Committee on Academic Planning and Budget
Mary Gray, MD, Chair

MINUTES
Thursday October 6, 2011

PRESENT: M. Gray (Chair), Farid Chehab, Jacque Duncan, OiSaeng Hong, Helene Lipton, Sharmila Majumdar, Snehlata Oberoi, Norm Oppenheimer, Fred Schaufele, David Teitel, Sandra Weiss

ABSENT: Barbara Drew, S. Marshall

GUESTS: Teresa Costatinidis, Assistant Vice Chancellor, Budget and Resource Management

The Committee on Academic Planning and Budget (APB) was called to order by Chair Gray on October 6, 2011 at 1:15 p.m. in room HSW 301.

The minutes of May 19, 2011 were approved.

Chair’s Report and Report from the University Committee on Planning and Budget (UCPB) – Mary Gray

Chair Gray opened her remarks by welcoming all new and returning members. Each member introduced themselves to the group. Chair Gray provided a brief overview of the Committee and its role, noting that two key issues for 2011-12 will include tuition increases for students, UCSF budget cuts, UCSF Operational Excellence and revisions to funds allocation across the UC System.

In addition, Chair Gray reported to the Committee on the following meetings:

Academic Senate Leadership Retreat
The Academic Senate Leadership Retreat was held on September 26, 2011. Committee chairs, faculty council chairs and UCSF leaders attended, including the Chancellor, Executive Vice Chancellor, Vice Provost for Academic Affairs and Vice Chancellor, Finance. The Retreat focused first on updates from each committee and faculty council chair. The group then turned their attention to issues expected to be important for faculty in 2011-12. They included:

- UCSF Budget Forecasts and Funding Streams
- Health Sciences Compensation Plan (HSCP)
- Academic Senate Membership
- Clinical Enterprise
- Graduate Education

The meeting concluded with a presentation by Chancellor Susan Desmond-Hellmann about her vision for UCSF and a discussion with her about the challenges faculty members currently face, including UCSF’s and UC’s financial future and concerns about UCSF faculty membership in the Academic Senate.

UC Systemwide Academic Senate Leaders Visit UCSF
On September 29, 2011, four UC Systemwide Academic Senate leaders visited UCSF. They included Bob Anderson, Chair, UC Systemwide Academic Senate; Bob Powell, Vice Chair, UC Systemwide Academic Senate; Jim Chalfant, Chair, University Committee on Academic Planning and Budget; John Crawford, Chair, University Committee on Research Policy. Along with UCSF Academic Senate leaders including Bob Newcomer, Chair, UCSF Academic Senate; Farid Chehab, Vice Chair, UCSF Academic Senate; Mary Gray, Chair, UCSF Committee on Academic Planning and Budget, the UC Systemwide leaders heard and discussed presentations on:

- UCSF Revenues, Expenses, and Infrastructure (Eric Vermillion, Vice Chancellor, Finance)
- Medical Center Operations and Projections (Ken Jones, Chief Operations Officer)
- School of Medicine Operations and Challenges (Ken Jones, Chief Operations Officer)
- Health Science Compensation Plans (HSCP) (Sally Marshall, Vice Provost, Academic Affairs and Cynthia Leathers, Assistant Vice Provost, Academic Affairs)
- Graduate Division (Patricia Calarco, Graduate Dean)
- Shift in Medicine Admission Trends (David Wofsy, Admissions Dean, School of Medicine)
- Long Range Development Plan (Lori Yamauchi, Assistant Vice Chancellor, Campus Planning)
- Discussion session with Chancellor and four of the five Deans (Dentistry, Medicine, Pharmacy and the Graduate Division)
- Tour of UC Hall, Clinical Sciences, Children’s (Lori Yamauchi, Assistant Vice Chancellor, Campus Planning)

University Committee on Planning and Budget (UCPB)
On October 4, 2011, Chair Gray attended a meeting of the UC Systemwide University Committee on Planning and Budget (UCPB). During that meeting, the Committee discussed the following:

- Status of the California State Budget
- University of California Budget Issues
- Funding Streams and Rebenching
- Multi-Year Budget Plan
- UC Retirement Plan (UCRP)
- Planning for Budget “Trigger”
- Lawrence Berkeley National Laboratory
- UC Online Education Pilot Project
- APMs 670, 668, 200, 205 Comments

Senate Executive Director’s Report – Heather Alden
H. Alden reminded the Committee about the next Faculty Research Lecture in Clinical Science, to be held on Monday October 24, 2011, 3:30-5:00 pm in Cole Hall. This year’s lecturer will be Eric Small, MD for his work on immunotherapy for prostate cancer.

Overview of Academic Senate Structures – Heather Alden
H. Alden provided an overview of UCSF and UC Systemwide Academic Senate structures, focusing on the relationship of the Committee on Academic Planning and Budget to these entities as well as to UCSF central administration. An organizational chart illustrating the relationships may be found here.

In the past, the Committee on Academic Planning and Budget (APB) was charged with reviewing and recommending allocations of the Chancellor’s Discretionary Funds, participated in discussions regarding Academic and space planning for UCSF and engaged with the UC Systemwide Academic Senate in issues requiring campus review and comment. In recent years, APB has not been asked to review Chancellor’s Discretionary Funds. Instead APB has become more engaged in discussions about increasing financial transparency at UCSF, financial and budgetary policies and directions for the campus. John Plotts, Vice Chancellor, Finance and Administration and his staff (including E. Vermillion
and T. Costatinidis) maintain a close relationship with APB and regularly consult with the Committee for faculty perspectives on finance and planning issues. In addition, APB regularly meets with L. Yamauchi to provide faculty input into campus planning efforts.

UCSF Finances, UC Rebenching and Funding Streams and UCSF Finances – Teresa Costatinidis, Assistant Vice Chancellor, Budget and Resource Management (Attachment)

T. Costatinidis presented the attached slides providing an overview of UCSF’s finances and UCSF’s relationship to the new UC Office of the President (UCOP) fund distribution model, including two components known as “rebenching” and “funding streams”. A few excerpts from T. Costatinidis slides are included below:

- UCOP’s new fund distribution model, “funding streams and rebenching” (includes) a revised methodology for how the University of California allocates State general funds, tuition, indirect cost recoveries and other core central funds to the individual campuses.
- The overall goal of the “funding streams” phase is to simplify and clarify UC’s funding flows.
- The goal of “rebenching” is to determine the best way to redistribute the existing state funding base.

As the Committee on Academic Planning and Budget reviews and responds to financial planning matters in 2011-12, T. Costatinidis encouraged the members to take into account the following:

1. High cost of health science education
2. Significant expense to maintain medical education facilities
3. Need for baseline support regardless of student numbers
4. Challenge of a taxation model based on federal expenditure totals
5. UCSF is currently paying a large proportion (18%) of the Systemwide assessment despite accounting for a small portion (5.5%) of the state funds and student fees
6. Many UCOP services are not applicable to UCSF programs
7. The existing Funding Streams allocation methodology hurts UCSF on an on-going basis

For more information, please refer to the full set of slides from the presentation.

Following her presentation, Committee members raised the following points:

- The UC Systemwide taxation and funding assessments should be based on the same measure, i.e. revenues, expenditures, number of students, etc. The current models propose allocating based on number of students and taxing based on campus revenues – this doesn’t seem appropriate.
- If UCSF is paying for services received from UCOP, then UCSF should be certain that we are only paying for services we need and not paying for services we don’t use, i.e. undergraduate-related services.
- UCSF
- How can APB best influence policy? APB engages in regular discussions with the Vice Chancellor for Finance and Administration, responds to proposed changes to UC Systemwide policy, can communicate with and collaborate with the UCSF Academic Senate leadership and other committees, and it can communicate directly to the Chancellor, when needed.

Health Sciences Compensation Plan (HSCP) Subcommittee – Mary Gray

A significant issue for the Committee on Academic Planning and Budget (APB) in 2010-11 was a review of the Health Sciences Compensation Plan. APB convened a subcommittee to carry out the review. This subcommittee’s efforts were just ahead of revisions to APM (Academic Personnel Manual) 670 regarding the Health Sciences Compensation Plan. Chair Gray summarized the current status of this process as follows:
Timeline

- November 1999: Last UC Systemwide revision of APM 670
- February 2011: APB subcommittee formed for local review
- March 2011: Draft report circulated to APB for comments
- April 2011: Draft report to Faculty Welfare for commentary
- May-June 2011: Discussion by UCSF Deans and Chairs
- July 2011: Meeting with Deans Hawgood and Featherstone
- August 2011: Memorandum of Understanding (MOU) draft
- August 2011: Call for System-wide comments to proposed revisions to APM-670
- October 20, 2011: SOM Faculty Council for discussion
- November 2011: San Francisco Division response to UCOP

Primary Concerns

- Compensation limit – raise the limit from $20,000 per year
- Time limit – increase the number of days a faculty member may earn outside income outside
- Categories of income – restrictions on the types of activities by which faculty members may earn income prevent some faculty from meeting licensing or accreditation needs. However, the University also needs to ensure that individual faculty members are not engaging in competing activities.

In August 2011, the HSCP Subcommittee met with John Featherstone, Dean, School of Dentistry and Sam Hawgood, Dean, School of Medicine. The discussion at that meeting is summarized in the attached document.

Review of Proposed Changes to APM 670 (Health Sciences Compensation Plan) and New APM 668 (Negotiated Salary Program)

The full text of the proposed revisions to APM 670 and new APM 668 may be found on the UC Systemwide Academic Senate website in the links provided here.

The proposed revisions to APM 670 address one of the issues raised by the HSCP Subcommittee: compensation limit. The proposed revisions raise the limit from $20,000 per year to $40,000 per year or 20% of an faculty member’s HSCP salary scale per year. The number of days is not addressed, nor are the categories of income a faculty member.

The proposed new APM 668 would create a negotiated salary program for UC faculty outside the health sciences, i.e. faculty members in law or business. This plan would not apply to UCSF faculty, however the proposed plan should be equitable with the terms of the Health Sciences Compensation plan.

APB members will discuss the proposed revisions and proposed new APM further at their next meeting in November.

Old Business

None.

New Business

None.

Adjournment

There being no further business, Chair Gray adjourned the meeting at 3:05 p.m.