

Committee on Academic Planning and Resource Allocation (CAPRA)

Minutes of Meeting

May 12, 2020

Pursuant to call, the Committee on Academic Planning and Resource Allocation met at 11:00 am on May 12, 2020 via Zoom, Chair Patricia LiWang presiding.

I. Consultation with EVC/Provost

EVC/Provost Camfield informed CAPRA that the Legislature and the Governor each have different state budget projections. The true extent of the budget deficits will not be known until July when the state receives tax revenue. Lobbying efforts are underway to acquire more funding for higher education. The UC system is expecting UC President Napolitano to announce the freezing of faculty salary scales, however, faculty will still receive raises as part of their normal merit/advancement process. Salaries of non-represented UC employees will be frozen next year. The UC will work with the unions on a possible deferral of contractual wage increases for the next year. Discussions are occurring about a graduated wage reduction system for employees in which the highest earners will see the highest reduction in wages. However, the UC hopes that wage reduction will not have to be instituted because the federal government has agreed to suspend the employer's collection of Social Security which accounts for 7% of UC payroll. EVC/Provost Camfield explained that that percentage covers the expected deficit in the UC budget. In addition, the currently low interest rates mean that the UC would be allowed to spread out repayments of borrowing over time rather than have to pay back immediately in a lump sum.

EVC/Provost Camfield reported that the UC EVCs are divided between wage cuts and furloughs. He has asked the UC Merced Senate Chair and Vice Chair to solicit faculty input and report back to him. Discussions of wage cuts or furloughs are only preliminary at this point as the UC is actively working on alternatives. EVC/Provost Camfield stated that the UC system was ill-prepared in 2009 when it had to institute furloughs. The system is more prepared to handle economic downturns now. He added that while some aspects of UC Merced's budget are determined centrally (e.g. union contracts), many other aspects remain under campus control. Therefore, some of UC Merced's budget should be safe from the serious deficits experienced by the various UC medical centers.

EVC/Provost Camfield then discussed the job market for UC Merced graduate students. The California community colleges are experiencing a retirement wave, and EVC/Provost Camfield's discussions with community college presidents revealed that STEM instructors are particularly needed. UC Merced graduate students, especially those in STEM fields, could be encouraged to seek teaching positions there. EVC/Provost Camfield pointed out that UC Merced is building strong collaborations with local community colleges in order to increase enrollment of transfer students. Community colleges are an excellent pipeline for UC Merced. A mutually beneficial arrangement is established if UC Merced graduate students become teachers there.

A CAPRA member asked for an update on replacement faculty hiring. EVC/Provost Camfield answered that as soon as he has clarity on the budget, his priorities will be replacements, failed searches, and new faculty lines, in that order of priority. A CAPRA member asked for clarification on whether failed searches this year will be carried over to next year. EVC/Provost Camfield replied that faculty will not lose the FTE lines; it is only a question of when faculty could begin the search again. UC Merced is not cancelling any faculty searches for the current year. Many institutions in the country are cancelling faculty searches so UC Merced could have a competitive advantage.

EVC/Provost Camfield stated that he has received requests to simplify or streamline the academic planning process. His overarching request is that criteria and goals need to be emergent from faculty interests. He was hesitant to be overly proscriptive in order to avoid a situation in which faculty would craft their plans around what they think the EVC/Provost wants. UC Merced needs to find its identity and that should be faculty driven. His role is to locate resources. While Schools need to have plans and budgets in phase II of academic planning, EVC/Provost Camfield understands the current difficulty of trying to determine a budget. He has spoken with the deans, and he is proposing the following: separate the budget request from intellectual request in phase II so that he does not have to conduct matching between prospective resources and the intellectual identity of Schools.

Assistant EVC/Provost Laura Martin then presented a revised timeline to CAPRA. The original 5-year plan submission template included strategies, objectives, timeline, and later, a budget. The proposed, revised timeline would require submitting a general sense of strategy, align to the School/Division goals and align to the Academic Planning Working Group (APWG) indices and measures, require the Schools to organize their goals and priorities, and indicate the year for implementing

the strategy. This revised timeline would take pressure off phase II in terms of details. EVC/Provost Camfield agreed, and reiterated that the state will not have a revised budget until August. It would be too difficult for Schools/Division to have new budget information in time to meet the original deadline for phase II submission.

The revised phase II academic planning deadline proposes that by September 25, Schools/Divisions will submit essential elements of 5-year plans (strategies aligned to School goals, APWG indices, criteria and measures; School/Division priorities indicated by proposed year for implementing strategies). By October 12, compiled plans would be provided to the EVC/Provost and CAPRA for review. By November 9, the EVC/Provost and CAPRA would provide to campus their reviews of School/Division plans together with proposed funding priorities and campus funding estimate for upcoming years with the caveat that they are re-evaluated annually given fiscal uncertainties. Between November 9, 2020 and January 22, 2021, Schools/Divisions would discuss synergies and feedback on initial plans/costs in light of campus funding estimates. Between January 22 and March 19, 2021, Schools/Divisions would revise their plans and estimate costs. By March 19, 2021, the revised plans and costs would be submitted to the EVC/Provost and CAPRA.

EVC/Provost Camfield reiterated that by fall semester the budget will be clear enough for him to better inform Schools/Divisions of projected income streams and ways in which he is working to support the various campus endeavors. Priorities may shift. He added that both he and CAPRA will look at campus revenue streams in order to provide feedback on what Schools/Divisions can realistically do. APAPB Schnier clarified that CAPRA will not have to estimate the cost of strategies since the campus will not have any budget clarity until the fall semester. The EVC/Provost wants the Schools/Divisions to initially submit their strategies for his and CAPRA's review so that when the state and UC budgets are eventually clear, the EVC/Provost and CAPRA can review the strategies in the next iteration of phase II with costs in mind. EVC/Provost Camfield clarified that it is his responsibility, not CAPRA's, to analyze the campus budget.

CAPRA members supported the revised timeline and appreciated the EVC/Provost simplifying phase II of the academic planning process for Schools/Divisions.

II. Consent Calendar

A. Today's agenda

B. Draft meeting minutes April 28

Action: The consent calendar was approved as presented.

III. Consultation with Director of Space Planning & Analysis Maggie Saunders

Director Saunders provided the following updates on the 2020 project and backfill space projects:

- 2020 buildings will be delivered on time and on budget.
- The move to the new administration building will occur in June/July.
- Move in to BSP will begin:
 - July/Aug – Basement and 1st Floor
 - Nov/January – 2nd, 3rd & 4th Floor
 - COB1 Backfill Project – completed end of August
 - COB2 Backfill Project – primarily moves, September
 - SE1 & SE2 Backfill Projects – Spring 2021

In response to a CAPRA member's question, Director Saunders confirmed that the Castle facilities will be renewed. The general obligation bond on the primary election ballot was not passed by voters, so the campus is working on alternative sources of money for the Health and Behavioral Sciences (HBS) building through both private and public-private partnerships. The campus needs to locate \$100 million to fund the HBS building. The building was approved under a previous state budget plan, but with no means of funding it. The goal is to design the building now so that the campus is ready to build as soon as the economy stabilizes and funding for the building is secured. A CAPRA member asked how the new 2020 buildings align with the campus goal of zero carbon emission. Director Saunders responded that the future HBS building will be carbon-neutral and will adhere to all of UCOP's 2025 sustainability guidelines.

IV. Consultation with APAPB Schnier and AVC for Financial Planning & Analysis Khanona

APAPB Schnier and AVC Khanona informed CAPRA members that they have been conducting stress testing to assess the negative financial impacts on the UC budget. While funding from the CARES act will help mitigate some of the deficit, it is necessary to analyze various scenarios.

APAPB Schnier demonstrated the stress testing model to CAPRA members by running through the following UC Merced and UCOP scenarios for revenue projections for fiscal year 2021 and cumulative through fiscal year 2025.

UC Merced Scenario 1:

- Freshman enrollment reduction of 200 students (FY21)
- Decrease in 1st year retention of 2%
- Flat state appropriations for FY21
- Remote learning extended through Fall term

UC Merced Scenario 2:

- Freshman enrollment reduction of 400 students (FY21)
- Decrease in 1st year retention of 5%
- State appropriations cut by 5% for FY21
- Remote learning for entire AY (Fall and Spring)

UCOP Scenario 1:

- Minimal non-resident student impact (does not impact UCM – assume 200 student reduction at UCM as offset)
- Flat state appropriations for FY21
- Alterations to Medical Center revenues (does not impact UCM)
- Housing/Dining at 30% for Fall – resume normal in Spring
- Moderate research impacts – slow ramp up

UCOP Scenario 2:

- Loss of non-resident tuition (50% Int.) & replace with resident (assume 300 student reduction at UCM to offset)
- State appropriations cut by 5% for FY21
- Medical Center revenue losses through March 21 (does not impact UCM)
- Housing/Dining at 30% for Fall and Spring

- Research impacted for entire year
- Private giving and investment return impacted (minimal impact to UCM)

UCOP Scenario 3:

- Loss of non-resident tuition (75% Int.) & replace with resident (assume 400 student reduction at UCM to offset)
- State appropriations cut by 10% for FY21
- Medical Center revenue losses high (does not impact UCM)
- Housing/Dining at 30% for Fall and Spring
- Research impacted for entire year
- Private gift giving and investments significant negative impact - recession (minimal impact to UCM)

APAPB Schnier shared with CAPRA a campus cost simulation model and a campus revenue simulation model.

A CAPRA member suggested that the campus should be focused on reopening the campus safely and thoughtfully. APAPB Schnier confirmed that groups on campus are working on ramping up research activities by this summer.

AVC Khanona then shared with CAPRA members budget forecasting numbers for 2021 excluding enrollment and contracts and grants.

V. Consultation with APAPB Schnier

APAPB Schnier and CAPRA resumed their earlier discussion on revisions to phase II of the academic planning process. CAPRA debated whether the phase II submission template should include the columns for “years”. One committee member suggested removing the column for years until the campus knows the final budget numbers. Another CAPRA member recommended asking Schools/Divisions to add tiers ranging from immediate to long term with priorities that are critical, high, medium, and low. Other CAPRA members pointed out that years are a good sorting measure. A CAPRA member suggested leaving the years in the template for now and readjusting in the fall semester when the budget picture is clear.

VI. Chair's Report – Patti LiWang

- A. UCPB meeting May 5
- B. Spring Meeting of the Division May 7
- C. Ad hoc CAPRA summer meetings

Action: Due to time constraints, the committee analyst will distribute a written chair's report to committee members via email.

VII. Systemwide Review Item

Proposed Revisions to Presidential Policy - UC Seismic Safety Policy

The Seismic Policy has been revised per the guidance of the UC Seismic Advisory Board.

CAPRA members agreed to decline to comment on the proposed revisions to the policy. However, committee members pointed out that mitigation of seismic safety issues should not be the only concern of construction, facilities, and maintenance, since other needs are more pressing at UC Merced and also speak to the issue of campuses fulfilling their mission.

Action: The committee analyst will distribute a draft memo for CAPRA members' review and approval via email. The final memo will be transmitted to the Senate Chair by Thursday, May 28.

There being no further business, the meeting was adjourned at 12:30 pm.

Attest: Patti LiWang, CAPRA chair