December 21, 2005

Dear Colleagues:

I write to provide my eighth annual report to the UCSF community on the state of our affairs. My intent is to portray the general health of the campus, not to provide a comprehensive account of all its achievements and challenges during the past year. There have been more than enough of both.

The Budget

The economy of California is on the rise, and with it, hope for further improvement in the budget for the University of California (UC). The Governor and the Legislature honored the "Compact" this past year with a 5% increase in general funds for the UC. Most of the increase has been used to provide modest raises for faculty and staff, and to sustain continued growth in undergraduate enrollment.

The Compact calls for a further minimum increase of approximately 5% in fiscal year 06/07. All signs presently indicate that this "promise" will hold, but the state budgetary process is capricious, so there will be no certainty until the Legislature and Governor have taken final action in May or later.

In the face of this generally good news, the UC faces a crippling shortage of monies for construction. The capital funds provided to the UC by the state inevitably fall far short of what is actually required. So the University regularly borrows money to meet its needs for construction. It does so as a single entity rather than as individual campuses, and its debt capacity is now approaching saturation. As a result, the ability of individual campuses to undertake new construction faces severe constraints.

The limit on UC debt creates a considerable impediment to initiating further construction at UCSF. The campus is determined to meet all existing commitments. But anything beyond that will have to await an improvement in the finances of the UC and the preparation of a strategic plan for the next phase of development at UCSF (see below). The progress at Mission Bay in recent years has created ever-expanding expectations throughout our academic community. We must manage these expectations in an equitable and productive manner.
Leadership

UCSF welcomed a number of new recruits to its leadership over the past year. James Asp joined us from the Memorial Sloan Kettering Cancer Center as our new Associate Vice Chancellor for University Development and Alumni Relations; Barbara French was recruited from the private sector to be Associate Vice Chancellor for University Relations; Linda Giudice abandoned the Cardinal (aka Stanford) to become Chair of Obstetrics and Gynecology in our School of Medicine; Deborah Greenspan became Chair of the UCSF Academic Senate; Jay Harris joined the Medical Center as Chief Strategy and Business Development Officer; Sally Marshall from the UCSF School of Dentistry assumed the office of Associate Vice Chancellor for Academic Affairs; and Jonathan Showstack was named Academic Information Technology Coordinator for the campus.

Laurels

The campus and its schools once again fared well in national rankings. My preferred metric is receipt of research funds from the National Institutes of Health, because it reflects peer review. The campus ranked fourth among all academic institutions in the United States. The Schools of Dentistry, Nursing and Pharmacy all ranked first, the School of Medicine ranked third. Four departments in the School of Medicine ranked first in their disciplines: Anesthesiology, Internal Medicine, Neurosurgery, and Obstetrics and Gynecology, with the Department of Internal Medicine first among all departments of any sort in the nation. Research in the social sciences, distributed among several departments, also ranked first.

The much maligned but rarely ignored rankings by U.S. News and World Report placed our School of Pharmacy first in the nation for its research training, and our School of Medicine fifth – the highest ranking for any public medical school. Notably, the School of Medicine also ranked among the top ten in primary care, testimony that the School is advancing its mission across a very broad front. The magazine did not publish rankings for Schools of Nursing or Dentistry.

The School of Pharmacy also gained note in two other ways: it was ranked first in federal support for chemical research and development by the Chemical and Engineering News report (MIT and Harvard were second and third, respectively); and one of its students, Dan Zlott, was elected as the next national president of the Academy of Student Pharmacists. The School of Dentistry was reaccredited without a single recommendation for improvement from the visiting committee, a singular achievement in a highly rigorous process.

The UCSF Human Research Protection Program just received full accreditation from the Association of Human Research Protection Programs (AAHRPP). Based on rigorous peer review, this accreditation serves as a "gold seal" signifying adherence to the highest standards in research on human subjects. UCSF is the first UC campus and only one of two institutions in California to have received full accreditation by AAHRPP.

Many of our faculty received national or international recognition for their achievements. Four were inducted into the National Academy of Sciences, six were elected to the Institute of
Medicine, four to the American Academy of Arts and Sciences. Individuals were lauded across a broad range of disciplines and contributions. Here are some examples, chosen to dramatize the diverse ways in which our faculty excel: Professor Emeritus Abraham Rudolph, the Pollin Prize in Pediatric Research; Professors Wade Smith and Robert Miller, the Royer Award for excellence in neurology; Professor Marylin Dodd, the Episteme Award from the Baxter International Foundation for her research in physiological nursing; Professor Emeritus Robert Langridge, named one of "Thirty Five Innovators of Our Time" by the Smithsonian Magazine; and Professor Ruth Greenblatt, the Women in Medicine Leadership Development Award from the American Association of Medical Colleges.

Our efforts in the San Francisco community have not gone unnoticed. Mayor Gavin Newsom wrote me in March to commend the efforts of the UCSF Community Partnerships Program for its "incredible job of reaching out to residents and businesses" in the "neglected and disenfranchised" southeast sector of San Francisco. And the United States Environmental Protection Agency named UCSF as one of the "2005 Bay Area Best Workplaces for Commuters" – given the daily trials of commuting life in the Bay Area, that may sound like damming with faint praise, but in reality, it represents the laudable result of devoted effort by our transportation department and the cooperation of countless members of the UCSF community.

Openings

UCSF opened three new buildings at our Mission Bay Campus during 2005: the Campus Community Center, a research building for the Institute for Quantitative Biomedical Research (QB3), and a housing complex that will accommodate approximately 730 individuals in apartments of varied configuration. Regrettably, clients for the housing complex were considerably inconvenienced by construction delays; I thank them for their patience. The entire complex is now open and represents a formidable milestone in our housing program.

The Community Center has been received as "one of the finest public spaces in San Francisco," a splendid facility for recreation and conferences. The QB3 building is filling rapidly with cutting edge research in advanced biomedical imaging, computation, drug discovery, and other cross-cutting applications of the physical, chemical and mathematical sciences to medical problems.

The opening of the Community Center was celebrated with a gala dinner in the banquet space of the building that also recognized successful completion of the fund-raising "Campaign for UCSF" (more on this later). In addition, the campus held a breakfast to salute the approximately two-hundred employees who have worked on the more than forty committees involved in the design and construction of buildings at Mission Bay. I suppose that only a university would use forty or more committees in this way. But the outcome in our case is superb.

The QB3 building was formally inaugurated with a symposium that featured UC President Robert Dynes and corporate leaders, including the CEOs of General Electric and Genentech, speaking to an overflow audience. The occasion also featured the announcement that the QB3 building would bear the name of Brook Byers, in recognition of his generosity and many years
of service to UCSF. So Byers Hall has taken its proud place next to the southern entrance to UCSF Mission Bay.

**Private Support**

The State of California provides only 9% of our current operating budget, only 12% of all our salaries, and we receive only 3% of our support from tuition and fees. So private support is vital to the continuing success of UCSF. The campus concluded the seven-year "Campaign for UCSF" in July, having raised a total of almost $1.7 billion in private funds, substantially over the original target of $1.4 billion. Of that total, $500 million were for capital projects, the remainder principally for research and education.

Private support during the last year of the Campaign, fiscal year 04/05, reached $293 million, the highest in the UC system and an all-time record for UCSF. Over the past six years, the number of individual contributions to UCSF has grown from 15,000 annually to 33,000. These numbers are a great credit to the leadership and staff of our Development Office, and to the UCSF Foundation and other volunteers from the Bay Area community who play a vital role in securing private gifts for UCSF.

**The Medical Center**

The UCSF Medical Center completed a banner year, ranked again among the top ten in the nation, with an operating surplus of $73 million and accumulated reserves of $150 million. But these successes have come at a considerable cost, because an unprecedented demand for service has placed great strain on physicians and staff alike. The Medical Center has responded by creating additional capacity at Mount Zion and has been working to add capacity at Parnassus Heights. But relief will come only gradually. I extend my admiration and gratitude to all the personnel of the Medical Center for their valiant performance.

I reported last year on plans to build inpatient facilities for children, women, and adult cancer patients at Mission Bay. The campus is well along in procurement of land south of 16th Street that would accommodate this construction. But the precipitous rise in building costs over the past year has forced the Medical Center to reconfigure its plans so that they remain fiscally realistic. A final plan has yet to emerge, but UCSF remains committed to the vision of an integrated clinical and research campus at Mission Bay.

**The San Francisco General Hospital (SFGH)**

The SFGH plays a vital role in teaching and research at UCSF. It faces an uncertain future. Seismic standards require that the hospital be replaced by 2013. During the past year, a Blue Ribbon Committee appointed by Mayor Newsom determined that the SFGH should remain at its current location on Potrero Avenue, rather than being relocated to Mission Bay. But there is as yet no clear plan for either the design or financing of a replacement structure. UCSF is doing whatever it can to assist the City in this undertaking. Our participation is essential, because we need to assure that our faculty at SFGH will have adequate research space, both in the near and long term.
UCSF in the Community

UCSF reaches out to the San Francisco community in myriad ways. Some of these originated "from the top," but many more arose from the grass roots of the campus. To take stock of these activities and recommend how they might be improved, the campus commissioned a Taskforce on Community Partnerships, chaired by Professor Kevin Grumbach.

The Taskforce identified dozens of collaborations between UCSF and the community, ranging from our pathbreaking Science and Education Partnership (SEP), which works in virtually all of the public schools of San Francisco, to a primary care clinic at Glide Memorial Church, staffed by students and faculty of the School of Nursing.

In its final report, submitted earlier this year, the Taskforce recommended the creation of a University-Community Partnership Program, which would coordinate, inform, and advocate for engagement with the community. I accepted that recommendation, charged Associate Vice Chancellor Barbara French with oversight of the Program, allocated start-up funds, and appointed representatives to a governing council (see membership at http://chancellor.ucsf.edu/committees/standing/commpartnerships/contents.htm). UCSF seeks to become an even greater force for good in the community, to cultivate suitable credit for faculty and staff who serve this mission, and to maintain the idealism and social contract that are central to our purposes.

Campus Diversity

Nurturing diversity in every part of the UCSF community has been a long-standing goal of the campus, and one that I have whole heartedly endorsed. Over the years, a host of working groups and campus events have been created to foster diversity. But the outcomes have fallen short of our aspirations. So it seems time to refresh and strengthen the commitment to diversity at UCSF. To this end, Executive Vice Chancellor Eugene Washington has drawn up and is now implementing an action plan that will create a comprehensive UCSF Web Site on diversity; develop a communications strategy on behalf of diversity; establish a program of best practices for recruitment and retention of staff and faculty; assemble a data base that will systematically examine the diversity profile of our faculty and staff, and allow us to monitor crucial variables; convene a diversity leadership retreat; strengthen accountability in meeting campus goals; and devise incentives for better performance.

Campus Life

The past year brought a number of developments that should enhance campus life and improve the welfare of our faculty and staff. Here are some examples:

- We should complete our initiative to triple the capacity for childcare within the next year or so, principally through construction of new facilities at both Parnassus Heights and Mission Bay, which is now underway.
- Associate Vice Chancellor Sally Marshall, working with the Chancellor's Council on Faculty Life (CCFL), is leading an ambitious initiative to cultivate leadership skills among our faculty.
Professor Mitchell Feldman has assumed the position of Mentoring Director, established by the CCFL and reporting to Associate Vice Chancellor Sally Marshall. He is spearheading a comprehensive mentoring program for the campus, with an initial focus on assistant professors and new faculty.

Sixty five faculty have utilized salary supplementation for childbearing leave since it was initiated by the campus in January of 2003.

Three new major works of art now grace our campus: a tile mural by Juana Alicia at Parnassus Heights (commissioned by the Chancellor's Advisory Committee on Diversity), and sculptures by Richard Serra and Stephan Balkenhol at Mission Bay.

The campus has negotiated an option to purchase land at Mission Bay from the City, upon which it may build as many as 160 units of affordable housing for staff. Construction of the housing would be coordinated with that of a new hospital at Mission Bay.

Last, but far from least, in recent days the UC has ratified or reached tentative labor agreements with three of the major bargaining units at the University: the California Nurses Association (CNA), the University Professional and Technical Employees (UPTE), and the Coalition of University Employees (CUE). This is welcome news for the holidays.

Strategic Planning

Since I assumed the chancellorship in 1998, the campus has been preoccupied with realizing the first phase of its vision at Mission Bay and the potential benefits of that vision throughout our academic community. Now that UCSF Mission Bay has become a thriving enterprise, it is time to pause and consider how UCSF should look twenty years hence. The scale of the opportunity is dramatized by the fact that half of the footprint at the Mission Bay campus remains available for future use.

In order to address the future, I have commissioned a campus-wide exercise in strategic planning. I have appointed a Planning Board, co-chaired by Professor Elizabeth Blackburn and Executive Vice Chancellor Eugene Washington, and including faculty, staff, postdoctoral fellows, students and house staff (see http://chancellor.ucsf.edu/committees/adhoc/strategic/contents.htm). The Board has been charged to consult every substantial constituency among the campus community. It will be assisted by a professional consulting firm (AMC Strategies, LLC), and by an external advisory board appointed by the UCSF Foundation. This is a profoundly important undertaking, which will tax our collective wisdom to the maximum.

Conclusion

Change remains the order of the day at UCSF. There is a venerable axiom that "change is good," which certainly applies to UCSF of late. Change has brought us further prominence in scholarship and education, revitalization of our Medical Center, gorgeous new facilities, and international recognition for our daring – the first question I was asked during a recent visit to the National Cancer Institute of Spain was "how are things going at Mission Bay?"

Undeniably, we have problems to solve, some arising from our successes – the geographical fractionation of our academic community is certainly one of these, the overburdening of our Medical Center, another. But the 18,000 employees of UCSF compose a social organism whose resilience and creativity make it possible for change to be good. Earlier this year, Mayor
Gavin Newsom commented on the impact of our new campus at Mission Bay by calling UCSF a "big deal for San Francisco." I would take issue with the Mayor only for limiting our reach. We are a "big deal" – period!

I wish you all a pleasant holiday season and a gratifying New Year.

Sincerely,

J. Michael Bishop, M.D.
Chancellor