

**COMMITTEE ON PLANNING & BUDGET**  
**MINUTES**  
**OCTOBER 18, 2022**

**PRESENT:**

Peter Atkinson, Entomology, Chair  
Dana Simmons, History, Vice Chair  
Reza Abbaschian, Mechanical Engineering  
Bala Balachander, Business  
Roger Lake, Electrical & Computer Engineering  
David Lo, School of Medicine  
Hiroki Nishimura, Economics  
Yadong Yin, Chemistry

**ABSENT:**

Bronwyn Leebaw, Political Science  
Ayala Rao, Microbiology & Plant Pathology  
Frances Sladek, MCSB

Chair Peter Atkinson called the meeting to order at 11:00 am.

The Committee started the meeting with introductions and reviewing the committee's bylaws and meeting dates.

The Conflict-of-Interest Statement was unanimously approved as written.

The committee discussed meeting modality and will meet by zoom for now, with the goal of having the November 29<sup>th</sup> meeting in-person with a hybrid option for those on sabbatical this quarter. Afterward, meetings will be in-person once per month when VCPB Bomotti attends (the third Tuesday of each month).

**CHAIR'S ANNOUNCEMENTS**

Chair Atkinson provided an update from the last Campus Finance Committee (CFC) meeting which focused on buildings and renovations.

Chair Atkinson discussed the Chancellor's Leadership Retreat of September in which the single focus of the meeting was undergraduate enrollment. Funding for undergraduate education is determined by student FTEs, not headcount. One undergraduate FTE is equivalent to one student taking 15 credit hours. If a student is taking less credit hours, they are calculated as being a partial FTE, based on their credit hour load and funding from the state then becomes insufficient relative to the actual student headcount. UCR is now under-enrolled and was awarded funds based on the predicted FTE; however, UCR has less enrollment than expected, so the campus was paid more than what will be needed. As a consequence, the campus will receive less funding due to being overfunded this year and if enrollment is higher than anticipated, the campus will have less money than needed to fund the next cohort of undergraduates. Discussions are in progress to determine if we can increase the credit hours per undergraduate student this academic year, recognizing

that professors in different departments and colleges may have very different abilities to do so.

Chair Atkinson reported that the first UCPB meeting was mainly an introductory meeting with an overview of the state budget. The committee's priorities for the year include: 1) re-benching which is an equity issue across all campuses that was adopted by UCPB through its working group last year and is with the chancellors now. One additional consideration within this is the review of set-asides which are allocations made from state general funds before the enrollment-based formula is applied. At our campus the major two set-asides are the Agriculture Experiment Station and the \$40M awarded to the SoM; 2) Medical schools/health centers – it is unclear how revenue from the UC health centers is being returned to medical schools and the home campuses for the academic mission of the health sciences; 3) Agriculture and Natural Resources – this is a large operation within UC that funds a wide range of activities through instruction, research, outreach on at least three campuses (UCR being one) and is also very active at the county level. There are questions concerning its oversight and a Task Force addressing this matter has been reporting to UCPB; 4) UC 2030 – the compact with the state that UC will grow by some 20,000 students by 2030; however, the system is only talking about hiring 1100 more faculty which is not enough and barely covers the student growth of recent years.

UCPB met with the UC finance leadership (David Alcocer (Associate Vice President, Budget Analysis and Planning) and Nathan Brostrom (Executive Vice President and CFO)). Many at UCOP and in the state government believe we are headed for a recession due to global events and now a decline of several billion dollars in CA tax revenues collected. This recession is already being planned for. UCR and UC Merced were awarded funding for campus expansions and these longer-term funds may be subject to review, pending whether a recession emerges. UC reserves are strong, but future spending across the system may need to be restrained.

The initial Campus Finance Committee (CFC) meeting of the new academic year was introductory and a handout "UCR Budget and Financial Fundamentals" is available to all UCPB committee members on our Google Docs site. The second CFC meeting held in October outlined the FY2022 core expenditures and the FY2023 core assumptions. Based on requests received in June 2022, new FTEs were awarded to Enrollment Services, Compliance/Title IX/Fire Safety and Facilities. Funding was also supplied to the Steam Plant for mandated emission monitoring (previous devices were outdated). In terms of core expenditures, it remains unknown whether UCOP will supply the 5% increase on the \$40M set-aside for the UCR SoM. Present indications are that they will not which will mean that this cost be passed to the campus.

Finally, Chair Atkinson gave a brief overview of Impact 23. UCOP mandated that all campuses convert their accounting systems (travel, all accounting, and research) to a new system (Oracle) by July 1, 2023. UCSD and UC Merced have reported that the conversion process has been a disaster. The previous UC Senate Chair recently wrote a memo to President Drake outlining the disruption that this transition has caused campuses, with the word "disaster" used several times. UCR is in a troubling position as the campus is 30% less staffed than other UC campuses, so UCR will not have the staff to assist in the conversion and troubleshooting process even if staff are hired soon. The level of sophistication of the

new software also presents a significant problem in this context. Future updates on Impact23 will be forthcoming. The senate has formed a small subcommittee and the senate vice-chair is now a member of the four-person Impact23 executive committee.

#### **P&B PRIORITIES FOR THIS YEAR**

Chair Atkinson expressed interest in continuing the committee's priorities from last year which included PhD student funding, campus budget model and the hope of trying to sequester funding for campus initiatives, transparency, and planning. Chair Atkinson would also like to have another faculty town hall this year if the committee agrees it would be useful.

#### **UCR 2030 STRATEGIC PLAN**

Committee members discussed the plan and supported the bottom-up approach discussed in the draft committee response that was circulated. There was also a desire to have a coordinator responsible for evaluating all college and school strategic plans to find synergies so colleges and schools can work together. Members also liked the idea of colleges and schools providing an aspirational wish list so the administration can make college/school goals a financial priority. Members agreed that financial stability, resiliency, and sustainability should not be listed as the first priority, education should. Members felt that the campus' lack of funding should not stand in the way of meeting the campus' goals. Members will add to and revise the draft response on the committee's Google Drive so that it can be submitted to the Senate Chair by Friday.

The meeting was called to a close at 12:30 pm.