



UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)
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October 11, 2004

GEORGE BLUMENTHAL, CHAIR
ACADEMIC COUNCIL

RE: UCPB's recommendations on UC's Budget Priorities for 2005-2006

Dear George,

On August 12, Council Chair Pitts requested UCPB and UCFW to develop priorities for the 2005-06 UC budget in anticipation of increased funding under the new compact negotiated in 2004 with the Governor. UCPB discussed this important issue in its initial meeting on October 5, 2004 and what follows is a statement of our conclusions.

It is an easy task to inventory the pressing needs of the University that have arisen both as a result of the severe cuts in state funding during the past several years as well as the reductions absorbed in the early 1990s that have never been restored. No area of UC's physical and human capital has been immune from these fiscal blows. Faculty and staff salaries have stagnated; state-funded research has been reduced; the student-faculty ratio has risen; financial aid for both undergraduates and graduate students has diminished; old and new buildings have gone without basic maintenance; student services have withered; efforts to prepare secondary students for admission to UC have been compromised; shared governance has been weakened by cuts in the Academic Senate budget, both state-wide and at the division level.

It is less easy, however, to decide upon a ranking of priorities that will begin to redress this past devastation to the institution's basic research and instructional mission and the declining morale of its faculty, staff and students. We believe there is no single, magic bullet whose firing will immediately reverse these trends and there is considerable danger in focusing only on immediate, short-term palliatives.

No one, for example, questions the dire condition that exists with respect to basic faculty salaries. Their decline relative to comparison institutions has injured morale, damaged retention efforts and handicapped the recruitment of new colleagues. We believe, however, it would be a serious mistake, both morally and institutionally, for the largest share of anticipated new funding to be allocated to raising faculty salaries at a flat percentage across all ranks. Such a decision would place us in an untenable moral position with respect to both staff and students. With

respect to faculty salaries, we prefer an allocation formula that targets junior, untenured faculty before others.

However, we do not believe that faculty salaries should be our highest priority. Another 3 percent in the personal pocketbook of an existing or new faculty member will do little to change the academic environment necessary to sustain his or her research and instructional activities. It will not provide a competent and dedicated staff member to assist with preparing and monitoring an external grant, advise students, schedule courses, order supplies, or manage recruitment visits; it will not reduce the size of undergraduate classes (perhaps the biggest single complaint of new UC faculty); attract better graduate student RAs and TAs, or provide the equipment and technology that enriches the intellectual life of a campus.

As part of the initial effort to revitalize UC's core research and instructional activities, therefore, we would place a higher priority on staff salaries and staff recruitment. Any percentage increase for staff in 2005-06 should be greater than the faculty increase in order to compensate for the year in which staff did not receive an increase, but faculty members did. In addition, the core I&R budgets of academic departments and programs, ravaged in the early 1990s and again in the past several years, ought to be enhanced significantly. And we would place a reduction in the student-faculty ratio through the allocation of new faculty FTEs on this fundamental list that focuses attention on institutional recovery more than individual faculty compensation.

We applaud the signals from senior management that graduate student return to aid will be significantly increased, perhaps as high as 50 percent. Increasing financial support for graduate education should, in our judgment, even take priority over faculty salaries if UC is to restore its competitiveness for the best students who are vital to the research activities of faculty and the long-term economic success of California. At the same time, we continue to oppose the policy that regards TA fees as financial aid rather than employee benefits assessed against the instructional budget. We have reaffirmed this position several times to senior administrators and were led to believe they shared our views. And many members of the committee question the wisdom of a long-term strategy for UC that appears to accept the necessity of higher fees in return for higher financial aid.

In summary, we are not persuaded that faculty salaries should trump other needs in 2005-06 or thereafter. Our ranked priorities are: (1) staff salaries; (2) graduate student aid; (3) the student-faculty ratio; (4) building maintenance; (5) targeted faculty salaries; (6) undergraduate financial aid; and (7) academic preparation for secondary school students.

Respectfully submitted,

/s/

Michael E. Parrish
Chair, UCPB

cc: UCPB
Executive Director Bertero-Barcelo