

PLANNING FOR THE MILLENNIUM

About UCSC

UCSC's founding premise was that it would become an outstanding research university that was one of UC's chief exemplars of innovative undergraduate education. For this reason its structure is collegiate; its instructional programs place a broad emphasis on general education; and it has developed a broad array of student support services. Consistent with its membership in the University of California, UCSC complements its undergraduate mission with rigorous research, scholarship, and graduate education.

UCSC's academic program offerings include a full range of major programs within the arts, humanities, natural sciences, engineering, and social sciences. Among the faculty and emeriti who have been attracted to UCSC are eleven members of the National Academy of Sciences, sixteen members of the American Academy of Arts and Sciences, and two members of the National Academy of Sciences' Institute of Medicine. Numerous faculty members have been awarded Guggenheim Fellowships, and several have been honored with national awards for distinguished teaching. Two UCSC alumnae have won Pulitzer Prizes.

The quality of UCSC's instructional program, its research activities, and its devoted attention to students and the learning environment has not gone unnoticed by the public and those who analyze the quality of universities across the nation:

*"UCSC must be an outstanding
research university with an
uncommon commitment to high-
quality undergraduate education."*

*--Advisory Report of The Millennium
Committee*

- The most recent *U.S. News and World Report's* assessment of public research colleges and universities ranked UCSC as the 17th best public university campus in the country.
- In a comprehensive analysis of more than 200 top universities, UCSC ranked 11th nationally among public campuses in the overall quality of its research productivity. The study, detailed in *The Rise of American Research Universities: Elites and Challengers in the Postwar Era*, gives UCSC a No. 1 ranking in the study's Social Science index and a No. 6 ranking in the Arts and Humanities index.
- A recent National Research Council survey placed two of UCSC's doctoral programs—Astronomy & Astrophysics, and Linguistics--among the top ten Ph.D. programs nationwide. Two others—Earth Sciences, and Biochemistry & Molecular Biology—placed in the top 25 percent.

With a projected enrollment of 10,600 students in 1998-99 and anticipated growth to 15,000 students over the next decade, UCSC is on the threshold of many opportunities that will build upon its past successes. To guide campus planning during this period, UC Santa Cruz Chancellor M.R.C. Greenwood established the Millennium Committee to provide advice on the future directions of the campus. The Committee's report provides principles, goals, and a number of "invitations to action" that will help UCSC move further toward its vision. These principles articulate the essence of UCSC, based on its roots and its aspirations for the future. They are:

- UCSC must be an outstanding research university with an uncommon commitment to high-quality undergraduate education.
- UCSC will serve the people of the region, the state, the nation, and the world by the engagement, development and application of knowledge.
- UCSC will offer an education that will enable our students to become tomorrow's leaders and prepare them for a lifetime of learning.

"To develop these principles, we consulted broadly on the main issues confronting UCSC: the engagement of education, the production of knowledge, the application of knowledge, and the working environment."

--Advisory Report of The Millennium Committee

- UCSC will attract, retain, and advance a diverse student body, faculty, and staff from many different communities in the state, nation, and the world.
- UCSC will commit itself to high-quality production and transmission of knowledge across all disciplines.
- UCSC will plan its growth and development with attention to sustainability and in consultation with the larger external community.

Growth at UCSC will mean more students, more faculty, and new resources in each of the campuses major revenue streams. The University budget includes funding from many different sources, and UCSC's ability to achieve the vision enunciated in the advisory report of the Millennium Committee will partially depend on how well it leverages and manages those revenue streams.

*"We are in a new era of resource management. To survive in the future, we need to:
Understand where we are,
Communicate where we want to be,
Build upon our strengths,
Educate and train managers to become good 'leveragers',
and
Build partnerships that leverage our resources."*

--M.R.C. Greenwood, Chancellor

UCSC's Budget Process

The campus budget and planning process—under the leadership of Executive Vice Chancellor John B. Simpson—is designed to create an environment that supports strategic thinking and wise investments as UCSC builds a budget plan that reflects the campus's collective aspirations for the future.

Advisory to the Chancellor and Executive Vice Chancellor in the campus budget process is a budget consultation group. This group includes approximately 30 people and is convened by the Executive Vice Chancellor. Participants in the budget consultation group include the Chancellor, the Executive Vice Chancellor, deans, vice chancellors, associate and assistant chancellors, the chair of the Council of Provosts, and representatives of campus constituencies most affected by budget decisions (faculty members, staff, and students). The faculty is represented by the chair of the Academic Senate and by two members of the Senate Committee on Planning and Budget. The students are represented by the chair of the Student Fee Advisory Committee, a representative from the Graduate Student Association, and the chair of the Student Union Assembly (SUA). Staff is represented by a member of the Staff Advisory Board.

Several budget consultation sessions are held during the year to review the disposition of the campus' resources and to make recommendations on policies and issues that have significant campuswide resource implications. Participants in the process hear presentations from each of the principal officers concerning plans and resource issues in their division, and participate in critical discussions regarding the resource issues facing the campus. The budget process is an open one and involves a comprehensive review of each major segment of UCSC's organization.

"I am committed to the development of a budget process that is meaningful and provides clear results."

--John B. Simpson, Executive Vice Chancellor

Part of that openness is the publication of the *Departmental Budget Profiles*.

Essential to the effective management of the campus's resources was the development of resource planning and allocation principles, and clarification of the roles and responsibilities of each major organization as they participate in the budget process. A summary of the roles and responsibilities of each major organization is provided on the right, and the principles that are guiding the 1998-99 process are provided below.

Resource Allocation and Management Principles:

- Millennium Committee Principles—these should inform all budget proposals
- Enhance Quality and Promote Innovation—in coordination with long-range plans
- Enhance Diversity—faculty, staff, curriculum, and outreach
- Manage Growth—FTE/students; infrastructure; capital needs; graduate support
- Improve Basic Support and Infrastructure—this applies to academic, support and capital issues
- Maintain Balance Across Units—this should be a general goal, not a precise duplication of past budgets
- Enhance Central Reserves/Venture Capital—for campus-wide opportunities and obligations
- Unit Reallocation/Matching Plans—what are the units bringing to the table to affect their changes
- Supports Generation of New Revenues—i.e., is this an investment that will result in new or increased revenue streams
- Accountability for Use of Allocated Resources—how are existing resources being utilized
- Timeline of Plans—should be multi-year, not annual, and not retrospective—requests for new

The Roles and Responsibilities of principal officers and each major organization, as they participate in the budget process:

Executive Vice Chancellor: Responsible for intradivisional and interdivisional allocation decisions; the campus vision and objectives; resource planning principles; and communication

Planning and Budget Office: Responsible for staffing the process; developing allocation criteria, formulas, resource projections; and resource planning

Deans and Vice Chancellors: Responsible for intradepartmental and interdepartmental allocation decisions; the divisional vision, objectives, and principles; initiatives; implementation of plans; internal reallocation; and divisional communication

Divisional Business Offices: Responsible for staffing the divisional budget process; developing internal allocation criteria; and supporting the divisional allocation process.

Department Chairs/Unit Managers: Responsible for development of unit initiatives; implementation; allocation

resources should be within the context of a multi-year plan

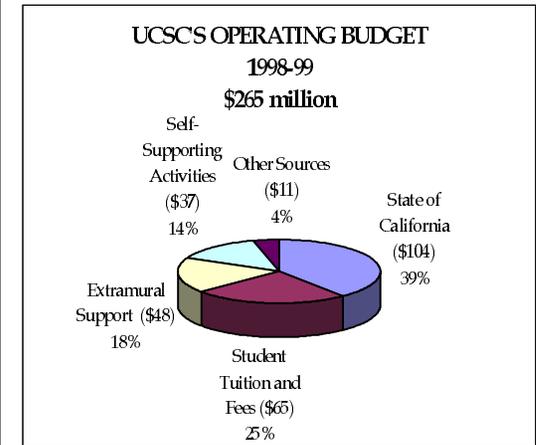
and reallocation at the departmental level; and departmental communication.

UCSC's Budget

The major revenue streams at UCSC include state funds, student tuition and fees, income from self-supporting activities such as housing and the bookstore, extramural support (such as gifts, grants, and contracts), and funding from indirect cost receipts and other miscellaneous sources. (Additional information on UCSC's revenue streams is also available in the appendix.)

UCSC's budget supports a wide range of activities and functions. The chart and table on the right highlight the budget by major fund source and by major organizational category.

Over the past decade, there have been significant changes in the composition of UCSC's budget. In 1987-88, the State provided almost 56 percent of UCSC's funding. Following the dramatic State shortfalls and budget cuts of the early 90's, only 39 percent of UCSC's 1998-99 budget is derived from State funds. While the portion of the budget supported by State funds has been shrinking, UCSC's income in other areas has increased. UCSC has seen tremendous growth in its funding from gifts, contracts and grants, and in many of its self-supporting operations.



UCSC's Funds Flow Into Eight Principal Program Areas (\$ in millions):

Instruction and Research	\$126	(47%)
Library	\$ 9	(3%)
University Extension and Public Service	\$ 23	(9%)
Student Affairs	\$ 20	(8%)
Maintenance of Plant	\$ 13	(5%)
Institutional Support	\$ 17	(6%)
Self-Supporting Activities	\$ 37	(14%)
Student Aid	\$ 20	(8%)
	<u>\$265 mil.</u>	

Employee Headcount Data:

Faculty	591
Staff	2,507
Student Employees	<u>2,389</u>
	5,487

In addition to growth in its non-State revenue streams, UCSC began the 1998-99 academic year with its most favorable State-funded budget in years. As a result of enrollment growth and initiatives supported by the State and The Regents, UCSC's 1998-99 budget included over \$23 million in new ongoing and one-time State and student fee funds. Those funds were allocated to several critical areas (as summarized on the right, and described on the color poster insert at the beginning of this book), including instruction, research, libraries, support for students and student outreach, infrastructure, facilities, fund-raising, systems, and salary increases for faculty and staff.

In 1998-99, UCSC's new funding (\$23.6 million) was allocated to the following areas:

Instruction, Research, and Library	\$8.4 mil.
Support for Students and Outreach Activities	\$4.0 mil.
Infrastructure, Facilities, Fund-Raising, and Systems	\$6.0 mil.
Salary increases for faculty And staff	<u>\$5.2 mil.</u>
	\$23.6 mil.

THE PROFILES

The Budget Profiles were prepared to provide a better understanding of UCSC's budget and the operating budgets of the departments that support its commitment to excellence and undergraduate education.

The source of a division's funding influences how that division manages, the issues it faces, and the strategies it adopts. Some areas of the campus are funded primarily with general funds. Other areas are supported with student fees, and some areas are largely self-supporting or supported by recharge income. The following view of the budget highlights the differences in how the major segments of the campus are funded.

The budget profiles are a compilation of budget, staffing, and workload indicators for individual departments at UC Santa Cruz. The Office of Planning and Budget prepared this report, in cooperation with departmental managers, to give an overview of the funding in each area. The profiles include the 1996-97, 1997-98, and 1998-99 permanent budget, the number of faculty and staff positions budgeted in each area, and the source of funding. This information was obtained from the *Budget System Local* and the *Staffing List Report*, the University's record keeping systems for budget and staffing information, as of July 1 of each fiscal year. Also included in the

*The source of your funding
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issues you face, and the strategies
you adopt...*

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*"Let There Be
An Accounting
of the Resources"*

report is a notation of one-time funds that were available from a prior budget period (i.e., prior year carry-forward). With the exception of funds carried forward from a prior year, the budget information shown in this report does not include temporary funds, such as gifts or contract and grant funding, or other one-time funds.

In addition to budget and staffing information, the profiles include information furnished by departments, such as a description of the activities performed and the departments' mission statement. For the academic divisions, information is provided on the number and amount of extramural research awards, the number of student majors, the number of degrees awarded, and instructional workload ratios.

Due to space constraints, only a few indicators were selected, thus the information provided in each profile does not represent a complete list of all of the workload measurements or activity data for a particular department. This sampling provides only a high level view of each department. In order to do further analysis, supplementary information should be consulted. In instructional departments, for example, the reader is referred to the *Instructional Load Summary* and the *Course Audits*. A detailed explanation of the terms used in the profiles are provided in the appendix.

