

DIVISIONAL COUNCIL
Minutes of Meeting
November 6, 2017

Pursuant to call, the Divisional Council met at 10:00 a.m. on November 6, 2017 in Room 362 of the Kolligian Library, Chair Susan Amussen presiding.

Present: Kurt Schnier, Wei-Chun Chin, Mike Dawson, Tom Hansford, Ignacio López-Calvo, David Noelle, Lin Tian, and Anne Zanzucchi. Sean Malloy, Shawn Newsam, and Mukesh Singhal participated by telephone.

I. Consultation with Provost Peterson & Interim Vice Chancellor for Budget & Planning Mendez

Provost Peterson and Interim VC Mendez presented on the campus budget. The Provost noted that the summary provided here constitutes the most complete analysis of historical spending patterns to date. VC Mendez stated that her office has been working to accomplish two tasks: provide an accurate picture of FY 2016-17 and generate projections for FY 17-18. She noted that an end of the year fiscal report takes considerable time and effort because of limitations in the campus's information systems. In particular, the ledger and payroll personnel systems must be reconciled manually to enable a full understanding of payroll-related spending. Her office has also been working to firmly establish unit baseline budgets.

At fiscal close 2016-17, campus expenditures exceeded revenues by about \$5.5 million, a difference covered by the campus's \$92 million fund balance. However, about \$86 million of the fund balance is committed to the 2020 project, and will be spent down over the next four years. Thus, the campus will need to integrate development of the fund balance into ongoing fiscal planning.

In projecting the budget for fiscal year 2017-18, \$64 million in expenditures were identified that were not already accounted for in the campus budget. As a result, the campus is projecting a \$44 million deficit. Items new to the budget this year include 53 new faculty members and associated startups, benefits, and incidentals, staff and faculty merit pay, new staff lines and associated benefits, commencement, legal costs, debt service, changes to graduate student funding models, increases to utilities costs as new buildings open, and costs associated with the management of the 2020 project. The campus is planning to address the deficit through several means: additional tuition revenue, redirecting 50% of the campus's central account funds, a 7% to 10% reduction in non-salary expenses, and salary savings from unfilled staff FTE. With these savings, the projected deficit drops to \$10 million. The campus is monitoring its progress toward its savings goal via the quarterly reconciliation process.

Several steps are being taken to strengthen the campus's ability to project and manage the budget. Under the guidance of the Budget Policy Work Group, instructional budgets and related policy are being developed for implementation in fall 2018. The vice chancellors are undertaking position control, which will allow the campus to strategically consider the use of open staff FTE. The campus is also working to address the structural deficits associated with auxiliaries as well as the increasing costs of facilities maintenance. Finally, the Budget Office is initiating projection of the FY 2018-19 budget to enable appropriate planning.

Members inquired about the history that has brought us to this budget situation, the projected break-even time for auxiliaries, and the evidence that the 7% - 10% cuts are feasible. The Provost and Vice Chancellor responded that our current budget situation is likely attributable in part to the unpredictable fiscal environment in which the campus started up, the early adoption of a decentralized approach to budget management, and the lack of a budget system. They stated that the projected breakeven timeframe varies by auxiliary unit, with two to three year timelines for most. Finally, they noted that expenditure patterns from last year suggest that 7% to 10% savings will be possible.

II. Chair's Report & Announcements**A. Meetings with Provost (11/1, 11/6)**

The Chair reported that the Provost was happy to receive the Senate's endorsement of the Scholars at Risk network. He supports the initiative, which he intends to be a faculty led effort.

B. Academic Council (10/25)

The Chair reported that Academic Council met with the UC Regent George Kieffer, the Chair of the Board, and a graduate of UCSB and UCLA. Regent Kieffer reported that a priority is to strengthen the Regents' relationship with legislature. He plans to visit each campus with a focus on undergraduate education, which he understands to be under the oversight of the Regents. UCOC is working on a conflict of interest policy.

III. Consent Calendar

The agenda was approved as presented.

IV. System Review Items**A. Taskforce Report on the Negotiated Salary Trial Program**

The FWAF Chair provided a brief summary of system wide history relevant to the current proposal, and noted that the Taskforce Report does not grapple with the concerns raised by a related proposal to revise the APM in 2011. Members discussed committee comments, and concluded that DivCo's letter will highlight and reinforce the substantive concerns raised by committees and that DivCo's endorsement of the Taskforce's recommendations is predicated on the adoption of metrics for subsequent evaluation of the program that address the three core concerns raised by the Senate in 2011.

Action: The Chair will draft a response for consideration by members prior to submission to the systemwide Senate Chair White by November 22, 2017.

B. Proposed Revisions to Senate Regulation 424.A.3 (Area "d") Requirement

The UGC Chair summarized the proposed revisions, noting that over 95% of UC applicants already meet this requirement and that the revision communicates UC's commitment to K-12 science education. Members concluded UGC's recommendation would be forwarded as the campus' response to the review.

Action: Transmit UGC's recommendation to the systemwide Senate Chair White by November 20, 2017.

V. Campus Review Items**A. Discontinue ESSU Minor**

The UGC Chair introduced the item noting that the proposal addresses all the requirements for discontinuing a program, including a plan to ensure currently enrolled students are able to complete the minor. Members unanimously endorsed UGC's recommendation to discontinue the program, effective immediately.

Action: Transmit Divisional Council's endorsement of UGC's recommendation to the administration.

B. Proposed Revisions to Division Bylaw Establishing a RCAP

The CAP Chair noted that all committees have endorsed the proposed revisions to Division Bylaw establishing a reserve CAP (RCAP). In their endorsements, D&E recommended attention to diversity in the committee's membership and CoR that the membership section of the bylaw be revised to specify the presence of both a CAP and a RCAP. To address CoR's recommendation, members unanimously endorsed adding the following two sentences to Point A of the bylaw: The reserve CAP consists of six members who are members of the Division. Members will be full professors. Members also endorsed striking the following redundant information from Point A: in the first sentence, the reference to six members; the second sentence specifying that members will be full professors; and the fourth sentence specifying members will serve three year terms.

Action: The proposed revisions will be transmitted to CRE for its review and endorsement.

VI. FWAF Memo on Executive Sessions

The FWAF Chair outlined the rationale for its comments on the use of executive session by Senate committees, and encouraged Divisional Council to communicate to the administration the importance of executive sessions to committee and Senate function and shared governance, more generally. Following deliberation, members concluded a memo will be drafted reaffirming the role of executive session as outlined in the Senate's Guide to Committee Membership.

Action: The Chair will draft a memo for Divisional Council's review and endorsement prior to transmittal to the administration.

VII. Committee Chairs' Reports

Due to limited time, the chair invited committee chairs to share significant updates. The CoC Chair reported that the Committee on Committees sent a memo to the Division Chair encouraging that CoC appoint Senate members to Senate-administrative committees.

VIII. Informational Items

- 10/26/2017 – At the VCORED's request, CoR offered recommendations regarding the campus' policy on limited submission proposals.