UPDATE ON THE 2004-05 BUDGET

Zina Mirsky presented information on the 2004-05 budget process to the Full Faculty of the School of Nursing.

In the budget for 2003-04, then-UC President Atkinson protected core academic purposes and all academic salaries (19900) from budget cuts. However, this move heightened the amount and significance that had to be reduced from other 19900 sources. Overall, UCSF faced approximately $11 million in cuts, $137,000 of which were directed at the School of Nursing. These reductions were primarily taken in School administration, resulting in minimal financial and operational impacts to School departments. For example, the Dean’s Office proposed cutting over $110,000 from its own budget while departments averaged approximately $12,000 each in cuts.

For the 2004-05 budget, projections indicate an additional $12 million of permanent cuts are needed. This year there is not yet a central mechanism guiding the process nor any ground rules set to protect core academic purposes. Moreover, this estimate assumes passage of two bond propositions—55 and 57—on the March 2nd ballot. Because the situation will be much worse should either of these bonds fail at the polls, the Campus Contingency Planning Committee is discussing possible effects on the UCSF budget. UCOP cannot lobby on behalf of the bonds, but organizations like the UC Alumni Association can and should.

Governor Schwarzenegger’s budget proposal does not fund any increase to base salaries, although the University is obliged to meet all regularly scheduled merits and promotions, which translates into an additional 3% cut as the School and other University functions will need to fill this gap from other revenue sources. The Governor also calls for an increase in professional fees for graduate students, although nursing students in the Masters program have been specifically exempted. Overall, fees for graduate students will rise by 40% and fees for undergraduates will rise 10%.
Mirsky displayed two charts that outlined 2003-04 reductions (Attachment 1) as well as what a sample department might look like in 2004-05 (Attachment 2). The picture is clear—small reductions, even in the best of circumstances, will result in major losses to programs, staff, and faculty.

Faculty and staff should look at this as an on-going problem since more budget cuts are likely to be needed in subsequent years. Associate Dean Mirsky urged faculty to work with their departments and the Faculty Council to determine funding priorities, look for opportunities to increase efficiencies within and across departments, and to investigate new or increased sources of revenue, i.e., what can be done without, and what do we need to be planning for?

Faculty asked whether new building maintenance and development costs might be postponed. Mirsky replied that this is a campus-wide decision that the Academic Senate and other constituents will address.

Faculty asked whether shifting course work into a continuing education program might improve instructor course loads while at the same time establishing a marketing tool to attract more revenue. Faculty sited positive examples at the University of Washington Continuing Nursing Education program and the UCSF School of Medicine Office of Continuing Education. Mirsky reminded faculty that continuing education programs are ineligible for State funds and must be self-supporting.

Mirsky reported that UCOP is considering privatizing fees and that the UC Regents are revisiting this issue. A recent article in the San Francisco Chronicle by Ken Garcia argues against this move since public universities will not be able to compete with the financial aid packages of private institutions like Harvard that are supported by huge endowments. The article is available at sfgate.com/article.cgi?file=/chronicle/archive/2004/01/26/EDG8J4FKFD1.DTL.

Associate Dean Mirsky adjourned the meeting at 1:00 PM.