

Planning Guidelines for 2009-10 Academic and Resources Plans

UCLA is anticipating significant financial challenges in 2009-10, as result of a number of converging factors. These include reduced state funding, slowing federal research funding, unfunded costs for utilities, building maintenance, and health benefits, and the impending reinstatement of employer and employee contributions to the UC Retirement Plan.

The purpose of these guidelines is to provide a consistent framework for the development of Academic and Resources Plans for each of UCLA's academic units. The plans should be prepared under the supervision of the dean of the school, who is strongly encouraged to involve the Faculty Executive Committee. The plans are due to the Office of Academic Planning and Budget on February 16, 2009 and will be reviewed in budget meetings with each dean, to be scheduled in March and April of 2009. These planning guidelines are not intended to provide a fixed template or set of forms to constrain the preparation of each school's plan. The plans, however, should be no more than 25 pages in length.

The Academic and Resources Plan is not a strategic plan. Academic units are not being asked to define a vision or mission, or develop strategic goals and objectives consistent with the campus academic strategy. Rather, these plans should be tactical in nature, and should focus on the immediate impacts of the three budget scenarios that are outlined below. For the most part, the plan should address issues arising in the 2009-10 academic year, but deans should identify issues that may arise in the school in subsequent years.

The plan should include three alternative operating budgets for 2009-10, one for each of three budget scenarios. All three scenarios are identical in their assumptions regarding expenditures, as follows:

- Rebalancing for utilities and OMP will continue in 2009-10 at the same levels stipulated in the rebalancing documents for 2008-09.
- Employee health benefit costs will increase 11%, but funding for units with General Funds will be limited to the permanent allocation stipulated in the 2008-09 rebalancing documents.
- The scenarios assume that a 4% employer contribution to UCRP will be implemented on July 1, 2009.
- Salary increases generally will be limited to faculty merit adjustments, although deans should determine if their units would be affected by any continuation costs or collective bargaining agreements.

With respect to revenues, the three scenarios vary, as follows:

- Scenario A assumes a 3% reduction in 19900 revenue. It also assumes that the state will fund the UCRP contribution at the 4% level.
- Scenario B assumes a 5% reduction in 19900 revenue, and no state contribution to UCRP.
- Scenario C assumes an 8% reduction in 19900 revenue and no state contribution to UCRP.
- All scenarios assume a 10% increase in the Education Fee, which would be sufficient only to provide central funding for faculty merit adjustments and continuation costs.
- All scenarios assume a 4.2% increase in the Registration Fee
- All scenarios assume approval of the Professional Differential Fees increases submitted by the campus to OP in September 2008.
- All scenarios assume that UCLA will not receive additional enrollment funding but that overall enrollment levels will remain unchanged from 2008-09.

Specifically:

- The College will remain overenrolled.
- Professional schools that are currently underenrolled should plan to achieve their planned enrollment targets.
- The School of Medicine should plan to enroll the next cohort of PRIME students.
- The School of Nursing should plan to enroll the next cohorts of students into its undergraduate and master's programs.

The purpose of analyzing these scenarios is to help the schools, divisions and the campus understand the implications of possible budgetary outcomes. These scenarios, however, do not represent budget decisions. While all campus units are being asked to plan against these scenarios, the Chancellor will make final budget decisions on a strategic basis. Some units may be protected from budget reductions and others may experience reductions even larger than the levels contemplated in these planning scenarios. The Chancellor's decisions about budget allocations for 2009-10 will be influenced by a number of considerations; these include the outcome of state and systemwide budget decisions, further discussions about the campus academic plan now being developed, meetings with deans and vice chancellors, discussions with the Academic Senate and other campus stakeholders, and the recommendations of the Budget Toolbox task forces.

To support this process, each school and division needs to undertake a realistic and thorough examination of its potential resources under each scenario and plan how to align them with their academic mission, especially teaching. To provide the Chancellor and the EVC/Provost with a comprehensive understanding of the potential impacts of budget reductions, the Academic and Resources Plan should include discussions of all of the following, in relation to the three operating budget scenarios:

1. Budget Balancing Proposals. Because the three budget scenarios discussed above all involve significant reductions in General Fund resources and unfunded increases in costs, the plan should include specific proposals to generate new revenue and to reduce expenditures in order to adjust to the reduced levels of general fund resources and increased costs included in the budget scenarios.
2. Discussion of the Instructional Mission. UCLA's top priority is carrying out the teaching program efficiently. The plan should address the steps necessary to mount the curriculum in 2009-10 in light of reduced resources. The plans may include a discussion of any steps being taken to examine and streamline the curriculum, toward the goal of maintaining student progress toward their degrees within the limited resources available. The plans should also discuss departmental teaching workload policies, the granting of course releases, and the level of teaching performed by ladder faculty. Because the Chancellor's resources will be reduced, the plans should not assume that the same amount of temporary funding available this year to relieve teaching problems will be available next year.
3. Research and Doctoral Education. The plans should identify emerging issues in the academic unit's research and doctoral education programs and the implications of budget reductions on those programs.
4. Faculty Recruitment and Retention. The hiring of ladder faculty should be significantly curtailed, including hires for replacement of separations. All searches must be approved by the EVC/Provost. Proposed future levels of hiring will be evaluated in the context of the faculty renewal model, updated versions of which will be transmitted to your offices by APB.
5. Staffing. The plan should identify current and planned staffing levels.
6. Capital Investment. The plan should include any planned capital investments over the next 5 years, and the proposed funding sources for those investments. Any capital project exceeding \$400,000 in project cost should be included.
7. IT Investment. The plan should include any planned investment in information technology infrastructure or applications in the next 5 years, and the proposed funding sources for those investments. Any IT project exceeding \$100,000 in project cost should be included.
8. Accountability Measures. Under separate cover, you will receive the campus Key Academic Indicators. The KAIs are one source of data among many to inform the planning process at UCLA. Deans are invited to include in their plans additional sources of data to measure academic performance for discussion in the planning process.

We realize that this planning will reveal uncomfortable and perhaps unpalatable possibilities, but it is vitally important for us to have an accurate understanding of the academic impact of the budget if we are to maintain quality through this trying period.