To be received and placed on file:

The Planning and Budget committee met with all of the Deans of the colleges, as well as with the Vice Chancellors for Research, University Advancement, Administration, Graduate Division, and Student affairs as well as with the University Librarian. We also had several meetings with Vice Chancellor Gretchen Bolar and Executive Vice Chancellor and Provost William Jury. In the fullest sense of the concept, the committee feels that the spirit of shared governance guided these meetings.

From our meetings with unit heads and key figures in the administration, the committee developed a list of priorities for budget allocations. These were sent to the Chancellor, Executive Vice Chancellor, and Vice Chancellor for Planning and Budget in April, before final budget decisions were made. A copy of this memo appears in Appendix A. The administration was thus aware of the faculty’s priorities before final allocations to various units were made. As I write this memo, the state still does not have a signed budget, but budget letters have been sent to unit heads; and so, it is now clear what the priorities of the administration are.

Overall, there does not appear to be much disagreement on priorities between the faculty and administration. The committee recommended that remedial courses in English and mathematics be outsourced, and the administration has cut a substantial number of faculty and TA FTE from Subject A courses. In the opinion of the committee, more can be cut as the campus moves to “outsource” remedial education and to pass the costs of such education onto students.

The committee supports the effort to increase the units of some courses from four to five in order to reduce the costs associated with the “conversion factor.”

The committee supports the centralization of the Graduate Division, and while this unit did absorb some cuts, these were not of a magnitude that would slow down transition to a fully operational Graduate Division.

The committee’s highest priority was to spare the library from any cuts. Unfortunately, some cuts were made. The full 7.5% cut was made but this cut was significantly mitigated by $800,000 allocation from the central administration. The result is that rather than a cut of over one million dollars to the library’s budget, the net reduction is $233,000. While any cut is regrettable, it is clear that the administration listened to the faculty on this issue.
The committee expressed concern about the operation of the Development Office within the Office of Advancement. This budget was cut, but with the appointment of a new Vice Chancellor for Advancement, additional funds will come to this unit. The committee feels that this is a wise investment since the development will be an increasingly important activity for the campus in the future as budget allocations from the state continue to decline.

The committee is also gratified that our recommendation to spare the Office of Administration agreed that any further cuts in its maintenance operations would be counter-productive in the longer run.

The School of Management received a full 7.5% cut in its budget; and the committee feels that this was an appropriate act in light of the fact that the School refused to participate in budget exercises. The committee still feels that there are many problems in the undergraduate business administration major that need to be resolved. Further investment in MBA programs should be made with an eye to increasing the quality of these programs. Investments in the Palm Desert campus are necessary, but they should be monitored closely to be sure that they do not become a budgetary sinkhole.

The committee is gratified that UNEX has not been cut since this unit, unlike its counterpart on some other UC campuses, is self-supporting and, in fact, contributes to the budget of UCR. Being profitable should not be a reason to tax profits that are needed to invest in new initiatives in a highly competitive “for profit” market place in higher education.

In sum, then, the committee feels that the preliminary budget for the campus represents a reasonable allocation of monies in very difficult budgetary times. The committee also believes that its priorities did influence the budgeting process in the spirit of shared governance; and while the faculty and administration would be unlikely to agree on every issue, there is nonetheless a high level of consensus on key issues.

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