DEANS
VICE CHANCELLORS
VICE PROVOSTS
UNIVERSITY LIBRARIAN

Dear Colleagues:

Re: Resource Planning Targets for 2013-14

Last year I provided you with preliminary planning reduction targets for 2013-14 totaling $8 million for UCSC. With the passage of Proposition 30, and steps taken by the Office of the President to renew discussions with the State concerning the longer-term funding needs of the University, we have refined our 2013-14 planning estimates for the core-funded portion of our budget. While there remain several unresolved issues that could change our planning estimates (such as tuition levels in 2013-14 and the amount of new funding provided by the State), there is some cautious optimism that suggests we can begin to plan for more budget stability. Permanent cuts will still be needed in 2013-14 to address the budget shortfall from 2012-13. They will be painful given the reductions already imposed over the past five years, but less than they would have been had Proposition 30 failed.

The updated planning target for each major area is shown on Attachment I. We have excluded the entire faculty and TA salary budget so that cuts may not be applied to these sources, and no targets are assigned to small “stand-alone” units. To the extent that our actual shortfall exceeds the $7 million total target, I will again use one-time funds to cover the balance. Your permanent reduction target will not increase in 2013-14.

You provided very tentative information last spring on permanent reduction options for your division in 2013-14. I am writing to request updated information about your plans, priorities, and divisional strategy for accommodating this permanent reduction. To allow time for review and consultation, I ask that you provide the information for your division by January 25, 2013.

2013-14 Planning Targets and Budget Call

Similar to previous years, I would like: 1) a clear articulation of divisional priorities and plans; 2) the functions or services within your division that will be sheltered from significant additional cuts because they are critical to preserve; and 3) how your division will accommodate the 2013-14 planning target. Please present the material so the reader is provided with the full context of your core-funded activities, and so that choices to protect certain areas can be easily compared to activities selected for cuts. Your reduction plan should not include actions that shift costs to other units, eliminate funding for faculty and/or teaching assistant FTE, or undercut our efforts to enroll more undergraduate international and national students, retain our students and ensure their progress to the degree, or increase graduate enrollments (doctoral students as well as masters students who do not require financial support).
Attachment II provides a template for organizing material for your division that responds to the following questions:

- What priorities are you addressing with one-time funds or through internal reallocation?
- What is your highest priority for new funding?
- What divisional functions are critical to preserve? How are these reflected in budget decisions?
- What process was used to arrive at the proposed list of programs/services that would be reduced, reorganized, or eliminated to achieve your reduction target?

Please use the Excel worksheet (attachment III) to provide more detailed information on the core-funded functions in your division and indicating the proposed level of cut in each area.

Student Services Fee-Funded Programs

I am not asking programs funded entirely or in part by the Student Services Fee to undertake a reduction planning exercise at this time. The 2012-13 fee buy-out funding that will be provided by the State next year should be sufficient to cover the ongoing cost associated with 2012-13 salary and benefit cost increases. The one-time reductions already implemented will address the current year shortfall. Additional salary and benefit cost increases, including the employer contribution to the retirement system, are expected in 2013-14. If the Regents approve a Student Services fee increase in 2013-14, there may be sufficient funding to cover these mandatory cost increases from that source. Once we know the Regentally-approved fee levels in 2013-14, we will evaluate the need for reductions in Student Service Fee-funded programs.

Long-Range Enrollment Planning

The University will soon be asking each campus to update its long-range enrollment plan for 2013-14 through 2023-24. To be useful for future UC-wide budget considerations, the timeline for this process will require us to submit our updated enrollment plan by mid-March, so that systemwide consultation and discussions can occur in the Spring, with the goal of having the plan completed by June 2013. We will discuss our projections with you and the appropriate Senate committees in early winter quarter, so we can consider your feedback and suggestions before the updated campus enrollment plan is sent to the Office of the President.

Rebunching

The systemwide rebunching effort to address the state funding-per-student on campuses was implemented in 2012-13. Consistent with our discussions, we are using funding received from rebunching to replenish funding for the faculty positions that were cut in response to previous budget reductions so they can be allocated for recruitment. We were able to dedicate funding for 16 faculty FTE this year with our 2012-13 allocation from rebunching. Those FTE were committed to the academic divisions last spring. In anticipation of the next increment of rebunching funds, I am making available new faculty FTE for recruitment in 2013-14. Each division will receive a minimum of two new FTE (and up to five new FTE). A portion of the funding provided through the rebunching process is for more doctoral student enrollments, consistent with our long-standing aspirations. The hiring of more faculty is critical to achieving...
this goal. The Deans received information about the allocation of these positions in the 2013-14 call for faculty recruitment proposals.

We will continue to provide updated information on our resource assumptions as it becomes available. If the State and UC each agree on a multi-year financial plan for UC, this will create an opportunity for us to plan with less uncertainty as we create our own multi-year path. I look forward to working with you as we prepare for the coming years.

Sincerely,

[Signature]

Alison Galloway
Campus Provost and
Executive Vice Chancellor

Attachments

cc: Chancellor Blumenthal
Senate Chair Konopelski
CPB Chair Westerkamp