October 7, 2002

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Dear Colleagues:

This has been a very engaging two years for me as the UC Santa Cruz Campus Provost and Executive Vice Chancellor. The campus has evolved, in my view, from what it was when I arrived here in 1998. I would summarize my sense of some of the changes in the following statements.

- o First, I am pleased and encouraged by the collaborative and beneficial consultation between the Academic Senate and the administration that has been established and that has developed into a working relationship characterized by the interactions during the campus planning process over the past two years.

- o Second, the leadership of the principal officers during this planning process has significantly facilitated the shaping of a collaborative vision of our future. It has become clear that campus stakeholders are recognizing that there are prime opportunities, and responsibilities, that go well beyond the Santa Cruz campus and its immediately surrounding community, whether in research and scholarship, instruction, or service and public outreach.

- o Third, there is evidence that the quality of the institution—its faculty, students, and programs— continues to build on a level of excellence recognized by setting clear standards in many arenas. There are proposals for outstanding new programs incorporated in the plans described in the rest of this document.

- o Finally, I have seen indications that, as a scholarly community, the campus is increasingly becoming much more invested in innovation and risk-taking. Once again, this is evident in the plans submitted from across the campus, and is one hallmark of a maturing university.

As the Campus Provost and Executive Vice Chancellor, it is my intent to create the framework, environment, and opportunity for programs within academic divisions and departments to pursue their goals and aspirations, while they contribute more strategically to the mission and future of the campus; to encourage, promote, and facilitate creative new ideas and constant renewal while also strengthening the programs that form the foundation of our academic and academic support core; and to align the campus's resources with our campuswide strategies. It is also my intent to foster the conditions that allow the academic support enterprises to contribute optimally in their essential roles in building UC Santa Cruz.

This has been, for me, a deeply satisfying and valuable exercise. We collectively have the opportunity to define the future of one of the campuses of the world's premier public research university—the University of California. The campus is seizing this rare opportunity, and the planning process has provided this with a sense of purpose and direction. I thank all of you for your commitment to UCSC. It is impressive.

Sincerely,

John B. Simpson
Campus Provost and
    Executive Vice Chancellor

Cc: Academic Senate Chair Blumenthal
        Chancellor Greenwood

TABLE OF CONTENTS

LOOKING TOWARD THE UC SANTA CRUZ OF 2010 ... THE PATH TO IMPLEMENTATION

Introduction

U C Santa Cruz is a public research university. All that we do follows from this simple description. As a university, UCSC broadly strives to create new knowledge, and disseminate it in many ways, including through its instructional programs. UCSC's research mission makes graduate education a central feature of its life. As a public institution, our responsibilities also include serving the citizens of California, making the benefits of our work available and accessible to all.

The University of California is now faced with the formidable responsibility of accommodating significant growth in enrollments over the next decade.[1] This document describes the preparation of UC Santa Cruz campus for this challenge. It reflects the culmination of an intensive two-year planning process. Drawing on the foundation put into place by the Millennium Committee's deliberations[2] in 1997-98, this present effort affirms clearly UCSC's goals as a public research university, and projects a future for it very much congruent with these responsibilities. The engagement of all sectors of the campus in this undertaking has been an altogether healthy and productive activity.

Guidance for the planning efforts was provided by the eight goals or priorities articulated at the outset of the process. The deans and vice chancellors have presented divisional visions and plans that combine to form the institutional plan—one that is designed around a strong, compelling campus vision that provides context and

> **Eight priorities that shaped the planning process:**
>
> o Strengthen research and scholarly accomplishment and distinction;
>
> o Markedly increase graduate programs and enrollments;
>
> o Develop interdisciplinary programs at all academic levels;
>
> o Enhance faculty, staff and student diversity;
>
> o Markedly increase external support, from grant/contract as well as private fundraising;
>
> o Creatively combine present resources with new resources;
>
> o Develop innovative programming in non-traditional areas, including the Silicon Valley Center (SVC), State-supported summer instruction, and other off-campus enterprises (for example, distance learning, EAP, UCDC, others);
>
> o Propose accountability measures.

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[1] UC systemwide enrollments are projected based upon a number of factors, including the DOF demographic analysis of the K-12 population, annual monitoring of applications to UC, and participation rates of California's high school graduates.

[2] See http://www.ucsc.edu/chancellor/millcom/mcreport.pdf for the advisory report of the Millennium Committee.

identifies future directions and goals. The plans that emerged from each division are worthy of close review.[3]

Some participants in this planning process may have anticipated as an outcome that the central administration would approve or disapprove aspects of the academic and academic support plans; making the task ahead for each division the implementation of those approved aspects of their plans. This type of fine redesign of divisional plans is not the appropriate role for the central administration. This planning process is not a grant competition. Rather, each division's stakeholders best determine the impetus, ideas and energy for specifying the future programs of their division, in line with its present strengths and weaknesses and in the context of its aspirations. Changes in opportunities, strengths, resources, and priorities within and between each division, as well as for the campus as a whole, require flexibility in considering the future. The role of the central administration, through consultation with the Academic Senate, is to establish the *conditions* that permit and support growth and the attainment of academic aspirations.

The campus is now presented with the task of moving forward—committing to those plans that are ready to be implemented, discarding those that are no longer relevant and refining those that need further attention—in the pursuit of its goals and aspirations.

An organizing principle for campus thinking and decision making must be integration: divisional and departmental plans and operations that mutually support each other, and individual unit actions that align with campus goals. UC Santa Cruz cannot afford to have separate, competing efforts across the campus that address the same issue. Moreover, an increasing willingness to cease doing what has not worked and an ability to leverage our strengths and shift our resources toward trying new approaches must be followed. This document is, in part, intended to specify the administrative and operational framework by which this will be done.

The contents of this document are by no means detailed or all-inclusive; for that, the reader should reference divisional planning documents and committee/task force reports, including the July 2001 and March 2002 campus planning updates.[4] The present document is arranged in three major sections, each of which draws from extensive campus discussion:

▶ **This overview**. Several major priorities for the institution emerged from the divisional plans and campuswide discussions. These are presented as challenges to be addressed, with specific actions to be taken. Accountability expectations and the allocation of campus resources will be aligned with these priorities.

▶ **Academic vision**. UC Santa Cruz's distinction as a research university is defined by the achievements and aspirations of the faculty and its academic programs. Key aspects of the divisional academic plans warrant highlighting, as do further planning considerations.

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[3] See http://planning.ucsc.edu/plans2001/divisionplans.htm for divisional plans and visions.
[4] See http://planning.ucsc.edu/plans2001/updates.htm for the campus planning updates.

▶ **Resource strategy**. Critical financial and budgetary considerations accrue to the growth of the campus and its goals. There is a good sense of what is required— what investments will be needed, what issues must be addressed, and how the campus will make decisions regarding strategy, priorities, and resources. Demonstrable progress towards campus goals at all levels will inform future strategic decisions and resource allocations.

Four Areas of Critical Importance

Four significant issues emerged from this planning process. These will require sustained attention by the campus. Three of these—research leadership, graduate education, and undergraduate education—are inextricably linked and follow directly from the tripartite missions of teaching, research, and service as a campus of the University of California. The fourth is the necessity of attending to critical investments in campus infrastructure. Attention to, and investment in, these four areas now will position the campus to achieve its future aspirations. These four areas are not intended to be an exhaustive list of the challenges facing the campus, but they reflect my view as Campus Provost at this time. Indeed, many stakeholders would identify other critical issues and I encourage you to think carefully from your viewpoint about what you identify as critical issues for UCSC's future.

▶ **Research leadership**. Every research university aspires to have international recognition of its scholarship and research. UCSC shares this aim and, coupled with excellence in undergraduate and graduate education, the campus will enhance its reputation as an outstanding public research institution with an uncommon commitment to education at all levels.   In order to further its research stature, the campus must strengthen the research infrastructure for its academic programs, must support significant research initiatives, and must markedly increase external research support from grants and contracts as well as from private sources. While State funds provide relatively significant support for research, all academic units on the campus must expand other sources of support.

The campus will:

o Pursue budget and policy decisions that help faculty compete successfully for extramural support ranging from individual awards to large, multi-disciplinary research grants. All academic divisions and departments will be expected to increase the number of grant applications to public and private agencies;

o Facilitate through the Vice Chancellor for Research the development of research enterprises that are interdisciplinary, that span departments and divisions, and/or that are responsive to funding agency priorities;

o Seek out opportunities for collaboration with other UC campuses, other universities, and government and private/industrial entities;

o Manage and leverage intellectual property, under the leadership of the VCR (http://planning.ucsc.edu/plans2001/Final/Research.pdf); and

- Invest in the UCSC Library: pursue acquisition of materials and access to information in support of the academic programs; particularly graduate programs.

The actions will result in securing extramural research funding at UCSC of at least $100 million per year in five years; in positioning the UCSC Library for admission to the Association of Research Libraries; and in substantial national and international recognition of the campus's research programs, graduate education, and undergraduate education.

▶ **Commitment to graduate education**. Excellent graduate education is an indispensable aspect of a research university, and UCSC will take deliberate steps to give graduate education and research a qualitatively and quantitatively greater role on campus. Although graduate education has been a part of the institution since the founding of the campus, there is strong consensus now to plan for its enhanced emphasis. This commitment is reflected in all of the divisional plans, as well as in a resolution of the Academic Senate.[5]

The campus will:

- Implement now a Graduate College that provides an intellectually stimulating environment as well as coordinated support services for graduate students;

- Finalize a campus policy that guides the formation of graduate groups, with degree-granting authority and responsibility, to facilitate novel interdisciplinary research and graduate education initiatives;

- Develop a comprehensive strategy to improve graduate financial support: one that includes State, private, and sponsored research support, and ensure that it is successfully implemented;

- Work to increase the quality of all graduate programs and increase the number of programs that offer graduate components, including the number of masters programs;

- Review regularly all existing graduate programs as well as evaluate carefully and often the potential for new professional programs and graduate degrees; and

- Ensure that postdoctoral researchers are fully integrated into the campus community and have access to sufficient support.

These actions will result in nationally visible and highly competitive graduate programs at a campus where graduate enrollments will eventually reach fifteen percent of total student FTE.

▶ **Commitment to undergraduate education**. Complementing the renewed emphasis on graduate education and research, the campus will continue to aspire to be recognized as the finest public research university in the nation for undergraduate

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[5] Therefore be it resolved: "That UCSC commit itself to growth in graduate and professional programs, both existing and new, with the goal of attaining a student population of at least 15% graduate students; and That the UCSC Senate and Administration jointly develop a plan aimed both at establishing this student population and guiding the annual targets." Resolution of the UCSC Academic Senate, Winter 2002 (AS/SCP/1336, http://planning.ucsc.edu/plans2001/as/scp/1336.pdf).

education. It will do so by continuing to link undergraduates with faculty and graduate student research and by supporting internships, field studies, and service. The colleges will join departments, research institutes, and other campus venues to support scholarly interaction between faculty, graduate students, and undergraduates.

The campus will:

- o Provide for a continuously evolving and renewing undergraduate curriculum, designed to exploit the comparative advantages of UC Santa Cruz[6] and which requires the development of widely understood and used outcome measures of student learning, achievement and satisfaction;

- o Provide for continuous improvement in undergraduate recruitment and retention, and understand as a campus the appropriate criteria for and strategic use of selective undergraduate admissions; and provide access and quality education to all admitted to UCSC;

- o Pursue by all available means an enhanced base of financial support to assure broad access for qualified undergraduates—transfers as well as freshmen—to a UCSC education;

- o Strengthen the academic, co-curricular, and service roles of the colleges, in a way that is clear and widely understood, and implement these roles in a way that is synergistic with the academic missions of the divisions and departments;

- o Resolve effectively key undergraduate educational issues, such as the nature of the first-year experience—including Subject A and other writing requirements, undergraduate advising strategies, and co-curricular activities; and

- o Review regularly all existing undergraduate programs as well as evaluate carefully and often the potential for new undergraduate degree programs.

These actions will ensure that the undergraduate experience at UC Santa Cruz is truly reflective of the Millennium Committee's goal of "a research university with an uncommon commitment to undergraduate education."

▶ **Infrastructure investments**. A university campus is, in a very real sense, its own city, and infrastructure is essential to its support and operation. There are critical investments in the UCSC campus infrastructure that are required for the future, and that historically have been underfunded. Among these are: unmet capital needs—including new academic and academic support buildings, deferred maintenance, circulation infrastructure, and student, faculty, and staff housing; access to additional print and electronic library materials, databases, and other scholarly resources; training and development investments for faculty and staff; understanding the land use implications of the long-range academic plans and, as the 1988 LRDP nears the end of its useful life, undertaking master planning for the future of the campus; fundraising and university advancement; and enhanced

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[6] Among UC Santa Cruz's comparative advantages are its tradition of innovation, of challenging students, and of rewarding achievement; its architecture and facilities that foster a sense of community and provide the venues for discovery, leadership development, and responsible citizenship; and the opportunities afforded by its proximity to Silicon Valley and its study-abroad programs.

support of and an appropriate renewal of campus information technology infrastructure.

The campus will:

- o Fund campus planning for academic and academic support buildings, for new housing, for physical infrastructure, and for an overall campus physical master plan;

- o Continue to pursue by whatever means are available the development and/or use of additional facilities on campus or off campus for academic and academic support units;

- o Invest in campus IT requirements, including the appointment of a campus Vice Provost for Information Technology who is charged with oversight for policy and coordination of IT campuswide;

- o Pursue continuously those administrative and organizational changes that improve the efficiency and effectiveness of our operations; and

- o Provide adequate support for development and external relations.

These actions will result in establishing the infrastructure needed to support adequately the future research, instructional, and service activities of the campus.

Over the next decade, the campus's progress with respect to these four areas of critical importance will be reviewed annually and reported to the campus. Campus resource priorities will be aligned with objectives in these critical areas. There are, of course, a number of other areas requiring the ongoing attention of faculty, staff, deans, and principal officers—some that directly support the eight campuswide priorities and others that support directly the vision of each academic and academic support division. These include the challenge of attracting and retaining quality faculty and staff; investments made in the campus's teaching and learning infrastructure; enrollment management efforts to implement selectivity within the UC admissions context and to match student interest with academic program offerings; investments needed to accommodate State-supported summer instruction and off-campus instructional and research opportunities, such as the Silicon Valley Center and MBEST; progress in diversity concerns; investments in business process improvements; and efforts to think creatively about and to act to diversify the campus resource base.

Integral to success—leadership and diversity

T wo additional factors are critical to the campus's success in realizing the potential that is UC Santa Cruz—leadership and diversity. These are not covered sufficiently in the academic and academic support plans. Both should be, I believe, very much defining characteristics of the UCSC culture.

▶ **Leadership**. Building an excellent university is a dynamic and interactive process that transcends any single planning process. It requires a culture of long-term and strategic thinking, of ongoing planning and assessment, and of building academic program and academic support leadership throughout the campus. Since the majority of planning and decision making will occur in departments and divisions, it is critical that the campus encourages and develops effective leadership at all levels, and that we create a campuswide leadership ethos.

Service is an explicit component of the tripartite mission of the University, and UC Santa Cruz enjoys a distinguished tradition of encouraging service. Leadership, in turn, is a vital form of service. The campus's tradition of developing and supporting leadership, however, has been inadequate. Important leaders have certainly emerged from UC Santa Cruz, but the campus does not yet have a well-developed leadership ethos that permeates the culture of each of its constituencies. Developing such an ethos is a key to the realization of the visions described in the plans. As noted in my March update, the academic plans that stood out were those that have in place now the key faculty leadership that will make those plans succeed.

The campus must cultivate two kinds of leadership. First, the campus must encourage individuals and groups to accomplishments that serve as models that others, both on and outside the campus, will wish to adopt—models of scholarship, of teaching, of effective service, of productive interaction and collaboration, of efficient process, and of effective structural integration and reform. Second, the campus must encourage and develop at all levels an active leadership that involves taking the initiative to engage others in collaborative undertakings that make good things happen.

One point of departure for building campus leadership is at the level of the department and research institute. Vice Provost Brown and I have engaged the deans and the leadership of the Academic Senate in a discussion on how the campus might ensure excellence in leadership at the department chair level through a review of chair responsibilities, authority, accountability, resources, and incentives. This is but a first step. During 2002-03 we will consider specific proposals to invest in and mentor faculty leaders and to create an environment in which they can succeed. Similarly, vice chancellors and other principal officers have been charged with encouraging and rewarding leadership within their divisions.

▶ **Diversity**. Just as building leadership is fundamental to UCSC's future, so is acting successfully on a campus commitment to diversity. The University of California must be accountable to the state it serves. UC Santa Cruz thus seeks a student, faculty, and staff community that encompasses the broad diversity of backgrounds characteristic of the California of today and of the future. As a public institution, we must meet the challenge of serving a state that is growing in ethnic diversity and is struggling with disparities in economic and educational opportunity; and, as a public institution, UC Santa Cruz must provide access to our benefits to all of the citizens of California. Continued academic excellence will require increased attention to issues such as economic opportunity, educational equity, and the social and cultural complexity of our State, nation, and globe to ensure that they are reflected strongly in the University's teaching, its curriculum, and its research.

In my view, not all divisional plans gave sufficient attention to overall diversification strategies, even though there were many good ideas in these that can serve as models. Proposals for faculty appointments in response to the Campus Curriculum Initiative (CCI) have resulted in several first-rate appointments that will help to develop a more socially and culturally responsive curriculum and research agenda, as well as develop and promote programs attractive to first generation college students. Many departments have proposed uses for the Diversity Fund, which was expanded to include broader initiatives beyond outreach.[7]

A number of K-14 educational outreach programs (e.g., MESA, ACCESS, Arts Bridge, as well as the programs offered through the Educational Partnership Center) are designed to ensure that students from all backgrounds are informed about the opportunities and are prepared for study at UC. Divisional programs (e.g., JBSOE's Society of Women Engineers and the Multicultural Engineering Participation Program) promote diversity in education and organize co-curricular support programs and services that further diversity, sustain an academic climate for the advancement and success of our students, and help identify those undergraduates who will become future graduate students.

Several divisions, such as student affairs, have shown leadership and success in hiring and maintaining a diverse workforce. The library sponsors a Diversity Committee that makes recommendations to divisional management on relevant issues including training needs. University Relations plans to increase awareness and support among our elected representatives of the excellent research being conducted by our faculty, including issues related to diverse populations, as a means of affecting public policy issues.

The campus has successful models for achieving its aim of diversity. These and other models need to be considered and used by all. The Equal Employment Opportunity/Affirmative Action Office has developed a Diversity Guide for Employment that includes examples and best practices for faculty and staff diversity initiatives.[8]

Concluding Thoughts

In only 38 years since its founding, UC Santa Cruz already has emerged as one of the nation's leading public research universities. Through demonstrated commitments to excellence in teaching, research and service, the campus has created a proud history and has made a positive difference in thousands of individual lives and for society as a whole. National and international competitive rankings underscore this achievement, by recognizing many specific distinctions, such as exceptional impact of research in the physical sciences (UCSC is the second most influential in the world, as reported by the Institute for Scientific Information); outstanding

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[7] See listing of 2001-02 fund recipients (http://planning.ucsc.edu/plans2001/docs/2001-02diversityfund.htm).
[8] The Guide is available on their website (http://www2.ucsc.edu/eeo-aa/).

quality of social science research (UCSC is first in the nation among public research universities as defined in *The Rise of American Research Universities*, by Graham and Diamond); unusual commitment to undergraduate teaching (by *U.S. News*); and superior graduate programs ranked among the best in the nation (as described by the National Research Council and *U.S. News*).[9] The culmination of our efforts through this planning process provides an institutional framework by which this legacy will continue.

UC Santa Cruz has achieved academic distinction in an expanding range of disciplines, is developing a set of core messages that describes UC Santa Cruz today, and is creating a shared vision for its future. The campus must now communicate its message both to its traditional constituencies and to new constituents located regionally and nationwide. In this way, the campus can clarify historical public perceptions that are either no longer accurate or salient, and can express widely an image that more correctly describes today's campus and its goals—such communications should further enhance the campus's ability to compete for major grants and projects; to recruit and retain outstanding students, faculty, and staff; and to raise funds from private donors in support of its core mission of research, teaching, and public service.

Although much work lies before us, the campus should take this opportunity to celebrate what we have accomplished. I thank all of you who have participated creatively in this process. It was worth the effort.

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[9] See http://urelations.ucsc.edu/info_sheets/new_millennium.12-01.pdf.

Attachment A
ACADEMIC VISION

Context

U nder the terms of the Master Plan for Higher Education, the University of California campuses are the principal State-funded research institutions of California. The research is carried out in conjunction with doctoral students; as a consequence, UC is the exclusive State-funded agency that may grant doctoral degrees. In addition, most UC campuses offer professional degrees at the doctoral and masters levels. Finally, in the tradition of most great research universities, all campuses (with the exception of UC San Francisco) offer a wide range of baccalaureate degrees.

To honor its commitment to access under the State Master Plan and within the context of the current campus Long Range Development Plan, UC Santa Cruz campus is scheduled to grow to a complement of 15,000 on-campus student FTE by about 2005-06 and to 16,900 student FTE[10] by 2010-11, including growth in other than the traditional fall, winter, and spring quarters (e.g., State-supported summer instruction and off-campus programs—such as internships; University of California Washington, D.C.; Center (UC-DC)[11]; Education Abroad Program (EAP)[12]; and programs in Silicon Valley). It is this growth in the size of UC Santa Cruz that occasioned this long-term planning process, and which will fuel the realization of the aspirations contained in the summary plans from the academic and academic support divisions as well as from the campus as a whole.

It is the relationship between enrollment growth and the funding of new faculty positions that enables the development of the campus's academic programs. Over the next decade, as the University of California accommodates California's demand for higher education, over 2,000 new faculty positions will be funded by the State; of this, UC Santa Cruz will receive approximately 276.

Faculty Distribution. In my March 1st update, I provided an overview, highlighted here, of divisional projections of faculty resources at the time the campus enrolls 16,900 students.

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[10] Projected resources associated with 16,900 student FTEs assume that the campus accommodates approximately 1,900 FTE (101 faculty FTE) in other than the traditional fall, winter, and spring terms on campus. Actual student enrollment for the purposes of State funding of faculty positions will be 17,215 FTE because plans assume that once the State funds summer instruction at Santa Cruz, the campus will be provided with "buy out" funding for existing summer enrollment (representing 315 student FTE in the base year of 2000).

[11] For more information about the UC Washington, D.C. Center, see http://www.ucdc.edu/.

[12] For more information about the Education Abroad Program see http://www.uoeap.ucsb.edu/; for the opportunities specific to UC Santa Cruz, see http://www2.ucsc.edu/oie/.

These faculty FTE represent the core resource that deans will use to sustain vitality in existing programs and to support new programs that will be added in the next decade:

	Base Year 2000-01		Projected FTE Resources[13] 2010-11		Division Plans 2010-11
	Size	Faculty[14]	Size	Faculty	Faculty
Arts	12.1 %	71 FTE	**13.0 %**	**94 – 110 FTE**	120 FTE
Humanities	24.9 %	146 FTE	**23.0 %**	**173 – 189 FTE**	190 FTE
Natural Sciences	26.6 %	156 FTE	**24.5 %**	**185 – 201 FTE**	213 FTE
School of Engineering	10.2 %	60 FTE	**14.5 %**	**106 – 122 FTE**	129 FTE
Social Sciences	26.2 %	154 FTE	**25.0 %**	**189 – 216 FTE**	259 FTE
		587 FTE		**797 FTE**	911 FTE
Other FTE uses:					
College-based & other curriculum		14 FTE		15 FTE	
Instructional workload reserve				18 FTE	
Reserve for Academic Senate and other comparable service				6 FTE	
Campus programmatic resource				**41 FTE**	
Total		601 FTE		877 FTE	

The figures shown here indicate the expected size of the divisions in 2010, when the campus has achieved its expected growth to 16,900 undergraduate and graduate student FTE. These are not guarantees: the realization of these faculty positions by the programs within the division will depend upon their success in achieving campus goals. This will be measured annually against agreed-upon accountability measures as part of the annual budget process. There must ultimately be reasonable balance among the disciplines and the divisions as UCSC builds in the present growth environment. It would be a mistake to preferentially favor one division over others in the name of pursuing what today appear to be compelling reasons for that. For example, it would not be beneficial to UCSC's future to put growth exceptionally in one group of areas because today they have access to significant federal funding. Likewise, student curricular demand today should not be the primary goal in allocation of faculty resources, nor should pre-existing graduate programs provide the rationale for funding those units at cost to those without mature graduate programs. The campus's fundamental arrangement of natural and social sciences with the arts, humanities and engineering is the basic model emerging from the plans, and I believe that a balanced representation of these in the campus plan is entirely appropriate.

The number of positions envisioned in the divisional plans exceeds the overall campus expectation of approximately 800 FTE faculty positions, the number that framed the planning process. The allocation of these positions will thus require prioritization among the proposed programs and, over the next couple of years, the campus will need to reconcile the discrepancy between the resource constraints defined by the current enrollment targets and the current and future programmatic aspirations of the faculty. Having said this, the growth proposed in the current divisional plans was constrained from the beginning of this process based on the present enrollment projection of 16,900 undergraduate and graduate student

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[13] Based upon a projected student enrollment of 16,900 FTE by 2010-11.
[14] Divisional FTE counts include the FTE positions associated with temporary academic staffing funding as well as appointments associated with academic administrative positions.

FTE. Divisions were asked what they would plan within this growth limit, rather than what the campus might consider as its appropriate academic plan without primary consideration of this size limitation. Moreover, and not surprisingly, the present divisional plans do not consider the addition of professional schools or many other new programs that might prove to be significant additions to UC Santa Cruz's future.

This projection also includes a "campus programmatic resource" that likely ultimately will be permanently allocated to activities either in the divisional plans now or to be formulated in the future. The funds generated from these permanent additions to the campus budget will be used on a one-time basis for academic or academic support costs associated with growth, such as faculty startup expenses and infrastructure/planning costs. Indeed, they provide flexibility for opportunities and programmatic thrusts presently unanticipated in the divisional plans. This flexibility is absolutely necessary for the campus's future.

The campus's five academic divisions currently offer 52 instructional areas—45 offering one or more degrees at the undergraduate level and 28 offering degrees at the graduate (M.A./M.S./Ph.D.) or certificate levels. A current statement of existing departments and programs is presented below:

UC Santa Cruz Instruction & Research Areas/Programs (2002-03)

Arts

Art	Music
Art History	Theater Arts
Film and Digital Media	

Engineering

Computer Science	Electrical Engineering
Computer Engineering	*Information Systems*
Bioinformatics	*Management*

Natural Sciences

Astronomy/Astrophysics	Molecular, Cellular,
Chemistry/Biochemistry	Developmental Biology
Ecology & Evolution Biology	*Neuroscience & Behavior*
Earth Sciences	Ocean Sciences
Environmental Toxicology	Physics
Mathematics	*Plant Sciences*
Marine Biology	Science Communication
Marine Sciences	

Humanities

American Studies	*Language Studies*
Classical Studies	Linguistics
German Studies	Literature
History of Consciousness	Philosophy
History	*Women's Studies*
Italian Studies	

Social Sciences

Anthropology	Environmental Studies
Applied Economics &	*Global Economics*
Finance	*Latin American & Latino*
Business Management	*Studies*
Economics	*Legal Studies*
Community Studies	Politics
International Economics	Psychology
Education	Sociology
Economics	

Programs listed in italics are undergraduate only

Observations on the divisional comprehensive plans

The vision of each individual academic division is detailed in their written comprehensive plans. Each division draws upon their present strengths as well as the special qualities and traditions of the campus, and their plans are an excellent summary of the present status of the division, as well as its future aspirations. They

each are worth a thoughtful reading by all interested in the future of UC Santa Cruz. As State and various forms of extramural funding become available, and as plans are reevaluated in the context of program leadership and readiness for further investment,[15] strengths and opportunities, as well as external constraints, I expect divisional leadership to establish priorities and to set the pace of development for new programs and for the expansion of existing programs. In my view, most of the important academic program work of the campus occurs at the divisional and departmental levels.

While the plans have been largely derived from the academic divisions, because this is the fundamental overarching administrative organizational characteristic of this campus, it must be stated that the divisions and the departments that constitute them are, in today's academic world, flexible, somewhat arbitrary, and ultimately limiting. Novel combinations between traditionally disparate disciplines—such as the arts with engineering, humanities with sciences—are featured in all of the present divisional plans, and these should be actively pursued. The central and divisional administrations must support programmatic initiatives that span faculty and departments located within one or more of the present divisions, as UCSC has defined them. Considerable care also must be taken to integrate similar programmatic directions from units that happen to be located in different divisions. The campus cannot afford duplication of effort. Moreover, the present set of divisions—arts, humanities, social sciences, natural sciences, and engineering—are not an exhaustive list and UCSC should continuously and advertently consider new combinations of the pieces within them, as well as the possibility of new disciplines, departments, schools and/or divisions. While considerable good has come from the UCSC divisional organization, there also is the potential for much to be lost if the divisions act as barriers to cross-divisional interactions. This interdisciplinary collaboration has tremendous promise and represents the future of many areas of academic inquiry.

All of the divisional plans show considerable engagement in three critical areas for UCSC's future: strength and growth in graduate education; excellence and growth in undergraduate education; and a strong research agenda. These are, indeed, the three areas by which campus academic success traditionally has been measured, and they are specifically discussed in the first section of this document.

For the future, though, and relevant to UCSC's next decade, divisions were asked to consider their roles through the coming State-supported summer instruction and through the Silicon Valley Center and other off-campus programs such as internships, UC-DC, and EAP. The divisional plans showed varying degrees of engagement and consideration of these alternate instructional venues. Because a substantial portion of the campus growth over the next decade will be funded from enrollments in these areas, it is necessary that all divisions participate actively. I look for more development of proposals from the divisions for their roles in these instructional venues.

Following are comments on the divisional academic plans. They are not meant to be exhaustive, nor do they convey approval of aspects of those plans. Rather, they summarize for each division's plan those aspects that appear to be particularly excellent at the present time, and they provide a context for further refinement and development of the campus academic enterprise.

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[15] See the March 1st update (pages 6-7) for the characteristics of academic programs that are ready for further investment by the dean or Campus Provost/Executive Vice Chancellor.

▶ **Arts**. The arts division plan focuses on the maturation and distinction of existing programs, the diversification of faculty, the globalization of the curriculum, and the establishment of a substantial array of graduate programs. It also proposes significant participation in instruction during the summer and at the Silicon Valley Center as fully integrated modes of its activities. These all are excellent directions and can serve as a model campuswide.

The arts plan describes the ways that its programs will respond to the opportunities of new technologies and to the challenges of the expansion of their capital facilities. The nascent interdisciplinary Digital Arts/New Media (DA/NM) M.F.A. program, with links to the school of engineering, could ultimately become one of UCSC's signature graduate programs and draw significant interest not only in the traditional fall-winter-spring terms but during the summer and at the Silicon Valley Center. New departmentally based graduate programs in Film and Digital Media (M.F.A. and Ph.D.) and Music (D.M.A.) are under review. Faculty research linkages with the multi-campus research unit, UC Digital Arts Research Network (UCDARNet), promise student access to collaborative research and teaching within a Universitywide distributed digital arts and humanities community.

The arts plan projects the development of an additional set of new graduate programs beyond those mentioned above. Each department will have a graduate program, and there also is discussion of an interdisciplinary program(s). These are not now ready for implementation, and will require significant faculty leadership—either developed within the division and/or through future faculty hires—and commitment, as well as careful planning and a solid resource plan if they are to succeed. The beginning elements of this are already evident in the division's plan.

At the undergraduate level, strategies include service to the campus through general education programs, curricular plans that integrate scholarship and practice and ensure that students master the digital technologies that now permeate all of the arts disciplines, and continuing successful efforts to diversify the curriculum. The undergraduate arts pathway towards a California teaching credential is noteworthy for meeting critical State needs and for identifying a strong career path for majors. The division has plans for its undergraduate programs for leveraging the anticipated State investment in summer instruction as well as the opportunities at the campus's Silicon Valley Center; and has active experiments underway in distance- and web-based instruction. Furthermore, there is a good understanding of the necessity of private support for realization of the division's aspirations, and there are clear goals (and accountability) for this.

The complete arts division plan can be viewed at

http://planning.ucsc.edu/plans2001/Final/Arts.pdf

▶ **Engineering**. The Jack Baskin School of Engineering (JBSOE) has had a remarkable start since its founding in 1997. Its recent beginning gives it significant advantages over older, established schools of engineering elsewhere because it can develop research programs and curricula very much for the future of engineering, without the historical legacy that others must deal with.

The School has developed an excellent plan that seeks to strengthen its existing core programs, and that builds new academic programs around nationally recognized centers of excellence/research institutes within the three interconnecting areas of information technology, biotechnology and nanotechnology. The first two build on existing campus strengths that, while primarily in the School, involve faculty from other areas of the campus. The third is a conceptually important effort that still is in its beginning stages. In these directions, the School will pursue opportunities with other parts of the academic

community at UC Santa Cruz as well as with other UC campuses and industry. These are all appropriate and prescient strategies.

The School's strategic commitment to building bridges is sound. Proposals for joint undergraduate and graduate degree programs with departments in the natural sciences, social sciences, humanities, and arts should be pursued. Two examples of this stand out in the plan, and I am looking forward particularly to a maturing proposal for the program in Information Systems and Technology Management (ISTM) in collaboration with economics and psychology, and to the Digital Art/New Media program in collaboration with the arts. I also anticipate expansion of the research work fostered in the Center for Biomolecular Science and Engineering with faculty in the natural sciences, and to instructional and research collaboration between the faculty in Applied Mathematics and Statistics with colleagues elsewhere on campus.

The School's participation in the Governor's Institutes for Science and Innovation[16] through QB3 and CITRIS[17] is valuable as a research enterprise that takes advantage of the School's faculty research expertise in combination with that of other UC campuses. These efforts to leverage UC Santa Cruz faculty interests with others in higher education and in industry are a model that should be pursued widely at UC Santa Cruz. In recognition of the opportunities afforded by both distance learning and the resources that will be generated via State-supported summer instruction, the School has also developed a pragmatic approach that anticipates opportunities at the Silicon Valley Center—including the campus's first self-supporting professional graduate program.

The campus has invested heavily in the School. Still, resources remain one of the biggest challenges that it faces. Full achievement of the School's plan will require substantial support from sources beyond that provided from enrollment-driven funds. The division does benefit by being strategically poised to raise significant extramural funds for research support, for graduate support, for student internships, and potentially as a means to support a significant number of colleagues (i.e., industry adjuncts, professional researchers, and support staff). It also must pursue aggressively opportunities to generate revenue through intellectual property management. The newness of engineering programs (e.g., resulting in a lack of turnover savings) and the high startup costs associated with faculty hires will require campus support beyond that afforded by the budgetary policies under which the other more established academic divisions operate.

The complete Jack Baskin School of Engineering plan can be viewed at

http://planning.ucsc.edu/plans2001/Final/Engineering.pdf

▶ **Humanities**. The humanities division plan articulates a number of important goals, including building the division's share of campus enrollments to 24 percent by 2011-12. This is an antecedent for many of the divisional aspirations. The plan proposes to ensure the strength of its three fundamental disciplines, or pillars—philosophy, literature, and history—as the necessary foundation for further program development. The Institute for Humanities Research will play a leading role in refocusing aspects of the curriculum

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[16] See http://www.ucop.edu/california-institutes/ for more detail.
[17] UC Santa Cruz is a partner in the California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3) and the Center for Information Technology Research in the Interest of Society (CITRIS)—two of the four California Institutes for Science and Innovation.

and research. The plan also proposes to double the number of graduate students while increasing the numbers of undergraduate majors. All are worthy goals.

Notable is the strategy to leverage the core disciplines of philosophy, literature, and history to pursue a variety of new interdisciplinary themes and programs of potential national distinction, to be focused around research institutes. These will be formed by faculty within the division and, as appropriate, in combination with others. Examples include the Masters of Public Humanities, and two pan-humanities degrees—Bachelor and Masters of Liberal Arts (and sciences), along with a number of smaller programs in area and cultural studies. Also noteworthy is the proposal for a new extramurally supported Institute for Advanced Feminist Studies, designed to bring together research within the academy about feminism and the efforts of feminist movement in the society at large. This builds on significant campus strengths and traditions, and may act as the catalyst for the M.A. and Ph.D. in Women's Studies, perhaps organized as a graduate group. Ultimately, the realization of these and other proposed programs that build upon strength in the core disciplines will require sustained faculty commitment, careful phasing of faculty hires, and a solid overall resource strategy. The division and its faculty will be required to make difficult priority decisions about which of these programs to implement and when to implement them. I do, though, want to encourage this conceptual thinking of new programs at the interfaces between traditional disciplines, and I expect that the device of graduate groups will prove valuable in those efforts that come to fruition.

Despite a number of innovative ideas in the plan, the division faces a number of significant challenges. The divisional plan calls for fundamental change—characterized in some cases by continuity and in others by rupture, for innovation and multidisciplinary approaches, for changes in graduate and undergraduate enrollments, and for the development of alternative sources of external support as well as significant internal reallocation. The plan, to its credit, builds on noteworthy and longstanding divisional strengths that will enable it to help define the future of the humanities at UC Santa Cruz. Such a renovated architecture of the humanities division will require sustained faculty conversation, consensus and ultimately, leadership. The plan to double the number of graduate students in the face of its present diminished overall enrollments will require considerable care to achieve.

The humanities division traditionally has had significant success in delivery of much of the core of the common basic education for all UCSC undergraduates, especially in writing and in the languages. I anticipate that the humanities division will continue to oversee these vital aspects of undergraduate education, although with an eye toward appropriate pedagogical models and instructional outcomes. These activities of the humanities can contribute in significant ways to increasing its undergraduate enrollments.

I look forward to reviewing the evolving divisional strategies for strengthening its pillars, building new interdisciplinary programs from them, addressing its enrollment issues, building its graduate programs, and understanding its priorities for reallocating its resource base and for phasing in proposed programs over the next decade—including a better understanding of the specific issues raised in my March 1st update.

The complete humanities division plan can be viewed at

http://planning.ucsc.edu/plans2001/Final/Humanities.pdf

▶ **Natural Sciences**. The natural sciences divisional plan is comprehensive, identifies external opportunities and exigencies, and shows the clear involvement of faculty in the long-range visioning and planning process. It identifies program development clustering

in the three themes of global and environmental processes, health and biomedical sciences, and technology. Nearly all present programs have a national reputation for excellence or have a clear plan for achieving such recognition, and the faculty have a successful history in forming profitable research associations with others, such as with UCO-Lick Observatory, the Institute for Marine Sciences, the Santa Cruz Institute for Particle Physics, and the Institute for Geophysics and Planetary Physics. Interdisciplinary research and program initiatives, examples of which are the STEPS program and the Center for Biomolecular Sciences and Engineering, should be pursued with vigor. Furthermore, in many cases, departments have been careful to identify the research niches in which they can achieve national prominence, balancing this with the need to provide the breadth and depth required for the majors offered at UC Santa Cruz.

The division and departments should continue to develop solid plans to integrate fully off-campus and State-supported summer instruction into their overall curriculum plans in order to justify a share of the anticipated new campus resources, which ultimately will come as enrollment growth as much in the traditional fall-winter-spring mode as in other models, such as summer. I also expect that the developing programs will take advantage of interdisciplinary ties with units from the other academic divisions. Indeed, two of the major challenges faced by the division presently are to develop an enrollment strategy that will justify sufficient faculty FTE to bring each of its departments and proposed programmatic emphases to critical mass, and to identify new sources of extramural support to realize the departmental graduate enrollment targets and research agendas. I fully anticipate the realization of increased extramural research support and enhanced private support from the division.

Similarly, the division will make strategic hires and is working with the Vice Chancellor for Research to position itself to continue to compete successfully for large multi-disciplinary grants that involve faculty from two or more disciplines, which may be from two or more divisions. The natural sciences, like engineering, will benefit from revenue generated from management of intellectual property. The division also has a number of opportunities to leverage toward the realization of its plans the resources afforded by its current (and future) research partnerships (e.g., CITRIS and QB3) and industry affiliations. This strategy, for example, offers a number of possibilities for the development of the division's biomedical science programs.

Because UCSC will not have the size as a campus, nor will the natural sciences units, as programs of other, older, and established disciplinary programs located elsewhere, it is necessary for UCSC's programs to continue to identify clearly the particular strengths and opportunities they have and to pursue those, rather than pursuing a course of covering all of the breadth of inquiry that exists today in the basic disciplines in the physical and biological sciences. This means that UCSC's programs must leverage their selective advantages in collaboration with others on, as well as off campus, and pursue excellence in its programs through innovation with an eye toward future trends in the sciences. Yet this pursuit of new definitions and innovation must be done with a commitment to maintaining the considerable strength and success that exists in many of its present programs, such as, for example, the notable success of UCSC's physical sciences as measured by citation frequency per faculty member. The division's plans for programmatic vision organized around the three themes of the environment, the health sciences, and instrumentation and technology thus should be pursued both as innovation and as a means of strengthening present programs. This balance must be achieved. The foregoing discussion, with appropriate changes in specifics, could well apply to all of the divisions.

The complete natural sciences division plan can be viewed at

▶ **Social Sciences**. The social sciences division plan articulates four vectors of scholarship that traverse and link the faculty: diversity and social justice; public education; globalization; and environmental science and policy. These foci integrate programmatic research agendas and the emphases of its instructional programs. They expand on fundamental faculty strengths, respond to societal needs, and offer great potential for cross-divisional collaboration. This interdisciplinary scholarship and instruction will be facilitated by the division's research centers, including: the new Center for Conservation Science and Policy; the Center for Global, International, and Regional Studies; the Center for Justice, Tolerance, and Community; the Chicano/Latino Research Center; the Center for Research on Educational Diversity and Excellence; the Santa Cruz Center for International Economics; and the Center for Agroecology and Sustainable Food Systems. I look forward to continued development in disciplinary and interdisciplinary academic programs built upon these research centers.

The division has a number of strong programs, as evidenced by national ratings of its departments and the success of creative programs, such as education, in addressing critical State needs. As outlined in my March 1st update, the division also faces a number of significant challenges with respect to its instructional programs—enrollment management, the need for substantial increases in resources, including graduate student support—and the specifics of how to fully integrate off-campus and State-supported summer instruction into the overall curriculum. The latter is of particular concern because much of the new resources anticipated by the division will be justified on the basis of growth in other than the traditional fall, winter, and spring quarters. The division must continue its recent successes in securing extramural funding for research support, particularly of graduate students, and private support. It also must develop strategies for supporting existing and successful degree programs, particularly graduate programs, balancing this with developing new programs.

I look forward to effective plans from the division that articulate enrollment management strategies, that will benefit from faculty collaboration with their counterparts in the other campus divisions, that take advantage of the opportunities afforded by State-supported summer instruction, and that build a comprehensive resource plan that looks beyond State support and that enhances its success in fundraising and in extramural research support. I am encouraged by the division's efforts to realign its existing resource base to address some of the issues identified in its plan.

The complete social sciences division plan can be viewed at

Overarching academic program issues

T hree key academic areas—identifying and building academic programs for the future, nontraditional academic programming, and strategic enrollment management—transcend divisional academic planning and will shape significantly the future of the UC Santa Cruz. Strategic attention to these issues by the campus

is necessary at this time. The Campus Provost/Executive Vice Chancellor's Office, the Academic Senate, and the academic divisions must jointly engage their consideration.

► **Identifying and building academic programs for the future**. The divisional plans articulate the pathway to the academic programs that will be seen as the campus's signature programs in 2010 and beyond. These efforts are for developing new programs as well as strengthening existing programs. Both are appropriate endeavors as manifestations of campus growth. As noted in the March 1st update, clear and sustained academic leadership at the departmental and research institute level will be a key factor in building these programs. A third component of the academic future are the programs that will form the foundations of new divisions or professional schools. Individual faculty and the Senate have noted a number of overarching interdisciplinary themes in the divisional plans, including visual culture and media studies,[18] public policy and management,[19] and medicine and health sciences.[20] Identifying and pursuing such programs will result from collaboration between the deans, the Senate, and the administration.

o *Strengthening the leadership roles of academic department chairs*. The campus needs to build leadership at all levels. Accordingly, my office will take a lead role in pursuing (and coordinating campuswide) a comprehensive leadership agenda. Of particular importance to the development of excellent academic departments is an investment in faculty who are capable of excellent leadership as department chairs and in other campus service roles. Chairing is an honor and must involve the authority to make decisions in important matters and must offer the opportunity for creativity. To achieve this, my office will work with the academic deans to rethink the responsibility, authority, accountability, resources, and incentives associated with the role of academic department chair.

o *Professional school(s)*. While included in resource planning (i.e., a campus programmatic resource of up to 41 FTE could be allocated in support of the campus's next professional school), it is unlikely that the campus would receive approval for a new professional school until the latter half of the decade. Nonetheless, just as planning for the School of Engineering began well over a decade before its inception, planning for potential future professional schools needs to start now. In particular, it is appropriate that the campus pursue an examination of regional and State needs, an exploration of the possibilities for UC Santa Cruz professional schools, and the development of a timetable/course of action commence during 2002-03. In this way, strategic faculty hires, in anticipation of the campus's next professional school(s), can be made as the opportunities arise.

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[18] These new approaches to communication are a part of the social documentation masters, but the theme runs throughout programs in the arts, social sciences, and the school of engineering.
[19] The humanities, social sciences, natural sciences, and the school of engineering are building programs such as *Science, Technology, Engineering, Policy and Society* (STEPS), *Information Systems and Technical Management* (ISTM), public humanities, and social policy and public advocacy. In addition, the existing business management economics program and the Technology Enterprise Center (TEC) proposed by the Vice Chancellor—Research (to manage the campus' intellectual property as well as to create new entrepreneurial enterprises) has applicability to management and commerce.
[20] The humanities, social sciences, and natural sciences have proposed various undergraduate programs to prepare students for professional health fields. In addition, natural sciences is considering a graduate program in biomedical sciences. These build upon the bioinformatics and biomolecular engineering programs in the school of engineering.

- o *Interdisciplinary programs; graduate/undergraduate groups*. As noted earlier, the campus will move to establish policies for formation of interdisciplinary graduate and undergraduate groups. These will be degree-granting organizations of faculty who are assembled by combinations representing two or more departments, and possibly two or more of the academic divisions. The campus now has established one such interdisciplinary degree-granting group in the master's level program in Marine Sciences, and the masters program in Digital Arts/New Media is completing the UC approval process and will be implemented soon. I anticipate that other programs may well follow these examples.

▶ **Nontraditional academic programming**. The campus is changing its mode of delivery of and venues for instruction, and the ways it does its research. These alternate modes may be considered "nontraditional" now, but they will in the near future become commonplace. Increasingly, instruction is delivered through programs that move students to locations other than the lecture theater or laboratory during the traditional academic year. Likewise, research collaborations now commonly go beyond the individual scholar to collaborations across disciplinary or geographical separations. UCSC, like the other campuses of UC, also has considerably expanded its role in service, particularly in outreach to the State's K-12 educational system. As the campus grows from a 2001-02 budgeted enrollment of 12,500 student FTE to an enrollment of 16,900[21] student FTE in 2010-11, nearly half of our new resources will be generated through enrollments in other than the traditional fall, winter, and spring terms. These will come in State-supported summer instruction or in off-campus programs such as internships, UC-DC, EAP, and programs in Silicon Valley. Any one of these strategies will contribute only partially to the overall enrollment targets for the campus. In the aggregate, however, they will become a greater part of the institution's academic landscape.

- o *State-supported summer instruction*. A key characteristic of the academic future is State-supported summer instruction that is seamless with traditional fall-winter-spring instruction. Although near-term State support is uncertain due to the State's budget shortfalls, funding for State-supported summer at UC Santa Cruz will be requested for summer 2003. Summer Session will help lead the transition from a self-supporting to a State-supported summer quarter and will then focus on developing special summer programs of interest to a broader audience; offering classes for entering freshmen, transfer, and graduate students; offering UC Santa Cruz summer classes in Silicon Valley; and generally increasing the number of classes of interest to non-UC matriculated students. Accordingly, the Dean—University Extension and Summer Session is working closely with deans to define a summer program consistent with the principles and objectives set by the State and the University.

- o *Off-campus instruction*. The campus has had considerable success in its delivery of instruction off campus. The use of the UC-DC facility has grown, and student participation in EAP has increased. UCSC has always had a relatively high participation in individual student internships, particularly as these are integral to the curriculum in some programs. There are, on average, more than 500 FTE students during any quarter who are not resident on campus during the traditional academic year. All of these are means by which the student's educational experience is

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[21] Actual student enrollment for the purposes of State funding of faculty positions will be 17,215 FTE because plans assume that once the State funds summer instruction at Santa Cruz, the campus will be provided with "buy out" funding for existing summer enrollment (representing 315 student FTE in the base year of 2000).

significantly enhanced, and the campus will continue to increase and to support these forms of off-campus and individual instruction.

o *University Extension*. Continuing its commitment to the highest quality programs, University Extension will focus on improving quality, efficiency, and financial sustainability and on increasing UNEX/campus collaborations. Near-term investments will serve to emphasize programs that carry academic credit and that serve the professional development needs of the region's workforce, including campus employees.

▶ **Strategic enrollment management**. UC Santa Cruz has a fundamental and ongoing problem in matching student demand with the various academic programs it offers. The Vice Provost—Academic Affairs and the Academic Planning Committee (APC), Vice Chancellor—Student Affairs and the Academic Support Planning Committee (ASPC), and Vice Provost/Dean of Undergraduate Education have, in consultation with the Academic Senate, accelerated planning efforts to implement campuswide enrollment strategies to enable each academic division to achieve the goals of their academic plans while contributing to the campus's enrollment goals. The complexity of this challenge will be compounded as the campus moves toward its goal that graduate enrollments eventually reach fifteen percent of total student FTE. The near-term outcomes associated with these efforts include:

o *Matching student interest with academic program offerings*. Student interest in various parts of our course and major offerings varies in time. This is not unique to UC Santa Cruz; rather, it appears to be true of most university curricula at most times. Presently, there is considerable interest in several major areas, such as the arts, the social sciences, and engineering, and relatively less enrollment pressure in the natural sciences and in the humanities. In collaboration with the academic divisions, the Vice Provost/Dean of Undergraduate Education, and the colleges, a number of efforts are underway to provide undergraduate students with guidance and to inform them of opportunities in the selection of specific majors as well as individual courses. These efforts must pertain to the admission of new and transfer students as well as to the selection of curricula by students already here. The campus must actively manage student distribution within its general education, elective, and major curricula.

o *Increasing selectivity within the UC admissions context*. Strategies and mechanisms will be identified to increase selectivity within the UC context, to influence the disciplinary balance of students admitted to the campus, and to enhance student retention while achieving the enrollment targets defined for the decade through 2010-11. Enrollments will require selective admissions to UCSC within several years, and the Academic Senate is working on defining appropriate local policies and procedures for this.

o *Targeting our message*. Closely related to these specific enrollment management actions is progress on a comprehensive effort to communicate more effectively with our constituencies. In part this now requires what often is described as enhancing our "web presence". With advice from APC, ASPC, and the ITC, this effort is designed to assist academic and academic support departments as they design, develop, and maintain comprehensive web-based information about their curriculum or services that is responsive to the needs of current and prospective students, to the parents and families of those students, and to the campus's other constituencies.

o *Graduate student proportional growth*. Achieving a target of 15% graduate students will take considerable time and care, in part because it will require absolute commitment to graduate programmatic excellence. Overall campus student numbers

may well reach 16,900 student FTE before the proportion of graduate students reaches fifteen percent. Thus, the campus may have to rebalance the graduate/undergraduate proportions after the enrollment target of 16,900 student FTE is reached. This necessitates careful campus planning, which must be revisited annually in light of the graduate growth target.

o *Alternative modes and venues for instruction*. This theme, treated above, is crucial for enrollment of the 2010-11 growth target of 16,900 FTE students. The campus must act to utilize more its formal off-campus opportunities (UC-DC, EAP, internships, and individual study) and develop ways to provide instruction at off-campus sites such as the developing Silicon Valley Center; and to exploit, where appropriate, technology for delivery of instruction off-campus.

Priorities and responsibilities

As outlined in the March 1st update, the faculty, their departments, and the academic deans have primary leadership responsibility for the development of academic and research programs.

The following table provides a brief review of a number of actions by campus leadership that need to be given priority attention in building UC Santa Cruz's academic future.

Responsible Individual(s)	Actions
o Deans and faculty, with the coordinating assistance of the vice provosts and the Vice Chancellor—Research	o Build core academic programs and research institutes that will attract quality faculty appointments and will serve new graduate and undergraduate populations. o Strengthen the leadership roles of academic department chairs. o Create an environment that ensures the success of new as well as continuing faculty.
o Campus Provost/Executive Vice Chancellor in collaboration with the Academic Senate	o Explore the possibilities for UC Santa Cruz professional schools.
o Dean—Graduate Studies	o Develop services that will support graduate education and growth, including the Graduate College and a comprehensive strategy to improve graduate financial support.
o Dean—Extension and Summer Session in collaboration with the Vice Provost—Academic Affairs, the academic deans, faculty, and the Academic Senate	o Define a summer program (enrolling up to 1,900 student FTE) that builds upon the strengths and opportunities at Santa Cruz and is consistent with the principles and objectives set by the State and University.
o The Academic Senate in collaboration with the Vice Provost/Dean—Undergraduate Education and Vice Chancellor—Student Affairs	o Enrollment management—define and implement selectivity within the UC admissions context.
o Divisional deans, VP/DUE, VP—AA, VC—SA, in collaboration with the Academic Senate	o Enrollment management—develop and implement strategies to match student interest with academic program offerings.

Next steps

A s with any long-term planning process, there will be unforeseen difficulties in implementing plans, and opportunities will occur that are unanticipated in the plans. There may be temporary reductions in the flow of State funds, or critical path items that do not converge as planned, or one-time opportunities that emerge quickly and then dissipate, or significant external considerations that change. To be sustained, the plans must be adaptable and I am thus depending upon principal officers to take the initiative to lead the development of their divisions, consistent within the context of an overall set of institutional values, priorities and goals. This includes the creative development of new partnerships, both internal and external to the campus, and the identification of new external resources to realize those elements of their plans that are beyond the scope of anticipated State resources.

Even with the unforeseen challenges in budget and other issues, it is vital that the campus maintain a forward-looking posture. The plans submitted by the divisions are all ambitious, well considered, and very much oriented to the future. As such, they will provide a template to position UCSC's academic and academic support enterprises to take advantage of the future. All who participated in these planning exercises are to be congratulated on their fine work.

The focus now must be on addressing the goals of the campus. Every member of the campus has a role and every role is critical to our success. By the very nature of higher education, the quality of the faculty, and the programs they develop, are central to our objectives and meeting our mission. Equally important are those who make it possible. Think for a moment what it takes to place a faculty member in the classroom or to support their scholarship. From the construction of the building, to the departmental support, to the recruitment of students, everyone has to be engaged and everyone is valued.

Attachment B
RESOURCE STRATEGY

This section outlines how UC is funded, projects resources the campus anticipates from both State and extramural sources, and outlines a long-term resource strategy. It also articulates a number of resource management principles and sets out an allocation strategy that supports the campus's academic as well as the academic support objectives necessitated by those plans.

The challenge is to balance strategic investments for accommodating increasing student enrollments, strengthening existing programs, building new programs, and updating critical infrastructure components. This occurs now in the context of an uncertain State fiscal climate in which legislators are struggling to address a shortfall of almost $24 billion in California's budget. It thus requires maximum creativity, cooperation, and understanding by all involved.

The goal is to have in a place a comprehensive resource plan that incorporates strategies for optimizing the use of enrollment-generated resources, generates new resources, and reallocates funds internally to support the campus's highest priorities, all while providing some degree of predictability for academic and academic support divisions.

Context

Since the adoption in 1960 of the Master Plan for Higher Education in California, the University has had a relatively secure financial base in the California State budget. Today approximately 44% of the campus's budget—and indeed a much larger percentage of the core academic budget—is supported by State funds. Although State support for UC is not mandated by either constitution or statute, and thus is discretionary, the State has over the years sought to maintain the quality of its premier university system by continuing its investment in the university's core missions of teaching, research and public service.

Even though State funds represent less than half of the campus's resource base, the annual incremental increases in support from the State are critical to the campus and it is important to do everything possible to leverage that investment. In this context, it is important that each unit routinely examine its resource base, consider realistically the level of new resources it can anticipate from other external sources, and develop a resource strategy for its planned programs that reflects all of these sources of support.

The State, through the Office of the President (OP), provides campuses with new funding to adjust salaries (range adjustments, merits) for its faculty and staff, and block funding to support enrollment growth based on approved budgeted enrollment targets. In good

budgetary years, other funding may be provided for special initiatives proposed either by OP or by the State, or for targeted activities such as maintenance of instructional equipment. In less favorable years, funding for targeted activities may be reduced or eliminated, or the university may receive undesignated cuts.

This limited new funding is generated primarily from enrollment growth, and is expected to address a wide array of costs, including: new faculty; teaching assistants; instructional and research support; academic support; administrative support; library circulation and materials; student services; information technology needs; and other basic infrastructure. The potential costs in these budget areas, some of which are one-time in nature, exceed the new enrollment-driven resources the campus receives in any given year. The challenge facing the campus is two-fold: We must first adopt strategies to optimize fiscal flexibility and the flow of funding to the campus. Then, these resources must be managed in a manner that optimizes their effectiveness in advancing campus goals. The campus's task is made more difficult at this time by the fact that the State now is facing significant fiscal difficulties at the same time that the campus is planning and implementing programmatic growth and attempting to address many necessary infrastructure needs.

Starting with the resources available in the campus's base budget, and taking into consideration present obligations for capital and infrastructure, this plan identifies potential new revenue that will derive from increased enrollment, contract and grant activity, as well as gifts and other private sources, and it outlines some of the principles and formulas that are proposed to guide the distribution of those resources. As the campus seeks to provide the infrastructure needed by faculty, students and staff, many options, including new revenue sources, internal reallocation, and cost containment, will be explored. The campus's success will depend ultimately upon careful and strategic use of present and new resources, and the understanding that new resources must go considerably beyond dependence upon State enrollment funding.

The following is a brief summary of the many infrastructure investments and major expenditures the campus needs to fund now and over the next several years.

Summary of Campus Infrastructure Needs over the Next Decade[†]
($Millions)

	Estimated Annual Cost Ranges	2011 Projected Ongoing Cost
Address Campus Capital Needs (e.g., purchase or lease off-campus space, development of capital projects, loan payments on capital projects, one-time capital expenses for moving, and affordable housing projects).	$1.99 - $5.4	$3.9
Administrative Support Infrastructure (e.g., an academic information system, and new business architecture.)	$4.4 - $8.4	$3.4
Information Technology Infrastructure (e.g., campus wiring upgrade and other IT infrastructure/systems.)	$1.4 - TBD	TBD
Other Infrastructure (e.g., campus mitigation measures, physical planning studies, and physical infrastructure projects)	TBD	TBD
Unbudgeted Liabilities (e.g., utilities shortfall, workers' compensation insurance)	$1.55 - $2.55	TBD
Academic Support Needs (e.g., faculty start-up, support for Graduate College, graduate student support, and undergraduate student advising and co-curricular activities.)	$2.3 - $23.6	$22.9
Estimated Resource Needs		**$30.4**

[†]*Potential funding sources for these items include, but are not limited to: new enrollment-driven funds; targeted state funds; gifts and extramural awards; indirect cost receipts; and student fees.*

Resource management principles

B udget policy to a large extent determines financial behavior. It thus is appropriate to specify the major principles and general policy that will frame future campus resource decisions.

▶ **Academic priorities guide resource decisions**. The academic program structure of UCSC is its identity. Resource planning and allocation thus, must further the twin agendas of enhancing programmatic quality and promoting innovation while maintaining balance among all campus units.

▶ **Measurable outcomes consistent with agreed-upon goals will be factored into resource allocations**. While resources are intended to be predictable, they are not an

entitlement. The annual budget review will incorporate accountability and progress toward major campus goals as elements of the process.

▶ **Academic support services will be aligned with academic goals and optimized for cost-effectiveness**.

▶ **Resource allocation processes will be balanced and transparent**.

▶ **To promote maximum predictability and flexibility, resource plans should be multi-year**. Although allocations will be made to divisions on an annual basis, the goal is to produce multi-year plans to provide the predictability and flexibility needed to plan and manage the programs for which they are responsible.

▶ **Resource policies will encourage the creation of new revenue sources and the strategic use of existing resources,** consistent with State and/or UCOP requirements or intentions.

▶ **Campuswide, divisional, and departmental resource strategies will reserve flexibility to make one-time investments to address infrastructure needs**. In the short term the campus will balance permanent divisional commitments with the need to preserve resources for one-time purposes to address campuswide infrastructure that provides the foundation for future growth. This principle is expected to be in place at all levels.
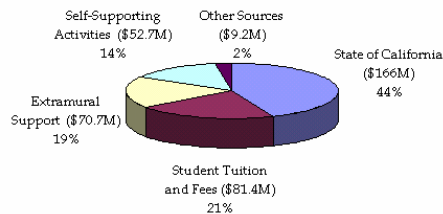
The campus resource strategy must take an all funds perspective and encourage reallocation and opportunities to leverage each investment should be considered. This may require the reallocation of existing resources within a unit's base as campus and divisional priorities evolve.
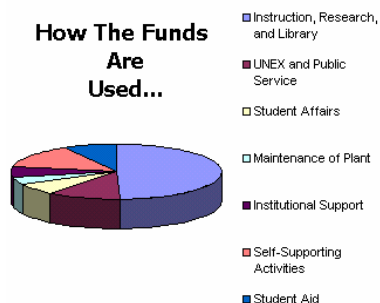
The UC Santa Cruz base budget

U CSC's budget is derived from many different funding sources. The main sources of funding are State funds, student tuition and fees, self-supporting activities such as housing or the bookstore, extramural support (such as gifts, grants, and contracts), and indirect cost receipts. The estimated revenue from these sources is approximately $380 million in 2001-02.

UCSC's funds flow into seven principal program areas. Roughly half of UCSC's budget supports instruction, research, and the library. The other half provides student aid; services to students; funding to heat, clean, and maintain campus buildings and grounds; funding for institutional support activities; and revenue for activities that are self supporting. As the largest employer in Santa Cruz County, a significant part of the campus's budget is devoted to salaries.

Where The Funds Come From...

Self-Supporting Activities ($52.7M) 14%
Other Sources ($9.2M) 2%
State of California ($166M) 44%
Extramural Support ($70.7M) 19%
Student Tuition and Fees ($81.4M) 21%

How The Funds Are Used...

- Instruction, Research, and Library
- UNEX and Public Service
- Student Affairs
- Maintenance of Plant
- Institutional Support
- Self-Supporting Activities
- Student Aid

The Primary Expense Categories…
(in millions)

Academic Salaries	$64.3
(Faculty, Teaching Assistants, and Librarians)	
Staff Salaries and General Assistance	$103.0
Employee Benefits	$29.9
Supplies	$129.3
Special Outlays	$86.7
(Financial Aid, Library Books, Utilities,	
Extramural Research)	
Less: Recharges	-$33.2
	$380.0

2001-02 Budgets of the Academic Divisions
(as of July 1, 2001)

	Fac. FTE	Staff FTE	July 1, 2001 Base Budget*	Estimated Extramural Support**
Arts	80	52	$8,944,000	$385,000
Engineering	66	38	$8,867,000	$3,399,000
Humanities	150	48	$14,752,000	$453,000
Natural Sciences	162	159	$24,887,000	$25,998,000
Social Sciences	168	78	$19,257,000	$9,749,000
			$76,707,000	**$39,984,000**

*Core funding for instruction and research programs.

**Estimated restricted funding for uses prescribed by the donor or granting agency.

Allocations and expenditures in recent years

The campus has received significant new State funds over the past three years for enrollment growth and for targeted initiatives, such as the School of Engineering, instructional equipment, libraries, instructional technology, and outreach efforts, including the UC College Prep Initiative. This funding has been distributed during the budget process to address workload in academic and academic support areas. It has also been deployed for specific projects and programs which the campus, in consultation with the Academic Senate and the campus's advisory committees, has decided to support.

Three Year Summary of Permanent Allocations for Workload and Initiatives
1999-00 through 2001-02
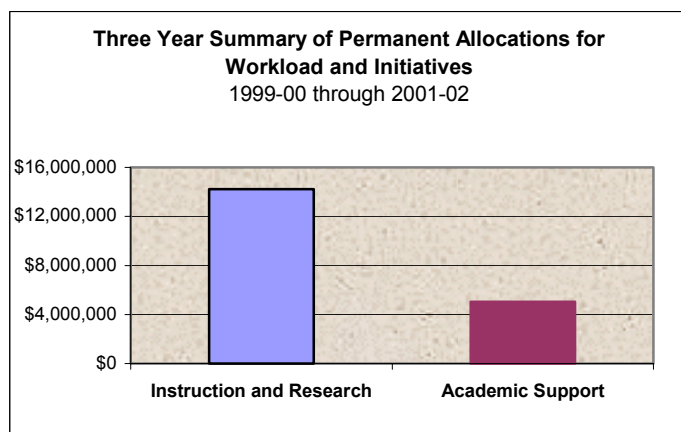
Such investments have resulted in the hire of 136 new faculty since 1997-98, and the recruitment of another 31 faculty in 2001-02. $9.3 million was provided for faculty start-up in the past three years. During this same time period, the campus created over 40 new teaching assistant FTE, enhanced the Vice Chancellor for Research and Dean of Graduate Studies positions, expanded its School of Engineering, launched the Campus Curriculum Initiative, and invested in new research activities. These new research programs include: the Center for Biomolecular Science and Engineering; the Internet and Data-Intensive Research Institute; Digital Arts/New Media FTE; the Institute for Humanities Research; the Center for Justice, Tolerance, and Community;

and the Institute for Geophysics and Planetary Physics. To strengthen the campus's infrastructure, physical planning studies were undertaken, the campus began a multi-year campus cabling initiative to bring high-speed connectivity to core academic facilities, and planning for a new Academic Information System began.

Concomitant with campus growth and the investment of new resources in academic programs and academic support activities, the campus has been evaluating the administrative infrastructure needed to support anticipated growth over the next decade. In cooperation with the Academic Senate Committee on Planning and Budget the campus reviews annually expenditures for institutional support as a percent of total campus expenditures.

Institutional Support As A Percentage of Total Campus Expenditures
UC Santa Cruz
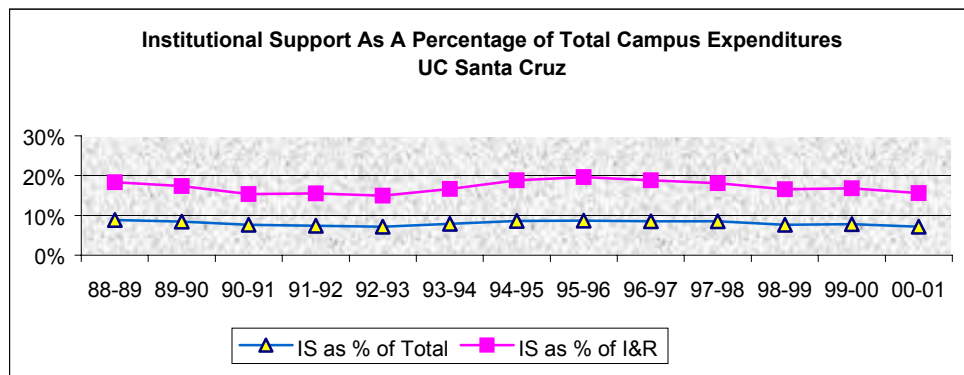
The figures show that the expenditure percentage devoted to institutional support has declined. While the trends may be of interest, it is important to understand the choices made over time that give rise to these trends. The campus focus should be on the outcomes derived from its commitment of funds.

Resource projections

I t is informative to note the significant changes in the composition of UCSC's budget over the past decade. In 1988, the State provided almost 56 percent of UCSC's funding; in 2001-02 support from the State accounted for 44 percent of the campus's total resources. While the portion of the budget supported by State funds has decreased and is often variable, subject to the vicissitudes of the State's economic health, UCSC's income in other areas has increased. To achieve the campus's goals and aspirations for the future, UCSC needs to diversify its income even further to generate more resources the campus can control, direct, and leverage in support of the highest priorities.

▶   **Enrollment-Driven Funds**. The following chart summarizes the campus's projected new enrollment-driven resources expected over the next five and ten years, along with the faculty FTE that will be created as a result of that enrollment growth. For purposes of these projections, enrollment-driven resources are defined as the marginal rate of funding received from the State for each additional budgeted student FTE, plus that portion of the Educational Fee that is allocated in support of enrollment growth. These projections are based on budgeted enrollment targets agreed to with the Office of the President in 2002. Projections are reviewed and adjusted annually as appropriate.

SUMMARY OF ESTIMATED NEW RESOURCES 2001-02 TO 2010-11

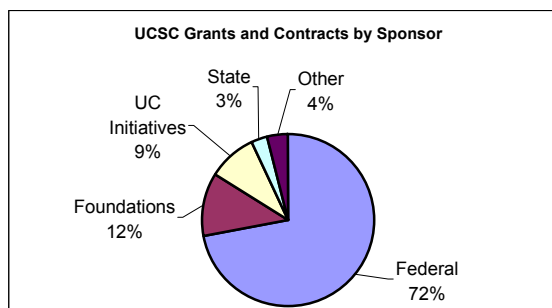Reflects Budgeted Enrollment Targets Assigned by UCOP on October 19, 2001

Includes enrollments in other than the traditional F/W/S terms

	3 Qtr Ave FTE Enrollments		Faculty FTE		New Enrollment Funding*
	Total	**Increase**	**Total**	**Increase**	
2001-02	12,500	764	641.1	40.9	$8,222,932
2002-03	13,000	500	667.8	26.7	$5,302,500
2003-04	13,500	500	694.5	26.7	$5,302,500
2004-05	14,000	500	721.3	26.7	$5,302,500
2005-06	14,500	500	748.0	26.7	$5,302,500
Total Increase 2001 to 2005		**2,764**		**147.8**	**$29,432,932**
2006-07	15,000	500	774.7	26.7	$5,302,500
2007-08	15,500	500	801.5	26.7	$5,302,500
2008-09	16,000	500	828.2	26.7	$5,302,500
2009-10	16,500	500	855.0	26.7	$5,302,500
2010-11	16,900	400	876.3	21.4	$4,242,000
Total Increase 2001 to 2010		**5,164**		**276**	**$54,884,932**

*Based on 2002 dollars. Includes State marginal cost funding and Educational Fees.

Actual dollars may vary depending upon actual enrollments.

▶ **Contracts and Grants**. Another important source of new revenue will come from increases in contracts and grants. Contracts and grants, along with limited core State funding, provide support for the research activities of the faculty (including support for graduate students, post doctoral researchers, and professional staff, as well as technical and administrative elements of the research infrastructure), and also generate indirect cost receipts. The indirect cost receipts from federal awards flow to the campus in the form of the University Opportunity Fund, the Off-The-Top Fund, and in support of the general fund, with 94% of the incremental overhead returned to the campus. [22,23]

UCSC Grants and Contracts by Sponsor

State 3%
Other 4%
UC Initiatives 9%
Foundations 12%
Federal 72%

In that limits are set on cost reimbursement for sponsored research, the campus is unable to recover all of its research-related costs via indirect cost receipts. This phenomenon is not unique to UC, but exists generally across the country. A recent

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[22] Addition information about the flow of Federal Indirect Cost Reimbursements can be found at http://planning.ucsc.edu/plans2001/docs/ficr-flow.pdf.
[23] These funds were formerly commingled with the state general funds and used to help fund the universities general fund budget. Historically, UCSC contributed approximately 2% of the ICR and received, on average, 5% of the general fund. Effective 2000-01, the allocation methodology was changed to eliminate this "subsidy". The practical effect of this will be a reduction in UCSC's annual allocation for inflationary cost increases (i.e., merits, colas, and price increases).

RAND study found that universities are recovering between 70 and 90 percent of the indirect costs associated with federally sponsored research, meaning the universities are paying for the balance of these costs.[24]

The negotiated indirect cost rate for federally sponsored on-campus research projects is 49%. However, the effective rate of return, or yield, has been approximately 23% per year.[25]

There is a delay between awards and expenditures,[26] as shown on the chart below. While federal awards have increased 182% since 1990-91, direct costs have increased over 139%. Indirect cost receipts, however, have increased substantially less during this time period, rising only 16% since 1996-97.
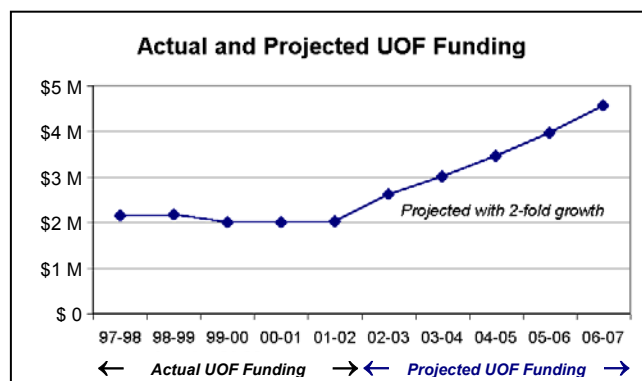
UCSC Federally Sponsored Research
Awards, Actual Direct Expenses, and Indirect Cost Receipts
($ in millions)
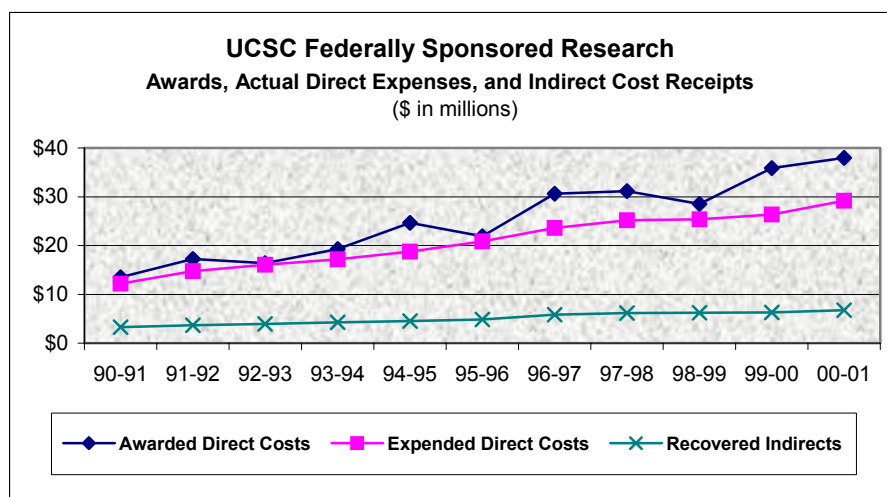
In 2000-01, campus contract and grant awards totaled over $65 million. Over 72% of these awards were from the federal government. The second largest source of support came from private foundations. The campus goal is to increase contract and grant activity, indirect cost receipts, and thus the campus University Opportunity Funding (UOF) at least two-fold over the next five years.

This will require an annual increase in awards of roughly 15% accompanied by an increase in the effective rate of return for indirect cost receipts. The chart below shows actual UOF funding from 1997-98 to 2001-02, and projects the potential increase in UOF funding if total recovery from federal indirect cost receipts increased from the 2000-01 level of $6.3 million to over $13 million by 2006-07.

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[24] See http://www.ucop.edu/senate/notice/prevnot9-0/nov00notc.pdf for a description of the RAND study as well as additional information about indirect costs and the funding of UC research.
[25] The difference between the actual rate of return (around 23%) and the negotiated rate (49%) can be explained this way: (i) In accordance with federal guidelines, the indirect cost rate is only applied fully to salaries, benefits, and supplies and is limited to the first $25,000 of direct expenditures for equipment, capital expenses, sub grants and subcontracts, tuition remission, scholarships, and fellowships; and (ii) In a few very limited cases, indirect costs may be decreased based on exceptional circumstances.
[26] Multi-year awards (or awards periods that are not aligned with the University's fiscal year) are expended over several UC fiscal years.

Actual and Projected UOF Funding

Projected with 2-fold growth

← *Actual UOF Funding* → ← *Projected UOF Funding* →

While recognizing that the campus is unable to cover all of its research-related costs solely via indirect cost receipts, it is nonetheless important to find ways to markedly increase external support from grants/contracts and the associated benefits that accrue from them to a research university. Therefore, to create incentives for generating indirect cost receipts, while also utilizing Opportunity Funds as a flexible resource (hence the name "opportunity fund") to fund campus costs which cannot be covered solely by general funds, a revised UOF distribution formula was implemented for future distributions of increased in UOF in 2001.

UOF Distribution Formula

- **40% to divisions** (based on divisional indirect cost receipts)
- **40% held centrally** (to address campus wide needs)
- **15% to VC Research** (to seed research)
- **5% to COR** (Academic Senate Committee on Research)

Future increases or decreases in UOF, based on actual indirect cost receipts, will flow as shown to the left.

▶ **Development and Fundraising**. Gifts and private grants provide an important source of support to the university.   Older public and private universities have, over the years, developed large endowments and launched ambitious capital campaigns because income from the state or the annual proceeds of student fees is not sufficient for their operating expenses.

As a relatively young campus, UCSC has done well in this regard.   There remains considerable growth potential that must be realized to achieve the goals outlined here. The campus must upgrade and improve its
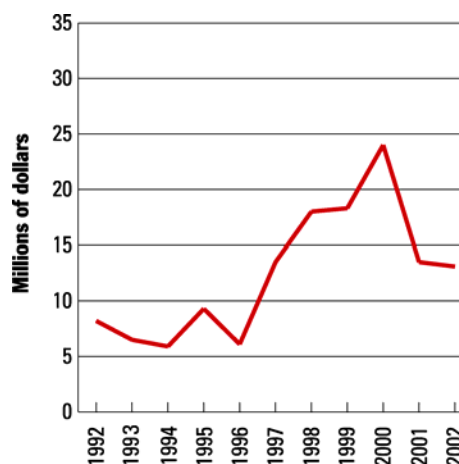
Private Gift Support: 1990-2002[27]

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[27] Although UCSC has experienced a decrease in the past two years in private support, as have many universities (http://www.ucop.edu/uer/instadv/annual/2001.pdf), the campus must commit to ensuring increases in this vital form of support. Private support will become increasingly important in maintaining excellence.

fundraising efforts. While gifts and endowments not only provide funding to enrich the academic programs, private funds have become an essential component in funding new facilities and support our expanding population of graduate students.

The campus is currently in the silent, or initial, phase of a major capital campaign. During this phase the campus is approaching individuals, foundations, and other potential sources of major gifts (generally in the range of $1 million to $20 million or more). The response to this phase will determine the final fundraising goal for this major capital campaign. To meet this goal will require in part an investment of funding in development and increased campus and community awareness of funding priorities and participation in fundraising activities.
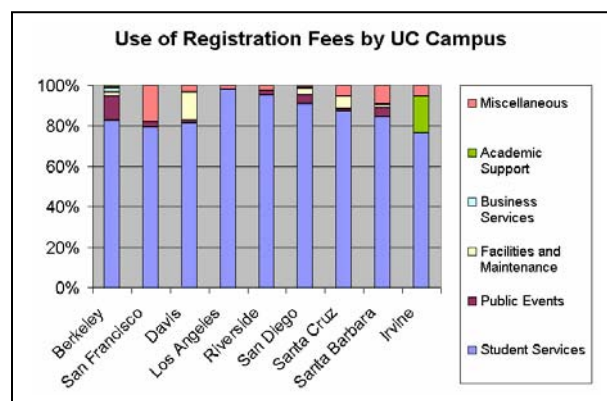
One of the challenges facing the campus and University Relations is to generate in part the support dollars needed to launch the full-scale development operation required for a major capital campaign. Two options have been proposed. The first option would take a small portion of the gift dollars to offset fundraising costs. The second alternative would hold gifts for a prescribed time to generate interest that may be used for these costs. A decision must be made concerning which option to implement.

▶ **Student Fees**. The University of California system assesses two mandatory fees on all registered students: the Educational Fee (Ed Fee) and the University Registration Fee (Reg Fee). Both fees are set by the UC Regents, and the income is used to support student financial aid, student service programs, and a share of the University's operating costs, including instruction-related costs.

The Educational Fee is combined with funding provided by the State and is allocated to campuses as part of its annual General Fund budget. The Ed Fee income anticipated as a result of enrollment growth is included in the budget estimates shown previously.

Registration Fees are used to provide support services that benefit existing students, and fund programs such as Student Health Services, the Office of Physical Education and Recreation, Career/Student Employment Center, staff in the colleges, and Student Life Resource Centers. The Student Fee Advisory Committee provides advice on the allocation of Registration Fees. Increases in Registration Fee income are generally the result of enrollment growth—not increases in the fee, which has remained at its present level of $713/year since 1994-95. Increases in the Registration Fee budget have been used to cover

Use of Registration Fees by UC Campus

Campuses: Berkeley, San Francisco, Davis, Los Angeles, Riverside, San Diego, Santa Cruz, Santa Barbara, Irvine

Legend: Miscellaneous, Academic Support, Business Services, Facilities and Maintenance, Public Events, Student Services

increased costs for employee benefits, as well as new programs such as College Ten. Working with the Student Fee Advisory Committee, UCSC will continue to consider these fees broadly to help fund specific projects that will have direct benefits for the students and are consistent with general campus goals. The above table highlights the types of programs supported by Registration Fees at the UC campuses.

Campus fees include mandatory fees, usually imposed by student referendum and assessed at the time students register. The use of these fees is based on the language contained in the student referendum or the Regents' Item. Consistent with the long-range plan developed by the Student Affairs division, it is expected that the Vice

Chancellor—Student Affairs will work with student constituencies to explore the feasibility of additional fees such as those assessed at other UC campuses.

Miscellaneous and Course Material Fees are developed based on guidelines provided by the Office of the President. Course material fees are intended to cover exceptional costs that are specifically tied to a particular course. A complete listing of miscellaneous and course material fees is available on the Planning and Budget website.[28] Over the next decade, the CP/EVC will evaluate with principal officers the feasibility of other fees such as those assessed at other UC campuses.

▶ **Other State Support**. The State generally provides funding for the operation and maintenance of plant (OMP) to operate new facilities in which State-funded programs are housed. To the extent that these funds do not cover fully the maintenance need of the campuses, the University requests deferred maintenance funding from the State.

In addition to new OMP funding, other State support (permanent and one-time) may be provided for special items that reflect priorities of UCOP or the State. Examples of these from recent years include: funding for Internet2 connectivity; expansion of Engineering programs; research support in targeted areas; planning funds for the Silicon Valley Center; and funding to improve the academic performance of K-12 teachers and students and to provide increased teacher training. In addition, the State provides an adjustment to the general fund budget base to help pay for agreed-upon salary adjustments and changes in the costs of health benefits.

▶ **Recharges**. A recharge is the cost charged to a university department for specific goods or services provided by another university department. Recharges move funding from one department to another, without increasing the total funding for the campus. They thus provide a mechanism for those units that operate like small businesses to provide their services to all campus units, regardless of funding source.

UCSC has over 350 approved recharge rates. Services offered on a recharge basis include a wide range of activities—everything from the rate a unit pays for film developing to the monthly charges for telephone and network connections. Recharges typically fall into two categories: (1) Use of the services is optional (e.g. printing services, photography, etc.); and (2) There is a single provider of the service (e.g. network, telephone, physical plant). Recharge units are required to establish their rates in accordance with applicable University and federal policies.

Because recharge rates can have a significant impact on the budgets of other campus units, the campus has endeavored to set rates that are consistent with market rates as well as the cost of providing the service. For those recharge services that affect the entire campus, UCSC is developing advisory structures that will provide policy advice on the types and level of services. Such advice must also take into consideration the anticipated cost of services.

Resource Summary. The following chart summarizes the new resources (in current dollars) that the campus expects to receive over the next decade.

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[28] See http://planning.ucsc.edu/budget/Toolkit/fees/miscfees.htm for miscellaneous and course materials fees.

Projected New Resources—All Funds

Formula-driven resources	2001-02 to 2005-06	2006-07 to 2010-11	2001-2010 Total
State and Ed Fee Allocation For Enrollment	$29,433,000	$25,452,000	$54,885,000
State "operation and maintenance of plant"	$4,252,000	$2,917,000	$7,169,000
Registration fees	$1,782,000	$1,711,000	$3,493,000
Campus fees	$2,372,000	$2,578,000	$4,950,000
Miscellaneous fees	$1,400,000	$1,800,000	$3,200,000
Course materials fees	$198,000	$288,000	$486,000
New resource subtotal	**$39,437,000**	**$34,746,000**	**$74,183,000**

Other resources	2001-02	2006-07	2010-11
Special items related to State priorities[†]	TBD	TBD	TBD
Special items requested by UC[†]	TBD	TBD	TBD
Contract and grants (direct research support)	$40,000,000	$64,000,000	$94,000,000
Private gifts, grants, and fundraising (actual receipts)[‡]	$18,000,000	$29,000,000	$42,000,000
Overhead on C&G (opportunity and OTT funds) and private support[‡]	$3.600,000	$5,700,000	$8,200,000

[†] Funding for special allocations is available during good economic times and in response to specific legislative or governor's priorities. The campus needs to be in a position to compete effectively for such funds as they become available in the future.
[‡] Assuming ten to fifteen percent growth annually.

New resources, divisional plans, and unmet needs

T he long-range plans prepared by each division identify the programmatic directions and anticipated costs of growth over the next several years. The plans are appropriately ambitious. While new enrollment-driven resources will support many of the costs identified, these funds are ultimately insufficient for full implementation of the plans. Gifts, indirect cost receipts, internal reallocation, and new sources of revenue must play a bigger role in campus resource management strategies if the goals described in the plans are to be achieved.

The following table summarizes the funding requirements identified in the long-range plans and compares those needs with the funding that will likely be provided from enrollment-driven resources. "Unmet needs" represent the amount needed from other funding sources.

	Proposed in Plans		New Resources		Unmet Needs	
	Faculty FTE	New Funding	Faculty FTE	New Funding	Faculty FTE	Funding
Academic Divisions	352	$41,363,000	210	$24,763,000	-142	-$16,600,000
Other Academic*	66	$10,428,000	66	$9,464,000		-$964,000
Academic Support Divisions**		$32,612,000		$15,184,000		-$17,428,000
Campus Needs and Infrastructure***		$30,414,000		$5,474,000		-$24,940,000
	418	$114,817,000	276	$54,885,000	-142	-$59,932,000

*Includes instructional workload fund, programmatic resource, and benefits
**Includes VC Research, Library, Graduate Studies, BAS, Student Affairs, CP/EVC, and University Relations.
***Based on the investments and major infrastructure needs table presented on page 3 and does not fully reflect the costs of items marked "TBD".

Budget strategies

The number of students enrolled at UC Santa Cruz either directly or indirectly affects the revenue the campus is likely to receive over the next decade. Enrollment directly determines State support in many categories, and income from student fees. Enrollment also determines how many new faculty positions may be established which, in turn, will influence the rate at which academic programs can grow, and thus the expected income from extramurally funded research activities.

As noted above, growth to UCSC's budget will likely come from five primary funding sources: the State of California; student fees; extramural sources (gifts and grants); and self-supporting activities. Three revenue sources—State funds associated with the marginal rate of funding, UC general fund income, and student fees—provide the University with most of the funding for instructional and academic support programs.
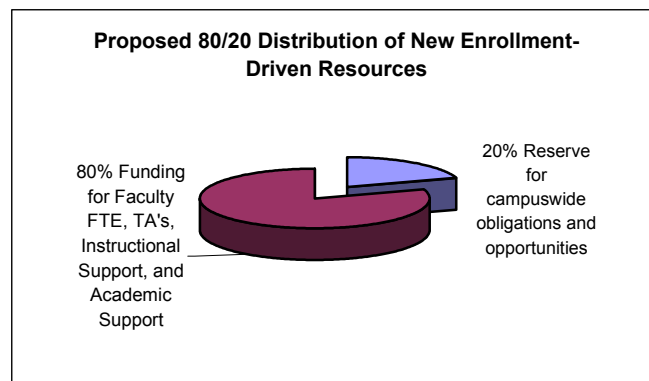
The marginal rate of funding provided by the State is based solely on the number of budgeted student FTE. In 2002-03, the State's marginal funding rate for each additional student FTE is $8,987. This funding takes into account academic, as well as, academic support activities. It establishes new faculty FTE at the incremental rate of 18.7/1 (e.g., for every 18.7 additional budgeted student FTE, one new faculty position is established); and teaching assistant FTE at 44/1.

The major resource strategies discussed here focus on budgeted funds over which the Campus Provost and Executive Vice Chancellor has some discretion, primarily the State general funds and Educational Fee funds that are tied to enrollment growth. To allow divisions flexibility in the management of these resources, several changes have been proposed for resources allocated in support of the academic program. These strategies will be re-evaluated and adjusted over time as appropriate.

▶ **Reserve 20% of all new enrollment-generated resources as a campus reserve for strategic investments, unforeseen expenses, and for other one-time purposes**. Enrollment-generated resources, comprised of the marginal rate of funding provided by the State and that portion of the Educational Fee revenue remaining after financial aid is taken off-the-top, are proposed for deployment as follows: 80% will be allocated directly to the academic and academic support divisions, and 20% will be held temporarily as a contingency for strategic investments, unforeseen expenses, campus infrastructure, and for other one-time purposes. Funds allocated to hire faculty will be transferred in the fiscal year following the year the FTE are allocated.

The 20% retained at the center is to be used for funding campuswide issues pertaining to one-time and permanent costs associated with campus infrastructure, capital development, information technology, and one-time costs associated with faculty and staff hiring. These funds provide a central reserve, to be used in response to permanent and/or temporary costs associated with unanticipated expenses or unexpected opportunities. As is feasible, portions of these funds will be released for permanent obligations as the overall budgetary situation and campus obligations permit.

Proposed 80/20 Distribution of New Enrollment-Driven Resources

80% Funding for Faculty FTE, TA's, Instructional Support, and Academic Support

20% Reserve for campuswide obligations and opportunities

▶ **Recurring instructional support needs will be addressed on a formulaic basis**. The campus will allocate funds intended to support instructional programs using historic methodologies (at least initially) as the allocation formulas are updated and new formulas developed. By using a formulaic allocation method, instructional units will be able to predict the resources they can anticipate from workload-driven resources and can plan and prioritize their budgets accordingly.

▶ **Instructional workload funding is available to address temporary shifts in enrollment**. Academic divisions will be allocated one-time instructional workload funds based upon agreed-upon student-faculty ratios to mitigate increases in workload associated with unforeseen enrollment shifts.

That portion of what historically has been termed Temporary Academic Staffing (TAS) was budgeted permanently at the divisional level, effective July 1, 2002. In addition, a new one-time funding pool, the Instructional Workload Fund (IWF), has been created to provide divisions with one-time instructional workload funding to mitigate increases in workload, and as a vehicle to temporarily reallocate funds from divisions that are underenrolled.[29]

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[29] Temporary instructional workload funding will be provided to divisions that are in excess of 2 FTE above the current budgeted student faculty ratio of 19.5 to 1. Divisions that fall more than 2 FTE below the budgeted student faculty ratio will be required to return, on a one-time basis, funds that could be internally

The model also assumes that the divisions have the flexibility to use the decentralized TAS funds on a one-time basis as needed; divisions are required to maintain on a permanent basis funding to support the number of its permanently budgeted faculty FTE. Any difference between what is needed to fund the faculty FTE and the actual dollars may be used, on a permanent basis, at the division's discretion with the caveat that the division will be held accountable for funding the faculty FTE positions, as required, in the future.

▶ **Changes in academic resource policies will provide divisions with the flexibility to handle their additional resource issues**. By decentralizing temporary academic staffing funds and changing the policy for turnover savings, the Campus Provost/Executive Vice Chancellor is providing the flexibility for deans to fund faculty start-up and recruitment costs, as well as upgrade costs. The new policies also provide greater flexibility locally to fund instructional workload and other divisional needs.

Faculty Turnover Savings. For the last two years, the campus's policy on faculty turnover has been to allow divisions to keep all funds from vacated faculty provisions up to the Associate Professor I salary level. Divisions were expected to fund replacement positions up to Associate Professor I, and central resources provided funding above that level for approved actions. In order to provide the divisions with the ability to fund up to 100% of their own upgrades, as well as have greater flexibility to fund start-up, instructional workload, and other needs, divisions will keep turnover savings up to the budgetary salary level of Professor III. A projection of retirements over the next 5 years shows that divisions would retain an estimated $1,800,000 (56%) of the turnover savings. Turnover savings distributed centrally would be an estimated $1,400,000. Divisions would be expected to cover 100% of faculty salary upgrades for both new FTE and replacement of vacancies, and to respond to any extraordinary opportunities. Given the relatively young age of the faculty in the new School of Engineering, central resources would be required to assist Engineering in funding their total upgrade needs, for at least the next five years.

Faculty Start-Up. Effective with the implementation of the 80:20 model, the decentralization of temporary academic staffing, and proposed changes in faculty turnover savings, divisions will be expected to manage their resources, including curriculum and leave balances, to pay more fully for one-time faculty start-up and recruitment costs as well as permanent new faculty salary upgrade costs.

The primary sources of faculty start-up historically have been one-time savings from open provisions, turnover savings, opportunity funds, instructional equipment funds, other external funds, and year-end savings. The proposal recognizes the differing start-up costs and opportunities for external funding among the divisions, and suggests that by combining these sources at the divisional level, the baseline start-up covered by the divisions should reach, on average, $150,000 per recruitment. This model is based on reasonable assumptions of divisional contributions from these (and other) sources as follows:

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redirected to address workload in other divisions. The model assumes that a variation of ±2 FTE from the budgeted student faculty ratio of 19.5 to 1 is a common standard. Recognizing the pedagogical differences between the divisions, advice will be sought from the academic deans to help determine whether the range of 17.5 to 21.5 student FTE to each faculty FTE is the appropriate range for all the divisions.

- Open provision/turnover savings $52,000-$65,000 (engineering)
- Turnover savings $30,000-$40,000
- Opportunity Funds/Other Extramural $30,000-$40,000
- Other (IER, gifts etc.) $10,000-$20,000

Start-up in excess of the $150,000 baseline (averaged across all recruitments in a given year) will be split 20:80 between divisional and campus funds. The start-up baseline expectation will be phased in over three years. In 2002-03, the divisional baseline will be $50,000, in 2003-04 $100,000, and in 2004-05 it will stabilize at $150,000. The distribution of funding sources listed above is a guide for deriving the model, and divisions are, of course, free to develop their own funding strategy.

In practice, at least three divisions (the Arts, Humanities, and Social Sciences) will become self-sufficient in the first year, as the average faculty start-up in those disciplines is less than the salary savings of an open position (or even, in some cases, the suggested turnover savings contribution). Average start-up costs in Engineering and Natural Sciences exceed the baseline amount, so contributions from the campus will be required each year (although these will decrease over time as the baseline increases). Campus funding will continue to provide, as it has in the past, for library start-up.

▶ **Incremental academic support needs will be addressed as part of the annual budget process**. Academic support activities span all divisions—both those classified administratively as "academic" (such as the academic divisions and schools) and those that are classified as "academic support" (such as the library, student affairs, BAS, academic and staff human resources, graduate studies, the office of research, and university relations). The State incremental marginal rate of funding recognizes this and takes into account these academic support activities as factors in determining the per student FTE funding level. Some academic support activities are administered on behalf of the entire campus by particular units, as is the case with student affairs, CATS, and the library. Some are administered by specific units in support of their individual activities, such as dedicated instructional laboratories or support of individual faculty research or instruction. Other support activities are funded both at the campus and at the divisional level, such as purchasing and information technology support. In certain cases, the delivery of services with less clear unitary responsibility may be duplicative and redundant.

Campus support for academic support activities historically has been provided through four mechanisms: I&R support funding associated with faculty positions allocated to academic divisions; block funding to academic support divisions, usually in recognition of workload increments; fees or recharges; and the direct funding of specific academic support projects (such as the AIS) in both classes of units. In the future, these allocations will be based in part on demonstrated planning and in part on outcomes achieved. The campus will pursue close examination of the levels of this support. Changes in the delivery of support functions (e.g., reassignment of responsibility, changes in scope, etc.) will be undertaken in a consultative and planned manner.

Academic support activities, whether administratively located in academic or in academic support units, will be expected to consider carefully how they might leverage and reallocate their existing resource base toward campus as well as unit priorities. And, consistent with the organizing principle of "integration" outlined in the overview section, planning for academic support activities will emphasize strategies that reduce redundancy and minimize duplicative efforts. UC Santa Cruz cannot afford to have separate, competing efforts.

Given the fiscal pressures associated with growth and new program development, campus strategies for funding academic support activities deserve to be reexamined and their effectiveness evaluated in the context of articulated campus goals and resource strategies. These must recognize that specific support activities may benefit from economies of scale or process redesign; not benefit from economies of scale and therefore require a more formulaic funding approach; require specific consideration in that they represent new activities or directions; or, in some cases, be of little or no ongoing relevance today.

▶ **Planning (and budgeting) for large and expensive infrastructure costs will continue to occur at the campuswide level**. As part of the analysis that informed the resource plan, the campus identified significant one-time and ongoing needs that are beyond the likely resource flexibility of individual principal officers. While not all of these can be funded, the campus must develop the means to address the most important needs. In addition to moving forward with only the most critical projects, the resource plan identifies four options:

- o Identify/create additional funding (e.g., gifts, increased indirect cost receipts, and increased user fees);

- o Reallocate the existing funding base (e.g., reallocation of the base to redirect funding for specific projects);

- o Use funding from the 20% reserve created from new enrollment-generated resources; and/or

- o Reduce expenditures (e.g., consider more cost-effective options, streamline costs, and improve project management).

It is likely that the campus will draw upon a combination of these strategies in funding major projects. The campus is always evaluating possibilities of new student fees that would appropriately be targeted for specific projects providing a direct benefit to the students.   In addition, the campus will consider the possibility of assigning an "infrastructure fee" to divisions that, of course, derive direct benefit from many campuswide projects. For example, this could reallocate funding for a set period of time to be used for specific projects that afford a significant benefit for the campus as a whole.

Budget allocations will be informed by accountability

A ccountability and assessment will shape funding. Measures of the success of the academic and academic support divisions in achieving their own as well as contributing to campuswide goals will be used regularly as part of the budget process.

Indicators that can measure progress campuswide against the goals described in this document using performance-based outcomes assessment are still under consideration. Nonetheless, some preliminary strategic indicators are emerging from these discussions. These are listed here, not as a final set of criteria, but to illustrate the concept of a set of campuswide strategic indicators.

Goal
SAMPLE Campuswide Strategic Indicators
Strengthen research and scholarly accomplishment and distinction 1. Number of Ph.D. programs ranked in the top quartile nationally; in top 25 nationally 2. Number of publications and citations per faculty member 3. Academic awards and honors 4. Number of postdoctoral fellows associated with faculty and graduate students
Markedly increase graduate programs and enrollments 1. Percent of total enrollment at the graduate level 2. Graduate student quality/selectivity indicators 3. Placement of graduate students 4. Graduate student support generation
Develop interdisciplinary programs at all academic levels 1. Number of interdisciplinary programs ranked in the top quartile nationally as measured by the NRC rankings[30]
Enhance faculty, staff, and student diversity 1. Diversity (ethnicity, gender) of faculty, staff, and students
Markedly increase external support from grant/contract as well as private fundraising 1. Total contracts and grants, industry research, etc. (total and per FTE) applications 2. Federal research dollars (total and per FTE) awards 3. Private fundraising (total and per FTE) 4. Percentage of alumni who contribute gifts to the campus 5. Number of endowed faculty chairs
Develop innovative programming in non-traditional areas 1. Progress toward enrolling 1,900 FTE in off-campus programs and during the summer term 2. Number of students enrolled in Santa Cruz summer programs 3. Number of students participating in EAP, UC-DC, and in internships

Each academic and academic support division will likewise be held to specific measures that are appropriate for their enterprise. For example, units will be benchmarked for performance against their counterparts elsewhere within the UC system.[31] Academic units would be measured for their contributions to undergraduate education, such as numbers of students taught and degrees/faculty member. The performance of individuals in leadership positions likewise will in part be evaluated by these measures.

These measures will be developed over the 2002-03 academic year and will be used in future budget decisions.

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[30] In the case that the campus' interdisciplinary programs do not align with NRC categories, the campus will need to consider methodologies that associate our programs with the closest NRC disciplinary program.
[31] In addition, units will be benchmarked against their counterparts at other Research I Universities without medical schools (see http://www.carnegiefoundation.org/Classification/CIHE2000/classification2000.htm) with enrollments similar to those of UC Santa Cruz.

Annual budget process and planning calendar

I t is my intent that the annual campuswide resource allocation process will continue to be transparent, balanced, and complementary to the ongoing planning that occurs within each department.

A preliminary planning calendar, summarizing the approximate timing of some of the activities, milestones, and key institutional reports used in an annual resource management process is provided below.

		Provided by
Fall	Ladder Faculty Roster for Current Year	P&B
	Year-End Reports	P&B
	Annual Progress Reports Provided by Divisions	Deans/VCs
	Consultation Regarding Plans and Progress	Deans/VCs/CP/CPB
	Faculty Recruitment Summary	AHR
	Call for Faculty Recruitments	CP/EVC
Winter	Instructional Load and Instructional Activity Reports for Previous Year	P&B
	Course Audits from Previous Year	P&B
	Faculty Recruitment Proposals Submitted	Deans
	Consultation on Faculty Recruitments	CP/EVC/CPB
	Faculty Recruitments Approved	CP/EVC
	Preliminary Allocations for Next Year Announced	CP/EVC
Spring	Divisional Budget Plans for Following Year	Deans/VCs
	Finalize Allocations for Following Year	CP/EVC
	Additional Faculty Recruitments Proposed Due to Budgetary Allocations	Deans/CP/EVC/CPB
	5-Year State and Non-State funded Capital Program Submitted to UCOP	CP/EVC
	3 Quarter Average Enrollment Data Available	P&B

To allow for small, focused discussions regarding the plans and priorities of each division, consultation sessions will be held with each dean and vice chancellor in the fall. These sessions will provide an opportunity for each dean and vice chancellor to present to the Chancellor, the Campus Provost, and the Vice Chancellor—Planning and Budget the highlights of what was accomplished in the prior year, what they hope to accomplish in the current and coming year, their budget plans and priorities for the following year, including faculty recruitment proposals, as well as any proposals they may have for activities which might call upon the 20% reserve held centrally. It will also provide an opportunity to discuss divisional accomplishments and difficulties as a way of understanding what each division has accomplished with campus resources.

Another feature of the proposed calendar is a change in the timing of the annual call for faculty recruitments. To accommodate advertising deadlines in key recruitment journals and publications and to provide adequate time to consult with CPB, the call for faculty recruitment proposals will be issued in the fall.   While allocations of new faculty FTE for the following year may not be available at this time, the deans may propose recruitments for existing vacant FTE, reauthorizations of previously approved searches, or recruitments to fill FTE which will become vacant due to the planned retirement or departure of current faculty. Consultation with CPB and the Campus Provost may then occur in late fall or winter. Supplemental requests for faculty recruitments may be submitted in the spring to address any new vacancies or additional FTE that may have been provided due to growth in the campus's enrollment and budget.