Budget Planning Process

November 14, 2008

Description of Budget Committee Membership

This quarter, the campus will initiate a new budget planning framework. The scale of the state financial crisis makes it evident that we will not be able to absorb the anticipated budget reductions without systemic change. In order to ensure that the budget planning framework benefits from broad input, the process will be rooted in the work of committees with memberships from the campus community.

The immediate charge for each of the committees is to establish guiding principles and priorities to guide budget planning and to recommend specific changes to university business processes. Recommendations are also sought about the most critical programs and services that ought to be protected, to the extent possible. Finally, the committees will be asked to identify ways to reduce or consolidate services and expenses, reallocate resources, and generate new resources.

The overall goal is to offer a comprehensive strategy for effecting differential and strategic budget reductions across the campus that are consistent with campus values and our vision for the future. In some cases, recommendations may identify a specific unit, but a unit-specific approach is not expected to serve as the primary focus of the committees’ work.

This process seeks to reflect input from a wide variety of perspectives including Academic Senate and Academic Federation members, staff, and students when appropriate. To ensure a diversity of viewpoints, committee membership will include individuals directly involved with the subject matter and others who are not directly involved. Administrators charged with implementing the changes will be integral to the process. Sub-committees will have co-chairs that partner a senior campus administrator with an Academic Senate member. Each sub-committee will have approximately 10 members in addition to the co-chairs.

The committee structure consists of an advisory committee supported by five sub-committees as described below.

Budget Advisory Committee (BAC)

An “oversight” committee charged with using the recommendations and input from the five sub-committees along with advice from the School, College, and Division Deans to provide final recommendations to the Chancellor. The BAC will take a lead role in defining the principles and values for the campus budget process and will consider overarching issues (e.g., what fund sources will be included in the base for purposes of assigning or evaluating budget reductions; what targets/ranges will be used to guide planning in each sub-committee?).

The Provost and Executive Vice Chancellor will serve as the chair of the BAC. Committee membership will include the Vice Chancellor of Resource Management and Planning and the sub-committee co-chairs. Staff support will be provided by Associate Vice Chancellor Kelly Ratliff.

The BAC will rely on the five sub-committees listed below. Nominations for sub-committee members are being requested from the Academic Senate; the Academic Federation; the Council of Vice Chancellors; the School, College, and Division Deans; the Staff Assembly; and the Senior Advisors. The deadline to provide nominations is Monday December 8, 2008.
Sub-committee 1: Instruction and Research (I&R)

This sub-committee will focus on instruction, research, and core academic support functions such as the library, sponsored programs, and educational technology. It will consider a broad range of ideas to change, improve, and streamline current processes.

The sub-committee will be co-chaired by the Vice Provost of Academic Personnel and the Chair of the Committee on Research. Members will include representatives from the Academic Senate, the Academic Federation, and staff. Staff support will be provided by ORMP Director Bob Agee and Principal Analyst Ian Blake.

Several examples that the I&R sub-committee might consider include:

- **Teaching**: minimum class sizes; frequency of course offerings with low enrollment; provision of undergraduate instruction by professional schools; participation of faculty in graduate education; changes to student-faculty ratios for ladder and non-ladder faculty.

- **Research**: approaches to increase indirect cost recovery (e.g., increase proportion of federal research, assess gifts that are used for research, principles to guide acceptance of grants with low overhead rates); cost sharing practices; allocation of indirect costs.

- **Academic support**: what services and functions must be protected; what services or functions are considered non-essential; what services or processes can be streamlined?

Sub-committee 2: Administration

This sub-committee will focus on central administration units and the deans’ offices. It will consider a broad range of ideas to change, improve, and streamline current processes and identify opportunities to reduce, consolidate or eliminate services. The committee should also identify essential services that should be protected.

The sub-committee will be co-chaired by the Vice Chancellor of Student Affairs and the Chair of the Davis Division of the Academic Senate. Members will include representatives from the Academic Senate, the Academic Federation, and staff. Staff support will be provided by ORMP Director Chris Carter.

Examples that the administration sub-committee might consider include:

- Use of administrative clusters or centralized administrative services – what factors or criteria favor this approach; what incentives/disincentives might be used to advance this concept?

- Use of common applications to streamline administrative processes (e.g., calendaring software).

- Identification of services that are most essential and those that are least essential.

Sub-committee 3: Student Services

This sub-committee will focus on services for undergraduate, graduate and professional students. It will consider a broad range of ideas to change, improve and streamline current processes and identify opportunities to reduce, consolidate, or eliminate services. The committee should also identify essential services that should be protected.

The sub-committee will be co-chaired by the Vice Provost of Undergraduate Studies, the Dean of Graduate Studies, and the Chair of the Undergraduate Council. Members will include representatives from the Academic Senate, the Academic Federation, staff, and students. Staff support will be provided by ORMP Principal Analyst Christine McUmber.
Examples that the student services sub-committee might consider include:

- Use of administrative clusters to support multiple service areas; what criteria or factors favor this approach?
- Examination of revenue and cost models for services – are services or programs being subsidized?
- Identification of services that are most essential and those that are least essential.

**Sub-committee 4: Self-Supporting Activities**

This sub-committee will focus on auxiliaries (e.g., student housing, parking, memorial union) and major self-supporting/recharge activities (e.g., Reprographics, Central Storehouse, Facilities Management, and Communication Resources) and other income producing activities. It will consider a broad range of ideas to change, improve, and streamline current processes and identify opportunities to reduce, consolidate, or eliminate services. The committee should also identify essential services that should be protected.

The sub-committee will be co-chaired by the Associate Vice Chancellor of Human Resources and a former or current member of the Committee on Planning and Budget. Members will include representatives from the Academic Senate, the Academic Federation, staff, and students. Staff support will be provided by ORMP Budget and Policy Specialist Lucy Bunch.

Examples that the self-supporting activities sub-committee might consider include:

- What services are considered cost effective? What services are not viewed as cost effective? What steps should be taken to improve cost effectiveness and accountability?
- Are there changes/reductions that will generate savings to offset budget reductions (e.g., eliminate subsidies, recapture space, provide lower cost, similar quality services)?
- Should the recently implemented self-supporting assessment be changed?
- Are there barriers to using lower cost services? How can barriers be removed?

**Sub-committee 5: Capital Budget and Space Planning**

This sub-committee will focus on the interface between the capital program and space planning with the campus operating budget. The committee should also identify essential services that should be protected.

The sub-committee will be co-chaired by the Vice Chancellor of Administration and the Chair of the Committee on Planning and Budget. Members will include representatives from the Academic Senate, the Academic Federation, and staff. Staff support will be provided by Assistant Vice Chancellor of Capital Resource Management Karl Mohr.

Examples that the capital and space sub-committee might consider include:

- What goals should the capital program emphasize (e.g., continued expansion to address unmet needs, building and infrastructure renewal, deferred maintenance, etc.)?
- What savings can be achieved in near-term; in the long-term?
- What principles and criteria should be used to evaluate the use of additional central campus debt to advance capital priorities?
- How does campus use of off-campus leased space help or hinder achieving campus capital and space needs?
- What process and metrics should be used to frame a 10-year capital plan?