (Academic Planning and Resource Allocation, Capital and Space Planning, and Development and Community Relations) conducted business primarily by e-mail. Issues were delegated to the appropriate committees for prior review, and recommendations were then forwarded to the full Council for deliberation.

VIII. Council Representation

The Council Chair served as Vice Chair of the Campus Planning Committee. Both the CPB chair and the chair of the Committee on Development and Community Relations serve as Trustees of the UCSB foundation. A representative of the Committee on Capital & Space Planning was also invited to attend meetings of the Campus Planning Committee and the Design Review Committee.

IX. CPB Relationship with University Committee on Planning & Budget (UCPB)

The Council Chair served as UCSB representative on UCPB, regularly reported on UCPB business, and solicited comments from council members on pending UCPB issues. The Council Vice Chair also attended some UCPB meetings as an alternate.

X. Coordination with the Administration

The Council on Planning and Budget consulted with several members of the Administration during the 2010-11 term, including the Executive Vice Chancellor;
Assistant Chancellor for Budget and Planning; Director of Capital Development; Vice Chancellor for Institutional Advancement; Associate Vice Chancellor for Development; Vice Chancellor for Research; the Deans of the College of Letters and Science; Dean of the Gevirtz Graduate School of Education; Dean of the College of Creative Studies; and Dean of the College of Engineering.

The Council Chair and Vice Chair had regular (bi-monthly) consultations with EVC Gene Lucas. These meetings were an efficient way to discuss issues and concerns informally and highly effective in promoting shared governance.

Budget Analysis

The Chancellor’s Coordinating Committee on Budget Strategy continued its work this year. Composition of the committee included University administrators as well as Academic Senate leadership, including the Chair of CPB.

Capital Planning

In May CPB met with the Interim Director of Capital Development, Chuck Haines. He discussed the annual update to the 10-year capital plan, and informed CPB that there were no additions to the list. Because of the state budget crisis, no new funding for capital projects had been allocated. Nonetheless, he discussed a project proposal for the renovation of Campbell Hall, which was submitted to the UC Office of the President as a “life and safety” priority. CPB supported this project. Council also agreed that given its importance as an instructional facility, the Buchanan Hall project should be a higher priority on the 10-year capital plan.

XI. Carry-Over Issues

Issues that CPB should expect to revisit in the coming year include the following:
- Budget challenges and continued reductions in state funding, including mid-year cuts and corresponding increases in tuition
- Budget allocation formulas for state funding (funding streams, re-benching)
- Continued discussions on the proposed policy on self-supporting programs
- Online instruction
- Faculty compensation (including supplementing with external funding) and salary equity
- Non-resident enrollment