COMMUNICATION FROM THE COMMITTEE ON ACADEMIC PLANNING AND BUDGET

David G. Gardner, MD, Chair

July 28, 2004

Leonard S. Zegans, M.D.
Chair, Academic Senate
UCSF

Dear Len:

The Committee on Academic Planning and Budget (APB) met on July 8 and July 15, 2004 to consider the plans of the Schools of Medicine, Dentistry, Pharmacy and Nursing and the Offices of the Vice Chancellors to accommodate the budgetary reductions for the 2004-05 fiscal year. The Committee also evaluated a number of requests for funding that were submitted to the Chancellor’s Office earlier in 2004. The detail provided below reflects the consensus of APB derived from those discussions.

The plans for budgetary reductions at the individual control points varied to some degree but were uniformly viewed as acceptable by APB. The Schools of Pharmacy, Dentistry and Nursing plan to cover the shortfall from discretionary funds. A significant portion of the School of Medicine’s reduction is in the form of targeted reductions (i.e. mandated reductions that are directed towards specific programs). The remainder will be passed along as “across-the-board” reductions to the individual departments within the School. While the Committee regards this as acceptable, it would have been more useful to have information regarding how the departments will deal with these cuts (e.g. use of discretionary funds vs. reduction/elimination of programs) to assess their full academic impact. The Committee hopes that this level of detail will be forthcoming in future years and that the discussion of the process for reduction/elimination of programs will be based on a broader strategic framework which is closely aligned with campus planning efforts. The Vice Chancellors’ Offices will, for the most part, use either discretionary funds or cost-savings from the 2003-04 fiscal year to cover budgetary reductions in the 2004-05 year. The exception, in this regard, is in the Office of the Vice Chancellor for Academic Affairs (now in the Executive Vice Chancellor’s Office) which will distribute the reductions as a fixed percentage across the board, unless additional cost savings can be identified in the near term.

The requests for funding from the Chancellor’s Discretionary Funds were evaluated individually and prioritized as follows:
Hihest Priority

1. A21/CAS Relief – the proposed budget includes a FY 2004-05 new increment of $1,410,000 to bring the final total allocation to $12,550,000. It is pointed out that this represents a 13% (actual 12.66%) increment over the preceding year (allocation was $11,140,000 in 2003-04). While this is correct, the proposed allocation actually reflects a reduction in the percentage of the GDICR returned to the schools. This was 12.50% in 2003-04 and would fall to 12.00% in 2004-05. APB believes that this represents a move in the wrong direction, particularly as administrative support for extramural research becomes more difficult to find. We respectfully request that the percentage of GDICR returned to the schools be left at 12.51% for the coming year for a final allocation of $13,073,000 – roughly $523,000 higher than proposed. This modification was identified as the highest priority by APB. Furthermore, the Committee strongly believes that, as the State’s economic picture improves in the years to come, the Chancellor should support taking this percentage higher ultimately targeting the 20% return recommended by the Hulley task force some years ago.

Hiighest Priority

2. NBCC Prevention Program/IT – Vice Chancellor Barclay has justified the need for inclusion of this request outside the normal budgetary channels. APB was in agreement that appropriate Security and Hazard Mitigation Projects and the continued development of IT on this campus (a high priority in all campus sectors) should be funded to the maximum extent possible during the upcoming year.

3. Reg Fee-Funded Student Services – the Office of Student Academic Affairs has requested (1) restoration of $232,000 in permanent budget cuts in FY 2005-06 and (2) temporary funding ($123,054) to continue support for Student Legal Services Insurance Plan and the Student Academic Enrichment Program. APB supports the restoration of the $232,000 when funding becomes available in future years. Support was recommended for the continuation of the Student Academic Enrichment Program (no dollar amount is requested specifically for this program in the letter from Dean Attkisson but estimating it as 50% of the request would place the allocation at ~$62,000). There was little support for providing additional funding for the Student Legal Services.

4. Stipends for the Academic Senate Leadership – increasing demands on faculty member’s time have made it difficult to identify qualified individual to serve in time-consuming leadership roles in the Academic Senate. The Committee on Committees of the Academic Senate has submitted a request for stipend support for key senate leadership positions. APB supports this proposal and requests an additional $5000 stipend to be paid to the Chair of the Committee on Research. This brings the total request to $145,000 per year. APB also suggests that rather than providing the stipends directly to the faculty, that they are made available to departmental chairs/ORU directors to offset time/provide salary resources to allow faculty to participate freely in Senate leadership positions.

Moderate Priority

5. Science and Health Education Partnership (SEP) – the Director of the SEP, Dr. Elsa Bailey, and Dr. Peter Walter have requested inclusion of stable base funding of the SEP in the UCSF campus budget. They have requested $168,000 as institutional support for administrative costs required to meet their current
programmatic obligations (currently supported by extramural funding). These administrative costs would include support of one Academic Coordinator and 50% of an Administrative Assistant. Additional costs for recruitment and equipment would be required in the first year but would not be annual requirements. They also requested $115,073 for continuing support of the High School Summer Internship Program. APB discussed this at length and while the value of the SEP to UCSF and San Francisco Unified School District is indisputable, APB found it difficult to support additional administrative infrastructure for SEP in the face of campus-wide budgetary reductions, particularly given the ongoing commitments from the Chancellor’s Office and the Dean of the School of Medicine. There was, however, a moderate level of support for the continuation of the High School Summer Internship Program and APB would recommend one time support for this activity (total cost $115,073) during the coming year. Finally, if continued ongoing funding of this program is anticipated in the future, APB recommends that a rigorous assessment of the efficacy of the program, as measured by outcomes among program participants, take place at regular intervals.

**Not Recommended for Funding**

6. **Mount Zion Library** – a request has come from the MZ Library to provide $152,533 to support ongoing library activities. At present, the Medical Center, the Mount Zion Health Fund and the School of Medicine each provide 1/3 of the Library’s support. The MZ Health Fund will discontinue its support for the coming year and funding is requested to fill this void. There was very limited support for this request within APB – particularly since funding for library services at other off-campus sites (e.g. Laurel Heights) is limited or non-existent. APB does recommend that in the future, activities at the MZ library should be integrated into the central UCSF library system and that additional cost-saving measures be investigated that will allow this Library’s services to continue in the face of dwindling economic resources.

**Other**

7. **Mission Bay Campus** – APB expressed some concerns regarding the effects that continued expansion at the Mission Bay campus are having on the available pool of the Chancellor’s discretionary funds. A significant portion of the utilities and operating costs on the Parnassus and Mission Bay campuses are currently not funded by the State and this is likely to grow in future years as the costs of utilities and maintenance activity increase. Furthermore, as each new building comes on line at Mission Bay, it brings with it unfunded operating expenses that further erode the Chancellor’s pool of discretionary funds. This will place significant limitations on the use of these funds for other purposes (e.g. initiation or development of innovative programs) that would otherwise enrich the academic environment at both sites.

APB strongly recommends that future growth and expansion of the UCSF enterprise be planned with the idea of accommodating the operating costs attendant to this expansion, either by controlling the rate of growth or by building the operating costs into the fund raising efforts that supports the growth (i.e. creating an endowment from which income can be generated to support some portion of the annual operating expenses).

The Committee is grateful to the Deans and Vice Chancellors for providing the financial information that served as the basis for the comments above. The Committee hopes that you will find these comments constructive and useful in your discussions with the Chancellor.
Sincerely,
Committee on Academic Planning and Budget

David G. Gardner, Chair
Lisa Bero, Vice-Chair
Marguerite Engler
Warren Gold
Harold Goodis
Deborah Greenspan
Susan Janson
James Kahn
John Kane
Dennis Nielsen
Norman Oppenheimer
William Seaman
Jon Showstack
Susan Sniderman

I concur,

[Signature]

Len Zegans, M.D.
Chair, Academic Senate
UCSF