ANNUAL REPORT
2011-2012

Primary Focus Points for the Year:
- Campus finances
- UC Rebenching Process
- Faculty Salaries and Post-Employment Benefits
- Long Range Development Planning
- Operational Excellence

Task Forces, Special Committees, and Sub-Committees:
- Subcommittee to review the proposed MS in Healthcare Administration & Interprofessional Leadership (MS HAIL)
- Subcommittee on UCSF Governance
- Subcommittee on Faculty Salaries

Issues for Next Year (2012-2013)
- Campus finances
- Long Range Development Planning
- Operational Excellence, including accountability and improved communications
- Campus space planning
- Indirect costs for UCSF
- Impact of the Affordable Care Act on UCSF
- Faculty role in guiding the Development Office in fundraising
- Allocation of faculty time, i.e. among grant-supported research and self-supporting education programs

2011-2012 Members

Mary Gray, Chair
David Teitel, Vice Chair
Barbara Drew
Jacque Duncan
OiSaeng Hong
Helene Lipton
Sharmila Majumdar
Snehlata Oberoi
Fred Schaufele
Michael Steinman
Jonathan Strober
Ellen Weber
Sandra Weiss
Elad Ziv

Ex-Officio Members
Farid Chehab, Vice Chair, Academic Senate
John Plotts, Senior VC, Finance & Admin.
Lori Yamauchi, Asst. VC, Campus Planning
Sally Marshall, Vice Provost, Academic Affairs

Permanent Guests
Elazar Harel, VC-IT and CIO
Stefan Habelitz, Chair, Dentistry FC
Robert Nissenson, Chair, Medicine FC
Jyu-Lin Chen, Chair, Nursing FC
Norman Oppenheimer, Chair, Pharmacy FC

Number of Meetings: 6
Senate Staff: Heather Alden
The Academic Senate Committee on Academic Planning and Budget took up the following Systemwide issues this year:

**University Committee on Planning and Budget (UCPB)**
Mary Gray served as the UCSF and APB representative to the UCPB. Topics engaged by UCPB and discussed in APB included the following:

- Status of the California State Budget
- University of California Budget Issues
- UC 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

Agendas, minutes, and reports from UCPB are available online at the Systemwide Academic Senate Website.

**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. At the October 6 and November 10, 2011 meetings, APB members responded to the following components of the proposed revisions (Appendix 1):

- Compensation Limit on Occasional Outside Professional Activities
- Categories of Income from Occasional Outside Activities Which May Be Retained
- Good Standing Criteria
- Off-Scale Salaries
- Academic Programmatic Units (APU)

**UC Systemwide Academic Senate Leaders Visit UCSF**
On September 29, 2011, four UC Systemwide Academic Senate leaders visited UCSF. They included Robert Anderson, Chair, UC Systemwide Academic Senate; Robert 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 the following presentations (Appendix 2):

- 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)
Report of the Senate-Administration Task Force on Faculty Salaries
On March 8, 2012 Sally Marshall, Vice Provost, Academic Affairs participated in the Senate-Administration Task Force on Faculty Salaries that generated the report reviewed by Divisions and Standing Committees of the Academic Senate. APB formed a subcommittee composed of Mary Gray and Ellen Weber to work with Grayson W. Marshall, Committee on Faculty Welfare Chair to draft the UCSF response (Appendix 3).

Academic Senate Memorial to the Regents for Increased State Support for Higher Education
On March 8, 2012 APB members reviewed and responded to a Memorial to the Regents to state the Academic Senate position that the Regents advocate for increased State support for higher education. APB members raised the following points:
- UC faculty should do everything we can to support students.
- UC Regents efforts to advocate for state funding should be more visible.
- The language in the Memorial focuses on undergraduate education, and includes nothing about research, nor anything about service. The language could apply to any institution of higher education in California. It doesn't showcase what UC brings to the state.

Divisional Business
This year, the Academic Senate Committee on Academic Planning and Budget took up the following issues related to the San Francisco Division:

Academic Planning and Budget's Role at UCSF
On October 6, 2011, APB reviewed and updated their role at UCSF. In the past decade, 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 the last two years, Chancellor’s Discretionary Funds have largely been committed to existing programs, therefore that process will no longer be part of APB’s role. 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.

On January 26, 2012, APB revisited its relationship to reviews of academic program proposals at UCSF. A review of Academic Senate records indicates that the last time APB published a response to a program review was in 2004 for the Institute for Global Health. APB needs to come back into compliance with the review structure outlined in the Compendium: Universitywide Review Processes for Academic Program, Academic Units, & Research Units and participate in reviews or proposals for new academic programs. APB may also want to work with Graduate Council and the Graduate Division to take on a role in the cyclic review of existing programs.

APB re-initiated this role in its review of the proposed Masters of Science in Healthcare Administration and Leadership (MS HAIL) in May-June 2012.

Masters of Science in Healthcare Administration and Interprofessional Leadership (MS HAIL)
On May 3, 2012, Mary Louise Fleming, Vice Chair and Academic Coordinator, Community Health Systems, School of Nursing presented the proposal for a Masters of Science in Health Care Administration and Interprofessional Leadership (MS HAIL). The proposal is an iteration of the Nursing Administration program already in existence in Community Health Systems in the School of Nursing. The proposed program is intended to be a Health Systems Leadership program, focusing on leadership and interprofessional collaboration. The proposed program includes an online component to accommodate distant or additional students. The proposal is for a self-sustaining program, comprised of 36 units with a comprehensive exam. It has been designed to accommodate working professionals. About 70% of the
program can be offered online, but approximately 30% of the program will be offered in face-to-face formats. The proposal will increase admissions to admit 32 students four times per year. Because many of the students will be full-time employees, they may not need student insurance. Tuition set at $1,200 per unit. Plan to keep the tuition steady in the first five years. In the third year, expect to realize revenue which will be applied toward student scholarships.

The program will use a new Chancellor’s initiative for its initial funding. This program provides startup loans up to $2 million per loan for "innovative certificate and degree granting programs", to be repaid over a three year period, not to exceed five years.

APB members David Teitel, Fred Schaufele, Sharmila Majumdar and Barbara Drew formed a subcommittee to review and respond to the proposal (Appendix 4).

UCSF Finances, UC Rebenching and Funding Streams and UCSF Finances
On October 6, 2011, Teresa Costatinidis, Assistant Vice Chancellor, Budget and Resource Management 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” (Appendix 5).

UCSF Information Technology Update
On November 10, 2011, Elazar Harel, Vice Chancellor and Chief Information Officer; Jane Cezch, Director of Administration, Neurology; Mark Day, Director, Network & Special Projects, Radiology & Biomedical Imaging provided an overview of Operational Excellence IT accomplishments and initiatives, the desktop support consolidation recommendations and the data center consolidation recommendations. (Appendix 6)

Long Range Development Plan
On January 26, 2012 Lori Yamauchi, Assistant Vice Chancellor, Campus Planning provided updates on the current Long Range Development Plan (LRDP) process (Appendix 7). The current process should conclude in May 2014. On May 3, 2012, L. Yamauchi provided an update and the recommendations from the LRDP Research Subcommittee. (Appendix 8)

Overall, APB members were particularly concerned about planning for the Mission Bay Hospital, and space use and seismic upgrades at Parnassus.

UCSF Open Access Policy
On May 3, 2012, Richard Schneider, Chair, Committee on Library and Scholarly Communication presented a UCSF Open Access policy proposal to APB members and responded to their questions related to the proposed policy. He encouraged them to vote on the policy at the Division Meeting on May 21, 2012. APB responded with a letter of support (Appendix 9).

Operational Excellence
On July 12, 2012, APB members discussed how to best engage with the administrative changes at UCSF under the umbrella term Operational Excellence. UCSF now has Service Centers to administer the research grant pre-award process (Pre-Award), information technology (IT), human resources/academic personnel (HR/AP), and finance and administration (F&A). Faculty report a range of experiences with the new structures and continue to seek a meaningful dialogue with the Operational Excellence administrators regarding their challenges, particularly related to the Pre-Award administration process. Overall, OE needs big-picture direction and guiding principles as well as real-time feedback data to drive the day-to-day decisions.

APB members agreed to learn more about Operational Excellence in 2012-13, specifically:
- find out more about the OE Survey
- What are the measurable outcomes for OE?
- Work with the Faculty Councils in Fall 2012 to review School data and coordinate to provide feedback to OE leadership
• Find out more about the OE cost structures and plans for increased transparency
• Advocate for improved communication
• Seek improved customer involvement and/or consultation about the changes in service
• Request a presentation on IT changes from Elazar Harel

Governance Task Force
On March 8 and May 3, 2012 Division Chair and Governance Task Force Chair Robert Newcomer updated APB members and sought their input on the work of the Governance Task Force as they have followed and responded to the Future of UCSF Working Group’s inquiries about governance structures at other institutions.

APB members Mary Gray, Sally Marshall, Norm Oppenheimer, David Teitel and Sandra Weiss formed a subcommittee to review the Governance Task Force draft guiding principles and to provide a response on behalf. Their comments were incorporated into the guiding principles communicated to the Future of UCSF Working Group by Division Chair Robert Newcomer.

Academic Senate Membership Task Force
On May 3, 2012, Paul Garcia, Chair, Committee on Academic Personnel and the UCSF Academic Senate Membership Task Force updated APB members on progress toward the goal of including more UCSF faculty in the Adjunct and Health Sciences Clinical series in the Academic Senate. More information may be found here on the UCSF Academic Senate website.

Task Forces and Other Committee Service

This year, no members of the Academic Senate Committee on Academic Planning and Budget served on the following Academic Senate task forces or other campus committees as representatives of APB or the Academic Senate.

Going Forward

Ongoing issues under review or actions which the Committee will continue into 2012-2013:

• Campus finances
• Long Range Development Planning
• Operational Excellence, including accountability and improved communications

Issues for discussion in 2012-13:

• Campus space planning for seismic upgrades
• Indirect costs for UCSF
• Impact of the Affordable Care Act on UCSF
• Faculty role in guiding the Development Office in fundraising
• Allocation of faculty time, i.e. among grant-supported research and self-supporting education programs
Appendices

This Annual Report is posted online and accessible via the APB Web page on the Academic Senate Web site.

Appendix 1: APB to Division Chair regarding APM 668 and APM 670 (December 11, 2011)
Appendix 2: UC Academic Senate Leadership Visit to UCSF Meeting Materials (September 29, 2011)
Appendix 3: APB-Faculty Welfare Response to the UC Task Force Report on Faculty Salaries (March 30, 2012)
Appendix 4: APB to Graduate Council regarding the MS in Healthcare Administration and Interprofessional Leadership (MS HAIL) Proposal (June 1, 2012)
Appendix 5: Presentation on the 2011-12 UCSF Budget and Funding Streams Initiative, Teresa Costantinidis, Assistant Vice Chancellor, Budget and Resource Management (October 6, 2011)
Appendix 6: Operational Excellence – Information Technology (IT) Desktop and Data Center Consolidation Recommendations (November 10, 2011)
Appendix 7: Long Range Development Plan Update, Lori Yamauchi, Assistant Vice Chancellor, Campus Planning (January 26, 2012)
Appendix 8: Long Range Development Plan Research Subcommittee Final Recommendations (April 5, 2012)
Appendix 9: APB to the Committee on Library & Scholarly Communication Regarding Support for the UCSF Open Access Policy (May 11, 2012)

Senate Staff:
Heather Alden, Executive Director
heather.alden@ucsf.edu; 415/476-8827
Communication from the Committee on Academic Planning & Budget
Mary Gray, MD, Chair

November 29, 2011

Robert Newcomer, PhD, Chair
San Francisco Division of the Academic Senate
500 Parnassus Avenue
San Francisco, California 94143-0764
academic.senate@ucsf.edu

Re: Proposed Modifications to APM 670 (Health Sciences Compensation Plan) and proposed new APM 668 (Negotiated Salary Program)

Dear Chair Newcomer,

As requested, the Committee on Academic Planning and Budget (APB) reviewed and discussed the proposed modifications to APM 670 and the proposed new APM 668. We also sought input from the Committee on Academic Personnel (CAP), the Committee on Faculty Welfare (CFW), the School of Dentistry Faculty Council (SOD FC), the School of Medicine Faculty Council (SOM FC), the School of Nursing Faculty Council (SON FC) and the School of Pharmacy Faculty Council (SOP FC). Their responses are incorporated into the summary below.

Proposed New APM 668 – Negotiated Salary Program
All of the Committees and Faculty Councils consulted (“we”) recommend that the proposed Negotiated Salary Program should be equitable with the amended APM 670 Health Sciences Compensation Plan, providing no more nor fewer benefits for different groups of faculty across the UC System.

Proposed Modifications to APM 670 – Health Sciences Compensation Plan (HSCP)

- Compensation Limit on Occasional Outside Professional Activities (APM 670 Appendix B, d. 2.)
  - We support raising the compensation limit to $40,000 per year, but do not support the alternate limit of 20% of an individual’s HSCP salary scale per year.
  - We recommend including an automatic periodic re-evaluation of the Compensation Limit so that increasing that number does not require an APM revision. The time interval could be every four years. The increased amount could be tied to an established index such as the Consumer Price Index, or similar.

- Categories of Income from Occasional Outside Activities Which May Be Retained (APM 670-19 b.)
  - We advocate increased flexibility for schools and/or departments to allow their faculty to engage in outside activities to maintain professional licensure and/or accreditation. By definition, those activities will coincide with the expertise for which they are employed at the University of California. However, not all skills may be practiced within the UC System and may need to be maintained in contexts outside the University of California. The School of Nursing Faculty Council recommends adding the following language as APM 670-19 b. 7: “Through an agreement between the faculty member and department chair (approved by the Dean) which permits no greater than x hours [to be set by the most restrictive of credentialing requirements] of clinical practice outside of the University setting. In no case will Plan participants be allowed to retain income from patient care activities outside of these agreements.”
For HSCP faculty who are employed at less than 100%, individual schools and/or departments should be allowed to determine the types of activities in which their faculty members may engage outside UC.

- **Good Standing Criteria (APM 670-10)**
  - We recommend that the term “good standing” should not refer to a faculty member’s financial status. “Good Standing” should always be considered in the context of a faculty member’s varied contributions to the University. For example, all members of a clinical practice plan should be deemed in Good Standing until they encounter some circumstance in which their capacity to earn income is impaired. A different term should be used, such as “financial good standing”. If a faculty member is not meeting the X component of their Academic Programmatic Unit (APU) salary, then they should not be allowed to earn outside income and/or all outside income should come to HSCP.
  - Another proposed recommendation would be to change the language to refer to faculty meeting “clinical obligations” rather than “clinical income”.

- **Off-Scale Salaries (APM 670-18)**
  - Off-scale salaries are inconsistent with the intention of the Health Sciences Compensation plan. We would like the proposed revisions to APM 670 to clarify that off-scale salaries are not allowed.

- **Academic Programmatic Units (APU) (APM 670-18 b. 2. b)**
  - APB recommends reducing the minimum number of members of an Academic Programmatic Unit from five to three. This will help small departments with low numbers of faculty.

- **Advisory Committee (APM 670-18 b. 2. b)**
  - Recommend that at least 50% of the Advisory Committee be appointed by the Academic Senate and represent all faculty series.

- **Role of the Academic Senate (APM 670-6 c)**
  - We find that the role of the Academic Senate is not sufficient. We recommend that changes to the Health Sciences Compensation Plan (HSCP) administration should be ratified by a vote of the HSCP members.

We appreciate the opportunity to review and comment on these proposed changes.

Sincerely,

**The Committee on Academic Planning and Budget**

Mary Gray, MD, Chair                      Snehlata Oberoi, BDMS, MBS
David Teitel, MD, Vice Chair               Fred Schaufele, PhD
Barbara Drew, RN, PhD, FAAN               Michael Steinman, MD
Jacque Duncan, MD                          Jonathan Strober, MD
OiSaeng Hong, RN, PhD                      Ellen Weber, MD
Helene Lipton, PhD                         Sanda Weiss, RN, DNS, PhD, FAAN
Sharmilia Majumdar, PhD                    Elad Ziv, MD

cc:   Sally Marshall, PhD, Vice Provost Academic Affairs
      Coordinating Committee Members
AGENDA

7:45 – 8:00 Welcome and Continental Breakfast
Bob Newcomer

8:00 – 8:30 Overview of UCSF’s Revenues/Expenses and Implications for Infrastructure
Eric Vermillion
Miriam Rike

8:30 – 9:00 Medical Center Operations and Projections
Ken Jones
Barrie Strickland

9:00 – 9:30 School of Medicine Operations/Challenges
Mike Hindery

9:30 – 10:00 Health Science Compensation Plans
Sally Marshall
Cynthia Leathers

10:00 – 10:10 Break

10:10 – 10:40 Graduate Division
Patricia Calarco

10:40 – 11:10 Shift in Medicine Admission Trends
David Wofsy

11:10 – 11:40 Long Range Development Plan
Lori Yamauchi

11:45 – 1:00 Lunch and Q&A with Chancellor and UCSF Campus Leadership
Farid Chehab
John Featherstone
Susan Desmond-Hellmann
Sam Hawgood
Ken Jones (for Mark Laret)
Mary Anne Koda-Kimble
Bob Newcomer
John Plotts

1:00 – 2:00 Tour of UC Hall/Clinical Sciences/Children’s Hospital Seismic Issues
Lori Yamauchi
Ken Jones
UC Senate Leadership – UCSF Visit
September 29, 2011

List of Attendees

University of California Academic Senate Attendees:
Robert Anderson, Chair, UC Academic Senate
James Chalfant, Chair, University Committee on Planning and Budget
John Crawford, Chair, University Committee on Research Policy
Rachael Goodhue, Chair, Coordinating Committee for Graduate Affairs (by phone)
Robert Powell, Vice Chair, UC Academic Senate

UCSF Attendees:
Heather Alden, Executive Director UCSF Senate Office
Patricia Calarco, Dean, Graduate Division
Farid Chehab, Vice Chair, San Francisco Division of the Academic Senate
John Featherstone, Dean, School of Dentistry
Susan Desmond-Hellmann, Chancellor
Sam Hawgood, Dean, School of Medicine
Mike Hindery, Vice Dean, School of Medicine
Mary Anne Koda-Kimble, Dean, School of Pharmacy
Ken Jones (for Mark Laret), Chief Operations Officer, UCSF Medical Center
Cynthia Leathers, Assistant Vice Provost, Academic Affairs
Sally Marshall, Vice Provost, Academic Affairs
Bob Newcomer, Chair, San Francisco Division of the Academic Senate
John Plotts, Senior Vice Chancellor, Administration and Finance
Miriam Rike, Director, Administration and Finance, Financial and Administrative Services
Barrie Strickland, Chief Financial Officer, Medical Center
Eric Vermillion, Vice Chancellor, Finance
David Wofsy, Associate Dean for Admissions, School of Medicine
Lori Yamauchi, Assistant Vice Chancellor, Campus Planning
Medical Center Operations and Projections
Bob Anderson – UCSF Visit
September 29, 2011

Ken Jones
Barrie Strickland
UCSF Medical Center and UCSF Benioff Children's Hospital

- $1.6 Billion Operation
- 660 beds / 750,000 outpatient visits
- Regional tertiary/quaternary referral center
- Children's hospital within a hospital
- Ranked #7 by US News & World Report
- Two sites, to become three
UCSF Medical Center at Mission Bay
Scheduled for completion in 2014

UCSF Medical Center
UCSF Benioff Children's Hospital
The last 10 years

**Patient Volume**
- ADC in 2000 < 400; ADC in 2010 > 500
- Average surgeries per day: 59 in 2000; 116 in 2010

**APEX**: Electronic Health Record (EHR)
- Epic Project at approximately $125 million

**Capital Expenditures**
- Over $1 Billion has been spent to improve our facilities
  - OR/PACU
  - Robotic Pharmacy
  - Imaging
  - ICUs/Beds
  - Mount Zion
  - Orthopedic Institute
UCSF Robotic Pharmacy

✓ Safer care
✓ Higher quality
✓ Better patient experience
✓ Saves money
The last 10 years (continued)

- Quality & Safety Improvements
  - From lower third to top decile in UHC
  - Remarkable change in culture that recognizes the importance of quality and safety since 2000's

Patient Satisfaction
- Likelihood of Recommending score:
  - 2000: 82%
  - 2010: 91%

Medical Center/Medical School/Faculty/Resident Partnerships
- Strategic support from Medical Center ↑ from $50.5K in FY01 to $103.6K in FY10
- Resident Incentive program
- Shared risk/investment in programs

UCSF Benioff Children's Hospital
Central Line Related Blood Stream Infection (CRBSI)
Critical Care Rates
September 2007 to August 2010

CRBSI RATE per 1000 device days
Trendline
FY10 Rate = 1.8
FY11 YTD Rate = 0.9
Goal = 1.5

IAP Goal FY09 = 4.56
IAP Goal FY10 = 1.8
The Next 10 Years

- Likely pressure on all funding sources, so elimination of waste and variation critical. Requires changes in long standing practices & processes. Target: break-even on Medicare patients: requires about a 10% decrease in operating costs.
- External reviews/accountability/required justifications will increase remarkably
  - CMS and Department of Public Health inspections
  - OIG audits
  - Accreditation surveys
  - Reimbursement tied to Quality and Patient Satisfaction
- Historical autonomy must give way to collaboration at all levels, creating tensions with current structure
- New partnerships will be critical to long-term success.
UCSF Medical Center
Ten Year Forecast

Significant economic changes...

- **Economy:** Reduced inpatient growth rates and managed care payer %

- **Healthcare Reform:** Reduced governmental reimbursement

- **Pension expense:** significant operating expense increase
UCSF Medical Center
Ten Year Forecast Results…

**Net Income**
(Medical Center only)

<table>
<thead>
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<th>Year</th>
<th>Profit Margin</th>
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<tr>
<td>FY 2012</td>
<td>6%</td>
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<tr>
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<td>3%</td>
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<td>FY 2021</td>
<td>5%</td>
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Clearly, the results of combining the cost of our future investment with the economic challenges we are facing aren’t satisfactory.

Preparation of a formal action plan to completely mitigate the losses in fiscal years 2015, 2017 and 2018 is underway.
UCSF Medical Center
Management Actions...

- Underway

1. Optimize current earnings and cash

2. Focus tactics on early strategic growth at Parnassus & Mount Zion (3% for 2012)

3. Obtain managed care rate increases at or above 6%

4. Intense focus on expense structure

5. Maintain no more than 3% annual increases for school and academic programs

6. Manage capital expenditures at or below depreciation levels, focusing on ROI projects including expense saving investments

7. Deliver Mission Bay Construction on-time and on-budget
UCSF Medical Center
Management Actions...

- Mission Bay

1. Attain strategic growth goals (1.2% - 3.2%)

2. Manage transition costs and fixed staffing additions

3. Establish efficient and effective clinical coverage models

4. Manage capital dollars for “Backfill” within Parnassus capital budget
UCSF Medical Center

Management Actions...

Post Opening Years

1. Focus on continued strategic growth (1.2% to 3.2%)

2. Maintain managed care rate increases at or above 4%

3. Manage FTE levels to 65th percentile benchmark levels

4. Continue back office consolidation efforts

5. Continue philanthropic support for capital expenditures
Moody's Investor Services...

"The passage of healthcare reform will require healthcare leaders to focus even more on multi-year strategies to assure long-term financial sustainability in an era of reform and newly constrained economic reality. Even without legislation, the movement of the industry makes this focus a requirement of success."
UCSF School of Medicine

Bob Anderson & Bob Powell Meeting
September 29, 2011

Michael Hindery
Vice Dean for Administration, Finance & Clinical Programs

SCHOOL OF MEDICINE, UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
Agenda

- Who we are
- Big issues
School Highlights

- 2009 Nobel Prize in Medicine or Physiology – Elizabeth Blackburn
- 2010 Shaw Prize, Passano Award, and Asturias Award – David Julius
- 2010 Lasker Award, Kyoto Prize, March of Dimes Prize Balzan Prize – Shinya Yamanaka
- 2010 National Medal of Science – Stanley Prusiner
- 2011 Wiley Prize in Biomedical Sciences – Lily and Yuh Nung Jan
- 2011 Dan David Prize – Cynthia Kenyon
- 2011 Asturias Award – Arturo Alvarez-Buylla
- 2011 MacArthur Fellow – William Seeley
- Four new members elected to the Institute of Medicine in 2010; 71 total members
- Three new members elected to the American Academy of Arts & Sciences in 2011; 60 total members
- Two new members elected to the National Academy of Sciences; 41 total members
- Ranked second among U.S. medical schools by NIH dollars awarded -- $494 million in federal fiscal year 2010
- Ranked fifth by U.S. News & World Report among research-based medical schools in the U.S. in 2011
- Ranked fourth by U.S. News & World Report in primary care training in 2011
- Only School of Medicine ranked in the top five in both categories
School Highlights

• 2,024 faculty
  • 54% of faculty are Faculty Senate appointments
    • Senate ladder rank faculty – 254
    • Senate non-ladder rank faculty – 848
    • Non-senate faculty -- 922
  • 1,819 in the clinical departments
  • 187 in the basic science departments & ORU's

• 5,804 staff
• No undergraduate students
• 635 medical students
  • 6,767 applicants for the 2011 entering class of 151 students
• 612 graduate students
• 1,298 residents and fellows
• 1,100 post-docs
How are we faring?

- 173 new faculty appointments in FY11
- 6.8% increase in FY11 sponsored research funding
- 4.8% increase in FY11 in physician clinical revenue
- $252.5 million in FY11 in gifts (cash) to the SOM
Scope and Size of UCSF in Terms of FY 2010 Revenue

- Based on Kaufman Hall preliminary pro forma income statement for FY 2010
- Revenue includes investment income (STIP)
- Gross research revenue is inclusive of approx. $178M in total F&A recovery sent to UCOP by UCSF. F&A recovery received from UCOP are not included in revenue.
- Strategic support transfers from the Medical Center to the campus are not considered revenue to the SOM in this consolidated picture

9/26/2011
- Research revenue includes F&A sent to UCOP – approximately $167M was generated by the SOM
- Clinical revenue includes $25M in Medical Center strategic support transfers
- S&S revenue includes outside PSA’s, outside recharges, and consulting revenues
Observations

- The School of Medicine is made up of 41 units, each responsible for its own operations and budget.
- Unit operating deficits are obscured by rolling-up the School's budget which implies that departments with surpluses balance department with deficits.
- 34 of the 41 units have budgeted a FY12 operating deficit which totals $35.2 million.
- Strong consolidated fund balances obscure the weak reserve position of several units.
- State funds don't match guaranteed FTE salaries (X') creating an unfunded obligation.
- State funds are no longer available for administrative costs.
- Teaching effort is underfunded; cross-subsidizes are threatened.
- No depreciation fund for space renewal of aging facilities and seismic mandates.
- Positive clinical margins are essential for maintaining excellence in all missions.
Managing the Clinical Enterprise

- Two pieces of the UCSF clinical enterprise
  - School of Medicine
    - Clinical departments
  - UCSF Medical Group
  - San Francisco General Hospital (SFGH)
  - Fresno – Central California Faculty Medical Group (CCFMG)
  - Veterans Administration Medical Center
  - Medical Center

- Integrated, aligned planning and operations
  - Clinical enterprise governance work group
    - School of Medicine: Dean; two Vice Dean’s
    - Medical Center: CEO; COO; CFO; CMO

- The competitive academic medicine market place needs flexible, market responsive governance and HR policies and incentive based compensation
Managing the Clinical Enterprise

UCSF Medical Group

UCSF Medical Center
Chief Executive Office
Mark Laret

Exec Director, Strategic Planning & Managed Care
Margaret Martin

Director, Revenue Management
Kevin McLaren

Director, Finance & Operations
Dave Rein

Director, MGBS
Cliff Skinner

Vice Dean, Administration, Finance & Clinical Programs
Mike Hindery

Board of Directors/Chairman
Sam Hawgood, MD
Uses of the Clinical Operating Margin

- Fund unrecovered education & sponsored research activities
- Fund department operating (administrative, development) expenses
- Fund department investments in information systems not available through campus systems
- Fund Dean's Office operations (via the Dean's Tax)
- Fund faculty recruitments & program development (innovation & initiatives) costs
- Fund capital program (renovations, deferred maintenance)
- Fund reserves for future program development opportunities
Big Financial Issues Are Challenging Our Goals & Aspirations

- Sponsored research and education do not recover their full costs
- Clinical margin is robust, which it has to be to fund research and education deficits
  - Uncertain future due to health care reform and federal deficit reduction measures
- Rapidly increasing costs of retirement and health benefits threaten our ability to invest in people and programs
  - Greater negative impact than reduced state funding
  - Benefit costs are increasing twice as fast as paid compensation
- Need to recognize employee contributions with performance-based salary increases
  - Must move away from setting salary program for entire enterprise based on state appropriation
- Dean’s funds available for program support are diverted to fund departments’ operating deficits
- Challenge of new UCOP funding stream tax
Impact of Increase in UCRP Contribution Rate

Revenue source identified includes general state, SFGH affiliation contract, and sponsored research
Moving Parts in FY12 & FY13

- Decreasing state general funds
- UCOP funds flow
- UDAR funding model
- IT funding model
- OE funding model
- Potential new PSA agreement with the Medical Center
- Space rent model
- Dean's Office allocation model
Challenges
- Decreasing state general funds
- Rapidly escalating cost of benefits
- UCOP funding stream
- Uncertain clinical environment
- Need for robust clinical financial margin to fund education & research
- Unique from other UC campuses
- Medical education is more expensive than undergraduate education
- Aging infrastructure & facilities

Advantages
- Clear direction with strong leadership
- Understanding of competitive market
- Quality & excellence
- Unique from other UC campuses
Health Science Compensation Plans

Cynthia Lynch Leathers
Assistant Vice Provost, Academic Affairs

Sally J. Marshall, PhD
Vice Provost, Academic Affairs
COMPENSATION

The ABC's of Compensation = X, Y, Z
HSCP

- Each School or Department at UCSF has a Comp Plan
  - One comp plan for entire School of Pharmacy and for entire School of Nursing
  - Department comp plans for School of Medicine and Dentistry (which follow School implementation guidelines)
  - Faculty who are not eligible for membership (typically < 51%) are paid on scale 0
Salary Structure

\[ X \text{ (Base Salary)} + \frac{Y}{Z} \text{ (Additional Compensation)} = \text{Total Salary} \]

Total Salary + \( Z \) (Incentive/Bonus) = Total Income
“X” = Base Salary

- Represents minimum salary rate for an HSCP faculty member
  2 components: $X$(scale 0) + $X$-prime (differential
  between Scale 0 and assigned HSCP salary scale)

- Associated with rank and step (not series)

- Driven by Health Science Compensation Plan salary scales

- Covered by the UC Retirement Plan

Note: Only 16% of UCSF faculty are ladder rank and hold a state-funded FTE; the
state-funded FTE only covers $X$ (scale 0) – not the entire covered comp component
(not $X'$)
SAMPLE SALARY SCALES

An Academic Programmatic Unit (APU) is composed of faculty with similar clinical, teaching and research responsibilities. The characteristics of the group (type of activities, potential for income, etc.) are used to determine the salary scale upon which the group's members' additional base will be calculated. All members of an APU share the same salary scale.

<table>
<thead>
<tr>
<th>Department</th>
<th>Scale</th>
<th>&quot;X&quot; for Asst Prof 2 (eff 10/1/11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>3</td>
<td>$ 87,600</td>
</tr>
<tr>
<td>B – w/Clin</td>
<td>4</td>
<td>$ 94,400</td>
</tr>
<tr>
<td>B – w/o Clin</td>
<td>1</td>
<td>$ 74,100</td>
</tr>
<tr>
<td>C – w/Clin-MD</td>
<td>5</td>
<td>$101,100</td>
</tr>
<tr>
<td>C – w/Clin-Non-MD</td>
<td>4</td>
<td>$ 94,400</td>
</tr>
</tbody>
</table>
Why aren't all Departments on Scale 9?

Departments with limited revenue will not have enough money to fund a high covered comp which is supported by departmental income and taxes.
“Y” = Additional Compensation

- Will be negotiated with the department chair and division or service chief annually

- **Not** covered compensation by the UC Retirement Plan

- Midyear renegotiation of the “Y” rarely permitted; requires Dean’s approval; usually associated with new duties or retention

- Based upon such factors as the quality, scope, and volume of a faculty member’s teaching, research, clinical and administrative activities, as well as the availability of a reliable source of income
HSCP – Compensation
Outside Professional Activities

➢ Income from occasional service
   ✓ certain types of income can be retained by faculty members
     Examples: honoraria, royalties, prizes
   ✓ certain types of income must be deposited to the Plan
     Examples: consulting, expert witness fees
     Some undergo departmental and/or Dean’s tax prior to payment to faculty (with associated payroll taxes)

➢ Limit on time (21-48 days) based on Comp Plan designation

➢ Must be “in good standing”
What Causes Changes to Total Salary?

**Changes to "X"**
May or may not change total salary rate

Examples:
- Cost of Living Adjustments (COLAs)
  - in most departments, salary is negotiated once per year; if there is a COLA during the year which increases X, then Y is decreased accordingly so there is no net increase to total negotiated salary
- Advancement – because X is based on rank/step

**Changes to "Y"**
Will affect total salary rate

Example:
- Annual Renegotiation of Salary
  - note: can be a positive or a negative change
UCRP Employer Contributions

➢ For HSCP faculty, all salary sources which support X+X’ must also cover the employer contributions to UCRP.

➢ For faculty who are paid by 19900 funds, the maximum support from state-funds to support the salary (and related employer contributions to UCRP) is limited to X.
UCSF GRADUATE EDUCATION

DEDICATED TO THE HEALTH SCIENCES

• 51% OF THE REGISTERED STUDENT BODY
• ANOTHER 10% OF STUDENTS JOINT WITH UC-BERKELEY
• 17 PhD PROGRAMS, 1 DPT
• 10/12 IN THE TOP FIVE – NATIONAL RESEARCH COUNCIL 2010
• FIVE MASTERS PROGRAMS; LARGEST - SON
### University of California, San Francisco Graduate Division – Basic Science only

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Percent of Offers</th>
<th>% of Apps</th>
<th>Number</th>
<th>Percent of Offers</th>
<th>% of Apps</th>
<th>Number</th>
<th>Percent of Offers</th>
<th>% of Apps</th>
<th>Number</th>
<th>Percent of Offers</th>
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<td>5.1%</td>
<td>24</td>
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<td>42.3%</td>
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<td>39.9%</td>
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<td>31</td>
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<td>9.6%</td>
<td>34</td>
<td>49.3%</td>
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<td>28</td>
<td>47.5%</td>
<td>9.8%</td>
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<td>22.2%</td>
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<td>2010</td>
<td>29</td>
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<td>33.3%</td>
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<td>32.6%</td>
<td>5.1%</td>
<td>18</td>
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<td>6.1%</td>
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<td>15.4%</td>
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<td>13.3%</td>
<td>6</td>
<td>50.0%</td>
<td>11.1%</td>
<td>8</td>
<td>53.3%</td>
<td>10.5%</td>
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<tr>
<td>2017</td>
<td>129</td>
<td>45.1%</td>
<td>9.2%</td>
<td>111</td>
<td>39.2%</td>
<td>7.3%</td>
<td>124</td>
<td>44.8%</td>
<td>8.6%</td>
<td>110</td>
<td>40.7%</td>
<td>7.9%</td>
<td>91</td>
<td>34.0%</td>
<td>5.1%</td>
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<tr>
<td>2018</td>
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<td>75.0%</td>
<td>17.4%</td>
<td>7</td>
<td>39.9%</td>
<td>9.9%</td>
<td>10</td>
<td>45.5%</td>
<td>13.3%</td>
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<td>50.0%</td>
<td>11.1%</td>
<td>8</td>
<td>53.3%</td>
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<tr>
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<td>9.2%</td>
<td>111</td>
<td>39.2%</td>
<td>7.3%</td>
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<td>44.8%</td>
<td>8.6%</td>
<td>110</td>
<td>40.7%</td>
<td>7.9%</td>
<td>91</td>
<td>34.0%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
# All Sources of PhD Support

## Graduate Academic Programs

<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td>%</td>
<td>$</td>
<td>%</td>
<td>$</td>
<td>%</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td><strong>Graduate Division Support</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual Allocation + Merit Awards</strong></td>
<td>12.83%</td>
<td>$3,003,613</td>
<td>12.81%</td>
<td>$3,348,051</td>
<td>11.63%</td>
<td>$3,347,703</td>
<td>13.00%</td>
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<tr>
<td><strong>Student Financial Services</strong></td>
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<td></td>
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<tr>
<td><strong>Need Based Grants</strong></td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.17%</td>
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<tr>
<td><strong>Extramural</strong></td>
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<td></td>
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</tr>
<tr>
<td><strong>Fellowships + Individual Training Grants</strong></td>
<td>18.06%</td>
<td>$4,413,565</td>
<td>18.75%</td>
<td>$4,275,137</td>
<td>17.64%</td>
<td>$4,122,517</td>
<td>18.81%</td>
</tr>
<tr>
<td><strong>Extramural</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GSR / TA (Research, Contracts + Grants)</strong></td>
<td>32.89%</td>
<td>$7,821,412</td>
<td>31.88%</td>
<td>$8,449,662</td>
<td>33.28%</td>
<td>$8,662,684</td>
<td>33.02%</td>
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<tr>
<td><strong>Extramural</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Institutional Training Grants</strong></td>
<td>22.22%</td>
<td>$5,279,044</td>
<td>18.75%</td>
<td>$4,977,216</td>
<td>15.46%</td>
<td>$4,499,103</td>
<td>15.17%</td>
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<tr>
<td><strong>Program-Based</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Endowment + Gift Funds</strong></td>
<td>10.21%</td>
<td>$2,428,144</td>
<td>9.67%</td>
<td>$2,619,204</td>
<td>13.61%</td>
<td>$3,950,978</td>
<td>10.90%</td>
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<tr>
<td><strong>School Funds</strong></td>
<td>3.50%</td>
<td>$332,795</td>
<td>4.38%</td>
<td>$463,409</td>
<td>3.51%</td>
<td>$1,019,576</td>
<td>3.48%</td>
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<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Discretionary; HHMI, Gladstone, QBC, Inst. Allows</strong></td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>1.52%</td>
<td>$441,092</td>
<td>3.11%</td>
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<tr>
<td><strong>Chancellor’s Fund Temporary</strong></td>
<td>0.00%</td>
<td>$0</td>
<td>3.77%</td>
<td>$1,200,000</td>
<td>3.44%</td>
<td>$1,000,000</td>
<td>3.34%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>100%</td>
<td>$23,778,734</td>
<td>100%</td>
<td>$26,628,688</td>
<td>100%</td>
<td>$29,033,852</td>
<td>100%</td>
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<tr>
<td><strong>Fall enrollment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Support per Capita</strong></td>
<td></td>
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</tbody>
</table>

* Includes HHMI faculty grant funds

** Includes IFM of $375,528
Reasons for Current Financial Challenges

- Tuition and fees have steadily increased
  - Resident student $4,914 (2001-2) to $14,892 (2011-12) – 203% increase
  - Non-resident from $15,589 (2001-2) to $29,994 (2011-12) – 92% increase
  - Future Tuition now scaled to California State support

- Gap between NIH TG funding and true cost has increased

- Decreases in extramural funding opportunities
  - No pass-through of extra funds for tuition (HHMI and NSF)
  - Loss of contribution for graduate students in HHMI Investigator labs
  - Suspended fellowship programs (HHMI, NCI, NIBIB)
Consequences of Not Addressing the Financial Challenges

- Class sizes will shrink and have done so
  - Problem for new faculty
  - Problem for projected increase in faculty over the next several years

- In 2011-12 PIs will weigh costs: $44,392 resident student or $59,492 non-resident student \( \rightarrow \) or $47,350 postdoc.

- Faculty without significant extramural funding (junior faculty or with small labs) can't afford graduate students

- Loss of best students to competitor institutions?

- Loss of training grants?

- Decrease in attractiveness to faculty being recruited or retained?

- Decrease in quality a possibility.

Downward spiral!
Plan for First-year Funding

Under development by EVCP Jeff Bluestone & Graduate Division

Proposed central funding of first year basic-science students

Could be a model for the UC System

- Preserves choice of labs for the student
- Preserves ability to select brightest & best, with some growth
- Provides relief to RO1 grant supporting labs
- Can improve Training Grant competitiveness
### 2010-2011 Average Cumulative Debt by Program

<table>
<thead>
<tr>
<th>Professional School or Degree Program</th>
<th>Average</th>
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<tr>
<td>School of Dentistry</td>
<td>$163,873</td>
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<tr>
<td>School of Medicine</td>
<td>$101,283</td>
</tr>
<tr>
<td>School of Pharmacy</td>
<td>$100,724</td>
</tr>
<tr>
<td>School of Nursing</td>
<td>$35,348</td>
</tr>
<tr>
<td>Graduate Academic</td>
<td>$29,219</td>
</tr>
</tbody>
</table>

1. Average cumulative debt is the average graduating student's UCSF-only cumulative educational debt obtained over their educational tenure at UCSF. Pre-professional educational or other (consumer) debt is not included.
2. Figures extracted from legacy financial aid mainframe system (SFA). Students may have made payments directly to banks to reduce some debt; we do not have any way of tracking this. Adjustments made by the Financial Aid Office on students' behalf has been captured in the calculation, however.
3. Refers to two-year Nursing Masters' cohort only. Does not include Nursing MEPN or PhD.
4. Note that sample size is 12 graduating students.
SOM Admissions Trends

David Wofsy, MD
Associate Dean for Admissions

September 29, 2011

The Facts

• We have lost our position of financial advantage compared to our main competitor schools.

• There has been a decline in our ability to attract the medical students we most want.

• The greatest impact has been on our ability to attract UIM applicants.

• The primary reason for the change is that the top students acquire substantially less debt elsewhere.
### Matriculation Rate of Accepted Students

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Matriculated</th>
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<tbody>
<tr>
<td>2005</td>
<td>50%</td>
</tr>
<tr>
<td>2006</td>
<td>52%</td>
</tr>
<tr>
<td>2007</td>
<td>54%</td>
</tr>
<tr>
<td>2008</td>
<td>56%</td>
</tr>
<tr>
<td>2009</td>
<td>48%</td>
</tr>
<tr>
<td>2010</td>
<td>45%</td>
</tr>
<tr>
<td>2011</td>
<td>43%</td>
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### All Students Who Declined Admission

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<th>Reason</th>
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<th>2011</th>
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</thead>
<tbody>
<tr>
<td>Program Choice</td>
<td>30%</td>
<td>19%</td>
</tr>
<tr>
<td>Cost/Debt</td>
<td>42%</td>
<td>57%</td>
</tr>
<tr>
<td>Geography</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>Community</td>
<td>3%</td>
<td>4%</td>
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</table>
### Non-UIM Students Who Declined Admission

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<th>Reason</th>
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<th>2011</th>
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</thead>
<tbody>
<tr>
<td>Program Choice</td>
<td>38%</td>
<td>28%</td>
</tr>
<tr>
<td>Cost/Debt</td>
<td>29%</td>
<td>45%</td>
</tr>
<tr>
<td>Geography</td>
<td>29%</td>
<td>25%</td>
</tr>
<tr>
<td>Community</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### UIM Students Who Declined Admission

<table>
<thead>
<tr>
<th>Reason</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Choice</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>Cost/Debt</td>
<td>71%</td>
<td>75%</td>
</tr>
<tr>
<td>Geography</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Community</td>
<td>0%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Underrepresented Students
(percent of class)

Mexican American Students
(percent of class)
Worse News

- Median debt >$120,000
- Debt >$150,000 - 25% of UCSF grads
- Debt influences career choice - 21%

[Data from 2009-10 AAMC FASR Report]

UCSF Competitors: Average Debt

<table>
<thead>
<tr>
<th>School</th>
<th>Average Cumulative Debt for 2010 School of Medicine Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yale</td>
<td>$127,020</td>
</tr>
<tr>
<td>Penn</td>
<td>$119,810</td>
</tr>
<tr>
<td>Columbia</td>
<td>$117,551</td>
</tr>
<tr>
<td>*UCSF</td>
<td>*$112,402</td>
</tr>
<tr>
<td>Harvard</td>
<td>$106,339</td>
</tr>
<tr>
<td>Stanford</td>
<td>$103,157</td>
</tr>
<tr>
<td>John Hopkins</td>
<td>$102,376</td>
</tr>
</tbody>
</table>

* UCSF CAGR (2005-2010): 9.7%
UCSF was my favorite school by far in terms of the academic programs and opportunities, but less debt made me choose the University of Chicago. They gave me a full tuition scholarship which was impossible to turn down, especially given that I couldn't be certain that UCSF wouldn't raise tuition considerably given California's economic situation.

I chose to go to the University of Michigan, primarily because I would have far less debt there than at UCSF.” (from a UIM resident of California, not Michigan.)

“The tie-breaker” between Harvard and UCSF was financial. UCSF offered $5,000 in grants and $50,000 in loans while HMS offered $45,000 in grants and $25,000 in loans. Over four years, this equates to a difference of $140,000 of debt.”

“One of my main reasons for turning down UCSF was financial. I was offered a hefty financial deal from Harvard, and though UCSF was superior in many ways (family proximity, climate, location, program), the financial difference was too significant to ignore.”

“UCSF was my top choice even after getting into the school I will be attending (Harvard). The students were friendly, the campus was gorgeous, and the academic opportunities were vast. However, the difference in aid was substantial (over $100k for four years), and I did also have worries about that number growing as California continues to have difficulty funding the UCs.”
Presentation Outline

1. Current LRDP and Amendments
2. Capital Program
   - Capital Investment (1999 – 2009)
   - Future Capital Investment (2010 – 2020)
3. Next LRDP
   - Potential Major Themes
   - Primary Questions
4. Seismic Issues
   - Seismic Remediation Needs
   - Decant and Funding Challenges
   - Reasons for Seismic Priorities
5. Implications for Academic Programs
Current LRDP

- Current LRDP adopted January 1997; Planning horizon is 2011-12 academic year
- Major LRDP Themes
  - Reinvest in existing sites
  - Acquire a major new site (Mission Bay)
  - Provide space for decompression, expansion and consolidation of activities
- Three Amendments to the LRDP have been approved by The Regents
  - Housing added to the Mission Bay campus
  - Clinical recommendations for major inpatient and outpatient sites at Parnassus and Mission Bay, with outpatient hub at Mount Zion
  - Mission Bay Planning Principles
Current UCSF Locations
Current LRDP – Outcomes

- Campus space grew from 5.0 million gsf to 7.8 million gsf (56% increase)
- Major new site with critical mass of science established at Mission Bay
- Significant reinvestment occurred at Parnassus Heights and other sites
- Flexible framework of the LRDP supported opportunistic projects (e.g., Regeneration Medicine)
- Successful connection between physical planning and community involvement allowed plans to move forward smoothly
<table>
<thead>
<tr>
<th>Project Type</th>
<th>Total Capital Investment</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Location</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parnassus Heights</td>
<td>$760 M</td>
<td>21%</td>
</tr>
<tr>
<td>Mission Bay</td>
<td>$2,700 M</td>
<td>73%</td>
</tr>
<tr>
<td>Other Campus Sites</td>
<td>$240 M</td>
<td>6%</td>
</tr>
<tr>
<td>By Project Type</td>
<td></td>
<td></td>
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<tr>
<td>New Growth Space</td>
<td>$2,600 M</td>
<td>70%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$250 M</td>
<td>7%</td>
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<tr>
<td>Support Facilities (Housing/Parking)</td>
<td>$226 M</td>
<td>6%</td>
</tr>
<tr>
<td>Seismic Replacement or Retrofit</td>
<td>$100 M</td>
<td>3%</td>
</tr>
<tr>
<td>Other Life Safety</td>
<td>$250 M</td>
<td>7%</td>
</tr>
<tr>
<td>Renovations</td>
<td>$174 M</td>
<td>5%</td>
</tr>
<tr>
<td>Public Realm</td>
<td>$87 M</td>
<td>2%</td>
</tr>
</tbody>
</table>
Future Capital Investment (2010 – 2021)

- Total Future Capital Investment: $1.1 Billion
- By Location
  - Parnassus Heights: $778 M, 70%
  - Mission Bay: $165 M, 15%
  - Other Campus Sites: $169 M, 15%
- By Project Type
  - New Growth Space: $136 M, 12%
  - Infrastructure: $118 M, 11%
  - Seismic Replacement or Retrofit: $360 M, 32%
  - Other Life Safety: $124 M, 11%
  - Renovations: $326 M, 30%
  - Support Facilities (Housing/Parking): $35 M, 3%
  - Public Realm: $9 M, 1%
Next LRDP

- Next LRDP is expected to have a planning horizon of 2030
  - 15+ years from expected adoption in 2014
  - Coincides with Senate Bill 1953 state seismic deadline for inpatient facilities

- Anticipated growth through 2030 will need to be estimated, so potential strategies for meeting that need can be identified and analyzed
  - Historic growth rate may decline going forward due to resource constraints and other factors
Next LRDP – Potential Major Themes

1. Address seismically poor and very poor buildings (Parnassus, Mount Zion, San Francisco General Hospital)

2. Optimize the use of existing campus sites (land and entitlements) and existing campus space (space management strategy)

3. Identify expansion strategy through property acquisition and development

4. Articulate a strategy for leased locations

5. Facilitate campus growth while reducing carbon emissions to respond to Environmental Sustainability and Climate Action Plan goals (e.g., by improving jobs-housing balance and reducing transit trips)
Primary Questions

1. How will UCSF's academic program (instruction and research) be physically configured across UCSF's campus sites?
2. What are UCSF's projected space needs through 2030?
3. How should future space needs be met?
4. Should/can existing agreements be renegotiated to help meet space needs?
   - Should UCSF seek to modify the Parnassus Heights Space Ceiling and Average Daily Population goal?
   - Should UCSF seek to increase the entitlement cap at Mission Bay, and if so, by how much and for what types of space?
Primary Questions

5. How will UCSF’s seismically poor and very poor buildings be addressed?

6. How will the next phase of the Hospital Replacement strategy be defined in the LRDP?

7. Will a new hospital pavilion be built at Parnassus Heights on the site of the LPPI building to replace Moffitt by 2030? What physical development will be necessary at Mount Zion to support its transformation into an outpatient hub?

8. How will the LRDP respond to system-wide mandates such as the Policy on Environmental Sustainability and Climate Action Plan goals?
Seismic Issues

- Parnassus Heights
- San Francisco General Hospital
- Mount Zion
Parnassus Heights
Seismically Poor and Obsolete Buildings

Seismically Poor Buildings
- UC Hall
- Clinical Sciences Building
- 374 Parnassus Avenue
- 735 Parnassus Avenue

Other Obsolete Buildings
- Laboratory of Radiobiology
- Medical Research IV
- Proctor
- Surge
- Woods
- 1486-88 Fifth Avenue
Seismic Issues – Parnassus Heights

- UC Seismic Safety Policy requires seismically "Poor" and "Very Poor" buildings be retrofitted to "Good" or vacated.
- UC Hall (UCH) and Clinical Sciences Building (CSB) rated seismically "poor".
- UCH (146K GSF) and CSB (107K GSF) are 75-100% occupied. Includes research, offices, instruction and clinical functions.
- UCH proposed for demolition in LRDP due to seismic condition and to address space ceiling overage. CSB rated Poor since 2003 and recommended for retrofit.
- UCH decant plan developed, but in flux. Funding plan incomplete.
- 1996 LRDP recommended demolition of seven small Parnassus seismically Poor and Obsolete buildings (67K GSF) in order to help meet space ceiling.
- Moffitt Hospital (M) will not meet state seismic
Seismic Planning – Parnassus Heights

- Plans to retrofit/renovate UCH and CSB under study
- UCH retrofit requires LRDP Amendment and agreement with community. Discussions with community identified key issues, including: space ceiling compliance, reducing UCSF impacts on neighborhoods, more on-campus housing for UCSF personnel, improving UCSF’s visual appearance
- UCH reuse options include: clinics, offices, housing, support
Parnassus Heights Hospital Replacement

- Moffitt Hospital expected to be decommissioned by 2030 to comply with state seismic law for hospitals
- The location for replacement inpatient capacity is expected to be identified in the next LRDP
  - Prior analyses suggest the replacement facility could be on the site of the LPPI building
Seismic Issues – Mount Zion

- Seismically Poor Buildings
- Demolish Hellman
- Retrofit B and D
- Seismic Plans

UCSF Campus Planning
Seismic Issues - San Francisco General Hospital

- UCSF occupies space at SFGH owned by the City
- Seismically Poor and Very Poor Buildings (171K ASF)
  - 1, 5, 80/90, 100 (Poor)
  - 10, 20, 30, 40 (Very Poor)
<table>
<thead>
<tr>
<th>Option</th>
<th>Issues/ Considerations</th>
</tr>
</thead>
</table>
| Retrofit some or all buildings.             | • Poor existing floor plan configurations.  
• Disruptive to retrofit while occupied.  
• No surge space. Phasing possible in some buildings.  
• System upgrades, lab remodels, code work costs.  
• UCSF does not own buildings.                |
| Consolidate in fewer buildings and Retrofit| • City/County not optimistic about relocating and consolidating to allow UCSF to consolidate in fewer buildings.                                        |
| Infill and Retrofit Buildings 10-40 and 1    | • Historic preservation issues. (Hospital Rebuild EIR would prohibit permanent changes.)  
• Building 1 and 100 infill may be OK because less visible.  
• UCSF does not own buildings.                |
| New Research Building on B. 100 site        | • Demo of Bldg 100 requires surge space, thus retrofit of Bldg 40. One large new bldg is costly.  
• Alternative: Construct 2 small research bldgs as funds available. One on Bldg. 100 site and one on a parking lot. Requires surge space and new parking.  
• Alternative: No Bldg 100 demo, and construct on A lot or B/C lot. Relocate Avon trailer. Requires replacement parking. |
| New Office Bldg on Parking Lot              | • Requires replacement parking. No surge space required. Less costly than lab construction.                                                          |
Seismic Decant and Funding Challenges

- **Parnassus Heights Seismic Decant Challenges**
  - UCH and CSB decant need 120K ASF (labs, offices, clinics)
  - "Empty chair" options require: appropriating revenue generating space, moving programs off-site, converting lab space into offices

- **Parnassus Heights Seismic Funding Challenges**
  - UCH and CSB decant/retrofit/renovation costs $137M – 176M
  - Other demolitions and projects needed to gain community acceptance of UCH retrofit $22M - $25M
  - Limited funding options (State, debt, equity)

- **SFGH Seismic Decant Challenges**
  - SFGH seismic decant need 171K ASF (labs, offices)
  - Decant solutions require moving programs off-site, retrofitting selected buildings, building new space on-site

- **SFGH Seismic Funding Challenges**
  - SFGH decant/retrofit/replacement costs under study
  - Limited funding options (State, debt, equity)
Seismic Imperative

- UC Seismic Safety Policy requires that “Poor” and “Very Poor” buildings be retrofitted to “Good” (owned) or “Fair” (leased) or vacated.
- UC Seismic Safety Policy requires Interim Use Plans and Seismic Hazard Abatement Programs for “Poor” and “Very Poor” buildings (with implementation timetables).
- UCSF must provide abatement plans and timetables on its “Poor” and “Very Poor” buildings to UCOP/OGC by November.
- State seismic law requires that acute care hospital facilities be retrofitted or replaced to survive major earthquake and be functional by 2030 or vacated.
- Compliance with UC policy and State seismic law requires the campuses/medical centers to prepare cost estimates for remediation projects and funding plans.
Implications for Academic Programs

- Seismic decant, retrofit or replacement program presents a number of challenges and opportunities for our academic programs
  - Requires decant into academic space which could be used for growth or new programs
  - Seismic retrofit projects do not attract philanthropy, so must rely on State capital funds, debt or equity, which might otherwise be used for academic programs
  - Seismic retrofit triggers renovation of academic space which could result in improved functionality and efficiency
  - Seismic projects take priority over other capital needs, including renovation and growth projects for academic programs, as well as infrastructure and utility projects which increase reliability and functionality of systems to serve existing academic programs
  - Seismic replacement projects, which could attract philanthropy, takes donor funds away from other critical needs, such as faculty or student support
Communication from the Committee on Academic Planning & Budget, Mary Gray, MD, Chair, and the Committee on Faculty Welfare, Grayson Marshall, DDS, PhD, MPH, Chair

March 30, 2012

Robert Newcomer, PhD, Chair
Office of the Academic Senate
500 Parnassus Avenue, MUE 230
San Francisco, CA  94143-0764

Re: Committee Response to the UC Joint Taskforce on Faculty Salaries Memorandum

Dear Chair Newcomer,

As requested, the UCSF Academic Senate Committees on Academic Planning and Budget (APB) and Faculty Welfare (FW) reviewed the University of California Senate-Administration Taskforce on Faculty Salaries memorandum dated February 3, 2012. APB discussed the UC Taskforce recommendations at our regular campus meeting on March 8, 2012. APB and FW faculty members received the UC Taskforce memorandum electronically and were invited to submit their written comments and suggestions for inclusion in this response to you.

Overall Evaluation

APB and FW strongly endorse UC Taskforce recommendations (see Executive Summary). UCSF faculty members share the fundamental values and goals affirmed by the UC working group. It is essential that faculty at our Health Sciences campus maintain parity with faculty at General Campuses with respect to covered compensation under the University of California Retirement Plan (UCRP). Recalculation of the Systemwide salary scales based on median campus average at each rank and step directly addresses this important goal. APB and FW understand that future availability of state funds is a crucial determinant of long-term salary policy planning. However, the Health Sciences Compensation Plan (HSCP) provides ample flexibility to campus administration through its range of Academic Programmatic Unit (APU) scales and compensation components (X, X', Y, and Z) that constitute overall faculty salary. We urge UCSF administration to estimate the cost of HSCP scale adjustment immediately.

Critique of Recommendation 1

“The Taskforce is committed to the value of regular merit and CAP reviews and recommends that when faculty advance to a new rank and/or step, they move, at a minimum, to the average salary of their campus colleagues at the new rank and step. The Taskforce agrees that funding for merit actions should continue in all budget scenarios.”

UCSF faculty members are committed to regular merit and CAP reviews. APB and FW endorse the Taskforce recommendation that funding for merit actions should continue in all budget scenarios. We concur that the new HSCP scale 0 be set at the new University scale. Scale reformulation correlated to campus averages for each rank and step at the time of merit advancement (UC Irvine Mechanism) is not required for HSCP faculty salary calculations.
Critique of Recommendation 2

“The Taskforce recommends that the Provost appoint a subsequent Taskforce to assess the particular salary issues facing UC professional schools (Law, Business, and Management in particular) where special salary scales are not meeting current needs, and recommends that he task that group with assessing the most effective salary practices for those faculty.”

APB and FW endorse the recommendation on non-Health Sciences professional salaries.

Critique of Recommendation 3

“The Taskforce proposes a return to regular scale adjustments and recommends that individual faculty salaries should be, at a minimum, at the median of University faculty at the same given rank and step. Our hallmark salary scale process presumes annual adjustments to salary, but the lack of state funds has suspended adjustments for several years. Such adjustments would allow the University to reduce the percentage of salaries that are off-scale. Taskforce consensus about this recommendation is contingent on availability of state funds.”

In all budget scenarios, faculty at our Health Sciences campus must maintain parity with faculty at General Campuses with respect to covered compensation under the University of California Retirement Plan (UCRP). According to the UC Taskforce, a new University scale (new HSCP scale 0) set at the median campus average takes into account hiring and retention actions across the system and more accurately represents competitive salaries. Appendices contain detailed information on the General Campus costs for scale adjustment. APB and FW request urgent estimation of UCSF costs for HSCP scale adjustment. Figures are needed for Senate-administration negotiations that must occur whether or not new state funds dedicated to faculty salary are available. APB and FW recognize that scale increases raise the amount of covered compensation for HSCP faculty and that such increases may lead to compensatory adjustments in future Y and Z components. Conversely, department or APU implementation strategies that reduce UCRP covered compensation for HSCP faculty must be prohibited.

Sincerely,

Subcommittee of the UCSF Academic Senate Committee on Academic Planning & Budget (APB) Examining the UC Senate-Administration Taskforce on Faculty Salaries Memorandum

Mary Gray, MD, Chair
David Teitel, MD, Vice Chair
Ellen Weber, MD, Member

Subcommittee of the UCSF Academic Senate Committee on Faculty Welfare (FW) Examining the UC Senate-Administration Taskforce on Faculty Salaries Memorandum

Grayson W. (Bill) Marshall, DDS, MPH, PhD, Chair
Paul Green, PhD, Vice Chair
Communication from the Committee on Academic Planning and Budget Subcommittee to Review the Proposal for the Masters of Science in Healthcare Administration and Interprofessional Leadership (MS HAIL) Program

June 11, 2012

Robert Raffai, Ph.D.
Chair, Graduate Council
UCSF Academic Senate

RE: Proposal for Healthcare Administration and Interprofessional Leadership

Dear Chair Raffai,

The Committee on Academic Planning & Budget convened a subcommittee to review the proposal to establish a Graduate Studies program in Healthcare Administration and Interprofessional Leadership for the MS Degree at the University of California, San Francisco. The Subcommittee met on June 6, 2012 and supports of the program. As a result of our discussion, we had the following comments:

**Implementation Timeframe**
As much of the budget has been allocated to the vendors, we hope that vendor selection has already happened. If not, the proposed timeframe is somewhat ambitious.

**Contingency Planning**
If the requisite number of faculty and staff are not recruited, the proposal should reflect an alternate plan.

**Marketing**
The marketing strategy should focus on the interprofessional component. This should be more than a statement, rather a firm commitment to interprofessional development.

Sincerely,

Subcommittee to Review the MS HAIL Proposal
Barbara Drew
Sharmila Majumdar
Fred Schaufele
David Teitel
Overview of Presentation

- UCSF Revenue and Expense Profile
- Outcomes of 2011-12 State Budget Process
- UCOP’s New Fund Distribution Model
  - Overview and Impact of Funding Streams
  - Overview and Issues regarding Rebenching
Revenue Profile
UCSF Revenues Supporting Core Activities
FY10/11 $3,858 million

- Grants and Contracts, $1,113M, 29%
  - Federal $672M
  - State $243M
  - Private $263M
  - Local $120M
- State Funds, $210M, 6%
- Educational Appropriations $150M
- Research Appropriations $17M
- State & Federal Financing Appropriations, $36M, 1%
  - Loan Revenue Bonds $7M
  - Endow. Subsidy $1M
- Educational Activities, $183M, 4%
  - Fee for Service $73M
  - Patient Revenue $44M
  - Other $3M
- Laboratory Service Fees $15M
- Other $13M
- Private Gifts, $126M, 3%
- Investment Income, $105M, 3%
  - STIP $15M
  - TIP $15M
  - Regents Endowment $15M
- Other Revenue, $67M, 2%

Expense Profile
UCSF Expenses Associated with Core Activities
FY10/11 $3,487 million

- Salaries and Wages, $1,801M, 52%
- Supplies and Other Operating Expenses, $938M, 27%
- Utilities, $30M, 1%
- Scholarships and Fellowships, $30M, 1%
- Internal Expense, $70M, 2%
- Depreciation, $190M, 5%
- Employee Benefits, $418M, 12%
- UCSC $63M
- Retiree Health $43M
- Active and Other Health $311M
The 2011-12 UCOP State budget process impacts UCSF in four ways

- State Educational Appropriation: -$38.2m
- Student Tuition: +3.2m
- Systemwide Research Funds: -$18.0m
- Funding Streams and Rebenching: -$8.7m, -$?m

...plus we need to self-cut to pay for ~$12m of fixed cost increases including salary, benefits, and retirement costs

State Educational Appropriation

UCSF 2010-11 state educational appropriation: $195.0m

- UCSF share of $500m cut: -$24.4m
- UCSF share of added $150m cut: -$8.3m
- UCSF projected share of $100m trigger cut: -$5.5m
- Subtotal impact of $750m cut: -$38.2m

Remaining 2011-12 base educational appropriation: $156.8m
Student Tuition

Approved Tuition Increases for 2011-12:

November 2010 increase of 8% (net of return to aid) $1.4m
July 2011 increase of 9.6% (net of return to aid) $1.8m

Total tuition available to offset state cuts $3.2m

Systemwide Research Funds

UCSF share of “systemwide” research funds $22.0m
UCOP cuts to research -$18.0m
(includes Gallo -$13.6m, Lupus -$0.6m, etc)

Remaining “systemwide” research funds $4.0m
UCOP’s New Fund Distribution Model: “Funding Streams and Rebenching”

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:

Phase 1: Funding Streams - initiative launched July 1, 2011
Phase 2: Rebenching - planning committee in process

The overall goal of the Funding Streams phase is to simplify and clarify UC’s funding flows

Key Components:

1. Allows revenue, including student tuition and fees and indirect cost recoveries, to remain at source campuses instead of being pooled together and differentially reallocated by UCOP
2. One key exception: sustains the redistribution of undergraduate financial aid across campuses, though it does eliminate graduate reallocations
3. Implements a new expenditure tax on campuses, called a “Systemwide Assessment” that will be used to fund central UCOP operations: $278 million total, 1.6% of annual current funds expense
4. Changes the methodology for calculating future campus augmentations and cuts
Funding Streams, though originally conceived of as revenue neutral, resulted in an $8.7m cut to UCSF

STEP 1: Revenue Return to UCSF
- Private Indirect Cost Recovery (ICR) $6,892,000
- Opportunity Fund ICR 2,513,000
- Medical Center Tax 3,391,000
- Off-the-Top Fund ICR 1,387,000
- Auxiliary Enterprise Revenue 51,000
- Medical Compensation Plan 22,000

$13,756,000

STEP 2: State Funds Swap
- Withdrawal of State Funds (1990) $47,983,000
- Allocations:
  - Federal ICR - General Fund Offset $25,990,000
  - Tuition 15,955,000
  - State ICR 2,855,000
  - Patent Revenue 1,842,000
  - Short Term Investment Pool (STIP) 605,000
  - State/Federal Flow-Thru 595,000
  - Application Fees 141,000

$47,983,000

STEP 3: Allocation of State Funds (1990) $26,350,000

STEP 4: New Systemwide Assessment - 1.6% Tax $48,829,000

OUTCOME: Net Impact of Funding Streams $(8,723,000)

Total Funding Streams non-neutrality across the system is approximately $51 million

Key components:
1. Centrally-held shortfall in OP savings: $20.2 million
2. Creation of President’s Initiative Fund: $10.0 million
3. Enrollment growth for UC Merced: $6.8 million
4. Shortfall in Office of Technology Transfer: $4.0 million
5. Funding for California Institutes for Science and Innovation: $3.4 million
6. Other: $6.6 million
The new funding streams methodology for allocating budget reductions disadvantages UCSF

Recent $150m cut, though “covered dollar-for-dollar by a 9.6% tuition increase” was distributed based on both state funds and tuition:

- UCSF’s 5.5% share of $150m budget cut $8.29 m
- Projected new student fees at UCSF ($1.76 m)
- “Uncovered” UCSF budget cut $6.53 m

- This cut method redistributes UCSF state funds to other campuses
- In 2011-12 UCSF will receive one-time partial relief: $3.91m referred to as “glide path funding”
- UCSF may be subject to another cut of approximately $4.35m due to the pending 2011-12 $100m trigger-based budget cut

UCSF’s contribution to UCOP is likely larger than warranted given the types of services received

Portion of UCSF Tax:

<table>
<thead>
<tr>
<th>Share of Systemwide Assessment</th>
<th>Share</th>
<th>Systemwide Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$64,978,000</td>
<td>23%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$48,829,000</td>
<td>18%</td>
</tr>
<tr>
<td>Davis</td>
<td>$41,470,000</td>
<td>15%</td>
</tr>
<tr>
<td>San Diego</td>
<td>$40,922,000</td>
<td>15%</td>
</tr>
<tr>
<td>Berkeley</td>
<td>$27,570,000</td>
<td>10%</td>
</tr>
<tr>
<td>Irvine</td>
<td>$26,033,000</td>
<td>9%</td>
</tr>
<tr>
<td>Santa Barbara</td>
<td>$10,715,000</td>
<td>4%</td>
</tr>
<tr>
<td>Riverside</td>
<td>$8,051,000</td>
<td>3%</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>$7,336,000</td>
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</tr>
<tr>
<td>Merced</td>
<td>$6,801,000</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>$277,697,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

UCOP expenditures include significant central support for campus undergraduate programs and specialty activities such as the Division for Agriculture and Natural Research
The goal of Rebenching is to determine the best way to redistribute the existing state funding base

**Key Components:**

1. A rebenching budget committee was formed in 2010 and is generating a proposal for redistribution of state funds across campuses
2. Includes as a goal the identification of the various primary functions of the university (teaching, research, public service, health science) and a goal of determining what the “proper” allocation to those functions should be
3. There was a strong inclination to use future incremental funding to reach identified goals, rather than redistributing exiting funds during a time of budget cuts, but both alternatives are still under consideration

It is important that Rebenching takes into account UCSF’s unique character as well as some of the outcomes of Funding Streams

**Key factors:**

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
Operational Excellence - IT
Desktop and Data Center Consolidation Recommendations
November 2011

Agenda

- Portfolio of OE IT accomplishments and initiatives
- Desktop consolidation recommendations
- Data Center consolidation recommendations
IT Accomplishments - Last 12 months

- Enhanced wireless coverage (secure and guest) including the Medical Center
- Significantly improved cellular coverage
- Built faster and more reliable network connections (10gb) across UCSF locations
- Improved security to detect malicious intrusions and prevent security breaches
- Expanded full support to Macs and mobile devices (iOS and Android)
- Introduced new systems to streamline processes (MyExpense, Advance, MPM, BearBuy)
- Established UCSF enterprise-wide IT Governance to ensure the best technologies and practices are implemented
- Created one Service Desk to deliver consistently high service to everyone
- Eliminated password expiration
- Migrated most UCSF employees to a single email system
- Implemented single signon (MyAccess) to make us all more productive
- Negotiated lower prices (i.e. Apple, Dell, Oracle)
- Introduced videoconferencing services to reduce the need to travel to other locations
- Partnered with MC, SOM, UCB, and others

And more to come...

OE IT Initiatives are inextricably linked
Desktop Consolidation

Charge of the Workgroup (April 2011)

- Develop a one to two year plan for consolidation of desktop support services across the UCSF enterprise - campus and Medical Center
- UCSF should experience improved desktop support services and overall cost savings when the plan is fully implemented
- Coordinate funding/recharge issues with the IT funding workgroup
Membership

- Jane Czech (SOM) - chair
- Lyell Amora (DOM)
- Sunny Bang (MC)
- Kerry Chao (ITS)
- Kenton Chee (DOM)
- Julie Cox (MC)
- Brad Dispensa (SOM/Anesthesia)
- Andres Elenes (SOM/ISU)
- Tom Ferris (SOD)
- Dan Freeman (CLS)
- Aaron Gannon (SOM/ITN)
- Kurt Glowienke (ITS)
- Tim Greer (SFGH)
- Debra Harris (SOP)
- Quinn Heame (ISU)
- Margaret Patemek (SFGH)
- Rob Slaughter (SON)
- Pranathi Sundaram (SOM/Radiology)
- Katy Williams (SOM/Ob/Gyn)
- Michelle Fanner (Data Analysis)
- Mary Beth Baker (Facilitator)

Approach

- Completed an inventory of services from existing desktop support groups
- Conducted focus groups at Parnassus, Laurel Heights, Mission Bay, Mission Center Building, and SFGH. 65 faculty and staff were invited, 48 attended (19 of which were faculty)
- Issued departmental survey to estimate the allocation of IT staff effort across all UCSF departments including SFGH and the Medical Center in four categories:
  1. Basic Desktop Support
  2. Specialized Desktop Support
  3. Data Center and Server Support
  4. Programming & Database Support
- Collected data from peer institutions
Focus Groups: Desired Support

- **Software**
  - Basic software applications
  - Software/OS updates and patches
  - Security software
  - Coherent roll-out of upgrades

- **Standard Hardware** (setup, fix, maintain)
  - Mac and PC desktop and laptops
  - Virtual Machines
  - Videoconferencing
  - Mobile device support
  - Networked printers
  - Equipment disposal
  - Equipment refresh
  - Loaner computer inventory

Number of current IT FTEs per survey

Source: Departmental survey, reported August 2011.
Key Conclusions

- 169 individuals representing 97 FTEs deliver basic desktop support
- 133 individuals representing 35 FTEs deliver specialized desktop support
- 105 individuals representing 85 FTEs spend at least 50% of their time providing basic desktop support
- Only one department indicated using an external 3rd party for desktop support
- Current monthly charges for desktop support range from $60 - $105 for each workstation

Three Tiers of IT Support Service

- **Basic Service**
  - Software applications
  - Software/OS updates & patches
  - Security software
  - Coherent roll-out of upgrades
  - Standard Hardware (break/fix, setup, maintenance)

- **Standard Desktop Service**
  - Two levels of service: Basic and Premium

- **Specialized Desktop Service**
  - Remains in local department or is charged based on usage

- **Premium Service** examples:
  - Faster response time
  - Expanded hours
  - On-call pager (overnight weekday, weekend)
  - Personal systems (TBD)

- **Basic Service** examples:
  - Software applications
  - Software/OS updates & patches
  - Security software
  - Coherent roll-out of upgrades
  - Standard Hardware (break/fix, setup, maintenance)

- **Service Desk (a.k.a. Help Desk)**
  - Flat fee included in IT Recharge

Service Desk and Basic Desktop support will be provided and charged to all UCSF faculty and staff FTEs
Regionalized Desktop Support Organization

Essential Partnerships for Desktop Support

* Relationship Management Team includes Departmental IT Liaisons/Representatives

Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Client Awareness and Satisfaction | • Survey ratings average of 4.8 out of 5 (or similar scale) on 95% of all tickets  
|                                 | • Meeting established SLA’s 98% of the time                                |
| Productivity                    | • Achieve device to tech FTE ratio                                       |
|                                 | • Achieve client per tech FTE                                            |
| Incident Management             | • Time to respond                                                        |
|                                 | • Time to resolution by tier                                             |
|                                 | • Ticket escalation percentage is less than 5%                          |
| Resource Management             | • Achieve targeted device to FTE ratio                                  |
|                                 | • Job satisfaction among field techs                                     |

13

14
Expected Benefits

- “One stop shopping” service delivery -- accessible, affordable, responsive, and measurable
- Personalized service delivered by consistently-trained technicians
- Lifecycle management for desktop and laptop equipment
- Partnership across all IT services
  - A single phone number
  - Tight integration of communication and services
  - Clear process and procedures to escalate and resolve issues timely
- Business continuity
- Affordable monthly rates per FTE (can be directly charged to grants)
  - $43.41 for basic service
  - $74.71 for premium service (includes basic)
- Estimated annual cost savings of $1.5 – 2.4 million

Financial Analysis

- 14.5 reduction in FTEs
- Annual operating savings of $1.4M in Year 1 to $1.5M by Year 5
- One-time implementation cost of $2.5M over 5 Years
- Monthly recharge/FTE: $43.41 for Basic Support; $74.71 for Basic + Premium Support

<table>
<thead>
<tr>
<th>Change in FTEs</th>
<th>Year 0</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future FTE Requirement</td>
<td>82.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current FTE</td>
<td>97.0</td>
<td>(Represents 169 headcount)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Reduction)</td>
<td>(14.5)</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Savings ($'s in millions)</th>
<th>Year 0</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Costs</td>
<td>$0.0</td>
<td>$12.2</td>
<td>$12.6</td>
<td>$13.0</td>
<td>$13.4</td>
<td>$13.8</td>
<td>$65.0</td>
</tr>
<tr>
<td>Annual Savings</td>
<td>$0.0</td>
<td>$1.4</td>
<td>$1.4</td>
<td>$1.5</td>
<td>$1.5</td>
<td>$1.5</td>
<td>$7.3</td>
</tr>
<tr>
<td>Implementation Costs</td>
<td>($1.0)</td>
<td>($1.0)</td>
<td>($0.2)</td>
<td>($0.2)</td>
<td>($0.1)</td>
<td>($0.1)</td>
<td>($2.5)</td>
</tr>
<tr>
<td>Net Savings/(Costs)</td>
<td>($1.0)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Desktop Support Costs per User/Month</th>
<th>Basic</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$43.41</td>
<td></td>
</tr>
<tr>
<td>Basic + Premium</td>
<td>$74.71</td>
<td></td>
</tr>
</tbody>
</table>
Immediate Next Steps

- Communications planning
- Develop job descriptions
- Recruit director and site managers
- Identify space requirements
- Implementation planning
  - Develop departmental and faculty scenarios
  - Six to eight month planning phase
  - Two year rollout
- Align response times with Service Desk
- Identify oversight group

Data Center Consolidation
Charge of the Workgroup (April 2011)

- Develop a one to two year plan for consolidation of data facilities across the UCSF Enterprise into one or just a few data centers
- UCSF should experience improved data center services and an overall cost savings when the plan is fully implemented

Membership

- Peter Armour (SOM / Epidemiology)
- Mohammad Asgharnia (MC)
- Kevin Bamey (ITS)
- Alaric Battle (SOM / Epidemiology)
- Karen Brungardt (Cancer Center)
- Mark Day (SOM / Radiology), Chair
- Brad Dispensa (SOM / Anesthesiology)
- Jose Claudio (ITS/MC)
- Al Conde (SOP)
- David Falberg (MC)
- Daniel Freeman (CLS)
- Cathy Garzio (SOM)
- Tim Greer (SFGH)
- Laurel Halsey (PHP / SFGH)
- Joe Hesse (SOM/Neurology)
- Brad Immanuel (SOM / Anesthesia)
- Kraig Kluba (ITS)
- Sorena Nadaf (Cancer Center)
- Chris Orsine (SOM / ISU)
- Mike Panion (SOM / Surgery)
- Andrew Philipoff (SOM / Medicine)
- James Tran (SON)
- Michelle Fanner (Data Analysis)
- Mary Beth Baker (Facilitator)
Approach

- Conducted **IT staff survey** to identify existing data facilities, and collect requirements for central data center services
- Performed **site visits of UCSF facilities**
- Issued **departmental survey** to estimate the allocation of IT staff effort across all UCSF departments including SFGH and the Medical Center in four categories:
  1. Basic Desktop Support
  2. Specialized Desktop Support
  3. Data Center and Server Support
  4. Programming & Database Support
- **Site visit with UC Berkeley** (implemented a consolidated data center in 2003)
- Conducted analysis of capacity and staffing levels required to consolidate servers into single data center

Current State

- 28 known data center and server facilities (as of Oct 15, 2011)
- 78 FTE (164 headcount) provide data center and server support
- Duplication of effort
- Overlap in equipment
- Inconsistent service levels
- Inefficient use of energy and space
- Various levels of data security practices
- No uniform data backup procedures

*Migration to Minnesota Street in process/complete.*
Target State

Consolidate all existing data facilities into Minnesota Street and Mission Bay Hospital. Byers Hall (QB3) will continue to operate in its current role as a high-density compute facility.

- IT services provided by a single organization
- Offer complete suite of IT services at attractive price points
- Supported by Architectural Review Board (ARB)
- Highly standardized IT infrastructure
- Provide services provisioned in-house, from UC partner sites and commercial cloud providers

Expected Benefits

- “One Stop Shopping” for data center services
- Improved agility in deploying servers and services
- Improved service levels and reduced outage risk
- Uniform data protection, security, and compliance procedures
- Simplified business continuity and disaster recovery solutions
- Reduced hardware and energy footprint
- Enhanced staff productivity through standardization and specialization
- Estimated $4.6 million annual operating savings beginning in year 5 plus an additional $1.3 million in annual energy savings
Summary Recommendations

1. Assess and improve data network
2. Establish a Data Center Advisory Board
3. Establish an Architectural Review Board
4. Consider San Diego Supercomputer Center (SDSC), UC Berkeley, and public and private cloud service providers, as alternatives to expensive build-outs of existing sites or new construction
5. Adopt the data center service catalog and recharge model used by UC Berkeley

Summary of Service Catalog and Proposed Recharge Rates*

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colocation Services</td>
<td>$10/rack unit/month</td>
</tr>
<tr>
<td>Physical Servers</td>
<td>$250/server/month</td>
</tr>
<tr>
<td>Virtual Servers</td>
<td>$22/base VM/month, $6/GB additional RAM/month, $6/additional vCPU/month</td>
</tr>
<tr>
<td>Storage Services</td>
<td>4 price/performance tiers (all with unlimited data transfer)</td>
</tr>
<tr>
<td>Low tier</td>
<td>$.05/GB/month - bulk storage</td>
</tr>
<tr>
<td>High tier</td>
<td>$.60/GB/month - high performance needs - 15K RPM</td>
</tr>
<tr>
<td>File Services</td>
<td>TBD</td>
</tr>
<tr>
<td>Enterprise Back Up Services</td>
<td>$0.14/GB/month</td>
</tr>
<tr>
<td>Managed Firewall Services</td>
<td>$49/instance/month</td>
</tr>
<tr>
<td>Server Bundles</td>
<td>TBD</td>
</tr>
<tr>
<td>System Administration Services</td>
<td>$100 - $570/system/month, $90/hour</td>
</tr>
<tr>
<td>Database Services (monthly)</td>
<td>$26 basic MySQL, $202 SQL Server, $370 Oracle, $693 24x7</td>
</tr>
<tr>
<td>Website Hosting</td>
<td>Free</td>
</tr>
<tr>
<td>Web Application Hosting</td>
<td>TBD</td>
</tr>
</tbody>
</table>

*Rates are based on the current Berkeley IST rates found on Office of the Controller website. Refer to: http://controller.berkeley.edu/recharge/currentrates/ist.htm
Summary Recommendations (con’t)

6. Develop policies to encourage adoption
   - Publish materials describing service levels, costs, and benefits
   - Adopt department liaison model to facilitate migration to consolidated environment
   - Streamline processes
   - CIO office review all IT orders > $50K to ensure that the institutional goal of maintaining consolidated data centers persists
   - CIO office review all new building plans to ensure new data facilities are not created unnecessarily
   - Design and Construction to consult with CIO office regarding all remodels that include server rooms

Summary Recommendations (con’t)

7. Dedicate resources to implementation
   - Dedicate a full time project manager and project team
   - Conduct a thorough review of the architecture (with external experts) to guarantee that the virtualized servers, storage, and network (end-to-end) will meet stated performance requirements, and that monitoring systems are in place to predict future capacity needs
   - Transfer responsibility for all physical and environmental aspects of all data facilities to central IT facility managers
   - Provide additional consultation/assessment to faculty before moving systems with high performance needs (Wave Three)
### Suggested Phasing Strategy

#### Wave One* (2Q 2012-2013)
- Completed/In-Progress:
  - Parnassus - CL146 Library
  - Laurel Heights - 140
  - LPPI @ MCB

- Move and Decommission:
  - Mission Bay - S241GH
  - SFGH

- Cap Growth:
  - All facilities in Wave Three

#### Wave Two* (2013-2014)
- Move and Decommission:
  - China Basin - Lab Med
  - Mission Bay - CLS Community Center
  - Mount Zion - H-5902
  - Parnassus U117A, U147, D1134, L551A, S445F
  - Under desk/closet servers will be migrated as identified.

- Cap Growth:
  - All facilities in Wave Three

- Additional Data facilities discovered during implementation planning

#### Wave Three (2014-2015)
- Move and Decommission:
  - Cancer Center at Helen Diller
  - China Basin - Epi-Biostat
  - Fresno
  - Parnassus - Radiology CL-158

- Additional Data facilities discovered during implementation planning

* Researchers not required to move in Wave 1 or 2

### Five-year Financial Projections

- **27 reduction in FTEs**
- **5 year total operating cost savings of $16.2M; 5-year average annual of $3.2M**
- **5 year total net cost savings of $18.2M; 5-year average annual of $3.6M**
- **One-time implementation cost of $2.8M over 5 years excluding capital expenditures**
- **Capital investment requirement is $4.5 (5 year S/L Depreciation)**

#### Change in FTEs at Full Implementation

<table>
<thead>
<tr>
<th>Future FTE Requirement</th>
<th>51</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current FTE</td>
<td>78 (164 headcount)</td>
</tr>
<tr>
<td>(Reduction)</td>
<td>(27)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>($s in millions)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status Quo Costs</td>
<td>$17.5</td>
<td>$18.7</td>
<td>$20.8</td>
<td>$22.3</td>
<td>$23.9</td>
<td>$103.2</td>
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<tr>
<td>Future Costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centrally Managed</td>
<td>$11.9</td>
<td>$13.0</td>
<td>$16.3</td>
<td>$17.7</td>
<td>$19.3</td>
<td>$78.3</td>
</tr>
<tr>
<td>Decentralized Managed</td>
<td>$4.7</td>
<td>$3.9</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$8.6</td>
</tr>
<tr>
<td>Total Future Costs</td>
<td>$16.6</td>
<td>$17.0</td>
<td>$16.3</td>
<td>$17.7</td>
<td>$19.3</td>
<td>$86.9</td>
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<tr>
<td>Operating Costs Savings (Increases)</td>
<td>$0.8</td>
<td>$1.8</td>
<td>$4.5</td>
<td>$4.5</td>
<td>$4.6</td>
<td>$16.2</td>
</tr>
<tr>
<td>Energy Savings</td>
<td>$0.4</td>
<td>$0.5</td>
<td>$1.3</td>
<td>$1.3</td>
<td>$1.3</td>
<td>$4.7</td>
</tr>
<tr>
<td>One-time Implementation Costs</td>
<td>($1.2)</td>
<td>($0.6)</td>
<td>($1.0)</td>
<td>$0.0</td>
<td>$0.0</td>
<td>($2.8)</td>
</tr>
<tr>
<td>Net Savings/(Costs)</td>
<td>$0.0</td>
<td>$1.7</td>
<td>$4.7</td>
<td>$5.8</td>
<td>$5.9</td>
<td>$18.2</td>
</tr>
</tbody>
</table>
Immediate Next Steps

1. Communications planning
2. Review and revise job descriptions as necessary
3. Recruit director
4. Form Committees
   - Data center advisory board
   - Architectural review board
5. Implementation planning
   - Six to eight month planning phase
   - Two to three year migration
6. Develop recharge model
7. Upgrade network infrastructure
UCSF Long Range Development Plan (LRDP)

Academic Senate Committee on Academic Planning & Budget

Lori Yamauchi
Assistant Vice Chancellor, Campus Planning

January 26, 2012
Phases of LRDP Process

• **Phase One: Background and Data Discussion**
  – Site specific background information
  – Academic Program Configuration
  – Projected 2030 Space Needs
  – Facilities constraints (including seismic)
  – Hospital replacement Phase 2

• **Phase Two: Options Analysis**
  – Develop and analyze physical site options
  – Select preferred option for LRDP

• **Phase Three: Publish LRDP Report and EIR**
  – Prepare draft LRDP and EIR
  – Incorporate public comment
  – Final LRDP and EIR for Regent’s approval
<table>
<thead>
<tr>
<th>Questions</th>
<th>PHTS</th>
<th>MB</th>
<th>MZ</th>
<th>LHTS</th>
<th>SFGH</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do major programs need to move off of Parnassus Heights in order to address the seismically compromised buildings and the space ceiling?</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What will be the solution for UCSF’s space in seismically “Poor” and “Very Poor” buildings?</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Should additional land be acquired to accommodate growth?</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Should existing land be developed to a greater density?</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>What will UCSF’s long-term future be at SFGH in light of City funding challenges?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Will the size of UCSF’s presence at SFGH change, in light of the City’s long-range plans for the site?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>What is the relative importance of quality-of-life improvements (child care, housing, recreation, aesthetics, open space) compared with programmatic improvements?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>What are the implications of the Medical Center at Mission Bay on future research programming at the campus?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>How should the academic program needs (office and research space) of clinicians be met?</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
# Big Picture Questions by Site

<table>
<thead>
<tr>
<th>Questions</th>
<th>PHTS</th>
<th>MB</th>
<th>MZ</th>
<th>LHTS</th>
<th>SFGH</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should more housing be provided?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>With the move of inpatient Cancer and Women’s services to Mission Bay, what programs should populate the vacated space at Mount Zion?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Is more research space needed to support clinical activities at Mount Zion?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Should existing programs in leased space be moved to owned space after moves to Mission Bay occur?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>What will the goals and themes of research at each major UCSF site be, in the context of other UCSF sites, through 2030?</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>What is the optimal relationship of clinical uses between Parnassus Heights, Mount Zion, and Mission Bay?</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will didactic instruction continue to occur primarily at Parnassus Heights in the future?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Should Moffitt Hospital be replaced at Parnassus Heights or Mission Bay when it is decommissioned as an inpatient facility in 2030?</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
UC Hall and Clinical Sciences Building Retrofit/Reuse

Current UCH reuse proposal:

- 3 floors of offices in 28,500 asf (approximately 162 private faculty offices)
- 3 floors of housing (136 beds in 73 units)
- 2,100 asf of retail space

Current CSB reuse options:

- Option A: Include current mix of offices, labs, clinics and classrooms (approximately 49 private faculty offices)
- Option B: 7 floors of faculty offices (approximately 339 private faculty offices)
- Option C: 5 floors of faculty offices and 2 floors of clinics approximately 274 private faculty offices)
- Option D: 5 floors of faculty offices and labs, and 2 floors of clinics (approximately 188 private faculty offices)
Instruction Recommendations

• **Key Assumptions:**

  – Enrollment is anticipated to increase by approximately 20%

  – Amount of instruction space needed is driven by enrollment levels rather than overall size of research and/or clinical enterprise

  – Didactic instruction will continue to occur primarily at Parnassus Heights but will increase at Mission Bay with the opening of the new hospital. Mt. Zion and Laurel Heights will be secondary
Instruction Subcommittee Recommendations

- Future classrooms must be flexible (accommodate small group learning) and enable collaborative learning (flexible furnishings)
- No additional large and small classrooms
- Divisible, medium-sized classrooms (75 seat) needed
  - 3 at PH, 2-3 at MB and 1 at Mt Zion
- Expansion of Teaching and Learning Center at PH and MB
- Wet lab training space expanded at MB
- Informal student learning spaces needed at MB and PH
- Faculty transition spaces, teleconferencing and support services at all sites
- Technology must be available in all learning spaces, consistent and supported across campus
- School and Departmentally controlled spaces need to be reliably available to meet future space demands
## Projected General Assignment Instruction Space by 2030 by Site

<table>
<thead>
<tr>
<th>Location</th>
<th>Existing (2009) Instruction Space (ASF)</th>
<th>Projected additional ASF needed to fulfill LRDP recommendations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parnassus Heights</td>
<td>176,652</td>
<td>A range of 44,000-50,000 ASF</td>
</tr>
<tr>
<td>Mission Bay</td>
<td>41,418</td>
<td>A range of 27,000-36,000 ASF</td>
</tr>
<tr>
<td>Mt. Zion</td>
<td>33,409</td>
<td>A range of 1,500 to 3,000 ASF</td>
</tr>
<tr>
<td>Laurel Heights</td>
<td>16,481</td>
<td>No change</td>
</tr>
<tr>
<td>Other sites</td>
<td>50,712</td>
<td>No change</td>
</tr>
<tr>
<td>Total</td>
<td>318,672</td>
<td>An overall increase of 72,500-89,000 ASF</td>
</tr>
</tbody>
</table>

*Projected demand in ASF is based on interpretations of the recommendations and is subject to further refinements. Lower range of ASF assumes some rooms could be multi-purpose or multi-functional while the upper range assumes not all space would be multi-purpose.
Clinical Subcommittee- Inpatient Conclusions

**Parnassus Heights**

1. Moffitt must be replaced rather than retrofit

2. Moffitt must be replaced on the LPPI site because that is the only site that physically connects to Long

3. The LPPI site could accommodate 160 beds in a new 140’ tall “Pavilion” building, but would conflict with the 65’ height limit there

4. The Space Ceiling will continue to govern planning at Parnassus
   - The new inpatient pavilion on the LPPI site would require the corresponding removal of 219,800 gsf from the Space Ceiling to avoid a net increase
   - Assuming the UCH reuse plan goes forward, an additional 147,000 gsf must also be removed from the Space Ceiling to achieve literal compliance with the 3.55M gsf limit

5. Inpatient activities at Parnassus will continue to be aligned with research programs there

6. UCSF will continue to maintain an emergency room at Parnassus

7. Moffitt replacement will occur prior to Phase 2 of the Mission Bay Hospital
Clinical Subcommittee- Inpatient Conclusions

**Mission Bay**

1. Up to 261 additional beds can eventually be built at Mission Bay, for a total of 550 beds, assuming we wouldn’t exceed the height limit.

2. Additional beds at Mission Bay will be for growth in women’s, children’s and/or cancer programs, and possibly a new service line.

3. Phase 2 of the Mission Bay Hospital will occur after Moffitt replacement, after 2030.

**Mount Zion**

1. Acute inpatient activities at Mount Zion are planned to conclude in 2015.
Clinical Subcommittee- Outpatient Conclusions

• The Medical Center anticipates outpatient visits will grow by approximately 64% by 2030
• Growth through 2021 is based on clinical growth
• By 2030 the growth assumptions suggest we could have a deficit of about 153 exam rooms (64 exam rooms at Parnassus and 89 exam rooms at Mount Zion), which could be solved by building approximately 2.4 “MOB equivalents” based on the size of the two current MOBs at Mount Zion.
<table>
<thead>
<tr>
<th>Year</th>
<th>Parnassus Heights</th>
<th>Mount Zion</th>
<th>Mission Bay</th>
<th>Total Exam Rooms</th>
<th>Total Annual Visits</th>
<th>Existing and Projected Total GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>287</td>
<td>287</td>
<td>0</td>
<td>574</td>
<td>753,100</td>
<td>696,500</td>
</tr>
<tr>
<td>2020</td>
<td>256</td>
<td>287</td>
<td>245</td>
<td>788</td>
<td>1,012,000</td>
<td>1,061,100</td>
</tr>
<tr>
<td>2030</td>
<td>320</td>
<td>287</td>
<td>245</td>
<td>941</td>
<td>1,235,000</td>
<td>1,182,500</td>
</tr>
</tbody>
</table>

Outpatient Space Distribution Across Sites (Exam Rooms)

2010

2020

2030

Total Exam Rooms

Total Annual Visits

Existing and Projected Total GSF

Assumptions noted on previous slides
Academic Office Space Conclusions

1. Growth through 2021 is based on clinical growth. By 2030, an additional 60 private faculty offices would be required to accommodate the clinical faculty related to outpatient growth at Parnassus Heights.

2. Net new faculty recruits anticipated for 2011-2020 and 2021-2030 based on projections provided by each school.

3. The clinical faculty office analysis takes into account:
   - The current proposal to retrofit and reuse three floors of UC Hall for offices
   - Reuse options for CSB, which include academic offices
   - Proposed faculty office building at Mission Bay
# Projected Academic Office Space Deficit Across Sites (GSF)

<table>
<thead>
<tr>
<th></th>
<th>Net Demand in 2011 – 2020</th>
<th>Additional Net Demand in 2021 – 2030</th>
<th>Total Net Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parnassus Heights</td>
<td>51,500&lt;sup&gt;1,3&lt;/sup&gt;</td>
<td>25,900&lt;sup&gt;2,3&lt;/sup&gt;</td>
<td>77,400</td>
</tr>
<tr>
<td>Mount Zion</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Mission Bay</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>51,500</strong></td>
<td><strong>25,900</strong></td>
<td><strong>77,400</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. In the 2011-2020 timeframe faculty office demand would range from a surplus of approximately 89 private faculty offices (with CSB Reuse Option B—renovate CSB with 7 floors of faculty offices) to a deficit of 201 private faculty offices (assuming CSB Reuse Option A—renovate CSB with current mix of building uses). If Option B is selected, Parnassus would have adequate clinical faculty private office space to meet anticipated demand in 2011-2020.

2. Accounting for the potential 2011-2020 deficit of 201 offices, the additional deficit in the 2021-2030 deficit would range between 14 to 103 faculty offices, therefore, the need could range from 3,600 to 77,400 GSF.

3. Based on assumptions for the Mission Bay Faculty Office Building program, for every 100 square feet of private faculty office space 20 square feet is added for private staff offices and 85 square feet is added for open staff workstations. An additional 25% is then added for reception, conference, copy and other shared support spaces.
School of Medicine

- Through 2021, the School of Medicine anticipates 270 net new faculty plus 1,050 recruits to replace faculty turnover, for a total of 1,320 total recruits over ten years. This includes 420 research faculty and 900 clinical faculty.
- Currently, there’s approximately 100,000 square feet of SOM released space at Parnassus, Mount Zion and Mission Bay.
- Current unoccupied space would be used for new research recruitments, estimated at 120 net new faculty.
- No net new research space would be added through 2021.
  - Assumes new building at SFGH is replacement and not net new.
  - Any MB addition would serve lease consolidations and not new.
School of Pharmacy

- Anticipates growth in both education and research (Lead drug/therapeutics discovery, therapeutics development and technologies)
- Anticipates 10 new faculty in Quantitative and Systems Pharmacology Research Program (QSPRP) at Mission Bay
- Anticipates 10-12 new clinical faculty at Parnassus and Mission Bay for Pharm D Program
- At Mission Bay, a proposed 100,000 asf Center for Enabling Technology and Computational Building and a 28,000 asf GMP Manufacturing and Analytical facility
- At Parnassus a 8,000 asf drug studies unit and a 4,000 asf medication outcomes center
School of Dentistry

- Current fragmentation of research programs are not ideal. Considerable presence at Laurel Heights should continue
- School is increasing Translational Research, additional dry lab space would be desirable
- The School could reconfigure some research space in the Dentistry Building and move some clinics off-site to increase efficiency and meet future clinical space needs.
- School anticipates a 16% growth in research faculty through 2030

School of Nursing

- The School of Nursing is exploring the potential for nurse-managed clinics that would improve access to care while taking advantage of underutilized clinic space during off-hours
- A similar nurse faculty practice model is anticipated at Mission Bay to provide pediatric and women’s health care
- If the State Workforce Incentive Funds is not renewed, School hopes to offset that with Research and Innovation Incubators, a slight increase in research is anticipated
LRDP RESEARCH SUBCOMMITTEE
FINAL RECOMMENDATIONS

Subcommittee Co-Chairs:
Allan Basbaum, Professor and Chair, Anatomy
Linda Giudice, Professor and Chair, ObGyn & Reproductive Sciences

Subcommittee Members:

Abul Abbas  Ajay Jain  William Seaman
Julie Auger  Richard Jordan  Kevin Shannon
Diane Barber  Arnold Kriegstein  Caroline Shiboski
Joe Derisi  Tippi MacKenzie  Eric Small
Daniel Dohan  Teri Melese  Paul Volberding
Barbara Drew  Jennifer Puck  Jim Wells
Michael Fischbach  Jeremy Reiter  Kristine Yaffe
Deborah Grady  Teri Ann Reynolds  Keith Yamamoto
Carl Grunfeld  Neil Risch  Lori Yamauchi
Susanne Hildebrand-Zanki  Jerome Sak  William Young

April 5, 2012
EXECUTIVE SUMMARY

UCSF is a world leader in biological, biomedical, clinical and health policy research. During the next 15 years, our goal is to continue to lead the way in these broad areas of research, inspiring the next generation of researchers and developing foundational expertise in emerging disciplines. To achieve these goals we maintain our commitment to excellence, innovation, and collaboration, and to a strategic and deliberate approach to accomplishing them. Science, medicine and health care delivery are rapidly changing, which will create new opportunities for UCSF. However, research funding projections and the uncertain economy could underlie threats to our success. The LRDP Subcommittee on Research recognizes our strengths and challenges and herein provides recommendations for enabling excellence in research at UCSF with a focus on maximizing faculty success, optimizing research space planning and sustainable funding, aligning program proximities, and aggressively pursuing new funding opportunities and resources.

We offer specific recommendations in three broad areas:

- **Creating an environment that enables competitive faculty recruitment and retention and facilitates faculty productivity.** Among the best ways to maintain excellence is to invest in UCSF’s most valuable resource: its faculty. We recommend that a UCSF-wide fund be established to support UCSF faculty recruitment, faculty retention, and Enabling Technology Centers (ETCs), and we suggest ways to optimize space allocation to increase faculty productivity and success. Since ETCs are an essential component of faculty research programs, UCSF should invest in their central management.

- **Using existing space more efficiently, aligning research and clinical teams and themes, and strategically planning for new space.** We recommend, under the aegis of a new Campus Research Space Planning committee, that an inventory of research space, administrative support and aligned clinical and educational programs be conducted; that existing space be used more efficiently to enhance collaborations and minimize the need for new research buildings. However, new buildings may be required to accommodate new areas of science, align programs and philanthropic opportunities. This could include planning for ongoing financial support for operating costs, faculty recruitment/startup, and research funding for self-sustaining paradigms.

- **Aggressively pursuing new funding opportunities and resources.** We have the opportunity to streamline our research enterprise while maximizing proximities of programs and cores facilities (Enabling Technology Centers). We must address our needs, resources, and resource limitations and pursue new funding sources. We recommend steps to position faculty to capture a broader range of federal, industry, philanthropic and nonprofit funding, and we suggest ways to identify and maximize UC-wide and UCSF-specific collaborations and minimize barriers to innovative industry collaborations.

To plan for future research growth, planning committees need a better understanding of how UCOP and the clinical enterprise relate to UCSF’s research enterprise. Thus, we recommend that the University increase transparency in the way funds are transferred from UCOP and the Medical Center to the research enterprise. The University should also identify and support opportunities to use research to support and advance the clinical enterprise.
OUR VISION: WHO WE ARE AND WHERE WE ARE GOING

UCSF is known worldwide for its leadership in fundamental biomedical research, research in human biology, health and disease, and health policy and health systems research. During the next fifteen years, we envision UCSF continuing to lead the way in these broad areas of research, inspiring the next generation of researchers, and developing foundational expertise in emerging disciplines. To expand our vibrant research enterprise for the future, we offer two specific recommendations:

Recommendation #1: Build on UCSF’s core strengths in basic science, human biology, clinical/translational research in human health, health policy, and health systems research.

UCSF is well positioned to capitalize on its existing breadth and depth of expertise in biological and biomedical research. By building on our core strengths, faculty and staff should advance biomedical science and patient-oriented research, train the next generation of researchers, and advance human health and prevent disease worldwide. In turn, UCSF will maintain its reputation for excellence and its position in the top tier of biomedical research training and funding. We offer the following core area examples:

- **Basic Research:** Some of the UCSF’s most important contributions to human health, including the foundational research for Genentech, have come from pioneering research in fundamental biological processes. We anticipate that strong opportunities of molecular, genetic and systems approaches using a variety of model systems and generating voluminous amounts of data will persist and will favor collaborative efforts from proven leaders such as UCSF, despite the concern that funding for basic research may decelerate or contract during the next fifteen years. Examples of our core strengths include physical biosciences, systems and synthetic biology, cell biology, cancer biology, pharmacology, developmental biology, neuroscience, stem cell biology, immunology/inflammation, reproductive biology, protein engineering; chemical biology, genomics and molecular medicine.

- **Research on Human Biology, Health and Disease:** UCSF is a leader in human-focused research, and we should position ourselves to continue to promote transdisciplinary research and derive attendant funding opportunities to enable and sustain these. Examples of our core strengths include: neuroscience, aging, metabolism, bio-behavioral science, genetics/genomics, transplantation/immunology, HIV biology and epidemiology, in utero surgical therapies, cardiovascular/pulmonary biology, clinical research utilizing pharmacologic, biologic, surgical and imaging approaches, in e.g., cancer, HIV, women’s health, and diabetes, and also health systems and health policy research. Patient-oriented research and community involvement are essential to the clinical research enterprise and likely will continue during the next decade. We have huge strengths in these areas and should capitalize on these (and other) funding opportunities for our research and related training programs.

Recommendation #2: Pursue emerging opportunities in growth areas where UCSF has a strong nucleus.

While it can be difficult to predict the research opportunities of highest promise, several areas stand out as priorities due to their likelihood of growth and a strong existing base in each which
UCSF can use to develop larger initiatives. Many of the research opportunities UCSF chooses to pursue will take the form of campus-wide initiatives that result in new Centers, Institutes, or Departments and/or multi-PI grants and initiatives. We have, therefore, attempted to select a level of research area granularity appropriate for campus-wide initiatives: human genetics/epigenetics, the human microbiome, adult and in utero stem cell therapies, imaging and radiology, personalized medicine, environment, health and disease, computational biology, precision medicine, biomedical computational science, knowledge networks and genome biology, health systems research, health care delivery research, patient-centered outcomes research, health economics research, community partnerships in research, cost-containment in healthcare and industry partnerships in research. For example:

**Biomedical Computational Science:** (ongoing initiative). For the growing pool of basic and clinical researchers and clinicians who work with vast amounts of biological and human data, the rate-limiting step is not generating the data but analyzing it. We propose that UCSF invest in computational biology, from predicting ligand binding to diagnosing disease and assessing risk. Key to our engagement in this area will be a decision about whether to retain distinct outposts of computation in the existing Departments or to form a central computational hub.

- **Knowledge Networks:** As our collective scientific expertise grows, it becomes more complex. Researchers studying different parts of the same problem – e.g., the chemical biology of Hedgehog pathway inhibitors, the developmental biology of limb patterning, and the clinical genetics of basal cell carcinoma – might not be aware of each other’s research. A recent National Academy of Sciences committee co-chaired by our Chancellor suggests a solution to this problem in the form of ‘knowledge networks’. UCSF is well positioned to be a pioneer in creating an early prototype. Such a network would consist of several nodes (people, projects, genes, proteins, small molecules, patient demographics, diagnoses) and edges representing known or predicted connections. Using algorithms similar to the ones that construct maps of social networks and predict movie preferences at Netflix, the knowledge network will enable UCSF researchers to identify key genes or metabolites for their research question, new collaborations that connect a basic research project to a related clinical study, disease risk assessment, informing health policy reform and transitioning health systems delivery. An ultimate goal would also be to develop diagnostics, license IP, and develop novel and targeted therapies for diseases and preventive measures for disease risk and maintain wellness.

- **Healthcare Delivery Systems Research.** Transforming the nation’s healthcare delivery system so it provides safer, higher-quality services to more people at lower cost is a national goal. Patient centered outcomes research (PCOR) and comparative effectiveness research will inform this transformation to ensure it is research driven and evidence based. UCSF’s world-class clinical enterprise, including safety-net and VA systems, provide a strategic advantage for campus-based health services and policy researchers to lead development of this field. We offer the following recommendations:
  
  o Inventory researchers conducting patient centered outcomes research (PCOR) that includes substantial interaction with patients and healthcare practice. Plan space use so that these PCOR investigators can be co-located or embedded within the clinical enterprise.
Identify and support data infrastructure needs to support PCOR. Ensure development of adequate infrastructure including access to data from electronic medical records, technical support and data sharing arrangements so that UCSF can conduct outstanding PCOR research within and across its diverse clinical enterprise at UCSF Medical Center, UCSF Benioff Children’s Hospital, San Francisco General Hospital and Trauma Center, and the San Francisco VA Medical Center and UC-wide.

Consistent with UCSF’s charter as a public institution, support and enhance our research on healthcare transformation in California as well as research that focuses on enhancing health and healthcare for vulnerable and underserved populations, including Veterans and those who receive care in the safety net.

Consider Centers for Systematic Reviews to support Evidence-Based Medicine recommendations and practice.

CREATE AN ENVIRONMENT THAT ENABLES COMPETITIVE FACULTY RECRUITMENT AND RETENTION AND FACILITATES FACULTY PRODUCTIVITY

Our biggest asset as an institution of higher learning is our faculty and staff. Due to the competitive nature of faculty recruitment and retention, we recommend specific measures to support faculty recruitment, retention and productivity, including a university-wide fund for faculty recruitment and retention, funding and space for Enabling Technology Centers (see below), and steps to optimize space allocation for increased productivity. Additionally, we suggest that UCSF establish a target or ratio for the steady-state number of junior to senior faculty and basic research to clinical research faculty.

Recommendation #3: Establish a UCSF-wide fund for faculty recruitment, faculty retention, faculty success, and Enabling Technology Centers (cores).

Three issues of primary importance to sustaining a thriving research faculty are the recruitment of junior faculty, the retention of mid/senior faculty, and the availability and accessibility of Enabling Technology Centers. This fund would ensure that faculty recruitment/retention and Enabling Technology Centers remain top priorities for UCSF, especially as General State Allocation dollars decelerate and perhaps disappear. We recommend the following to accomplish these goals:

- Re-evaluate the funding levels of endowed chairs and distinguished professorships.
- Strategize and implement a major fundraising campaign for sustainability of faculty and of programs.
- Fund a standing pilot and feasibility fund with competitive review to enable access for researchers to leverage external funding opportunities more effectively.
- Subsidize rates for expensive technologies and expertise that are considered mission critical.
- Fund the following in the Enabling Technology Centers (also see Recommendation #5):
  - Instrumentation equivalent to 30% of annual depreciation of equipment in ETCs (currently estimated $3MM/year) - as full funding or matching funds for grant applications.
  - Biomedical informatics to support storage, access to and analysis of high-level structured data, such as genomics, genetics, and proteomics, and patient-level data from administrative and clinical sources.
Operational expenses for research and development in the ETCs (innovative applications, technology advances) equivalent to 5% of ETC operating budgets.

Operational expenses associated with education and training functions in the Enabling Technology Centers equivalent to 5% of recharge activities.

Recommendation #4: Develop ways to optimize the allocation of space so as to increase faculty productivity and success.

A key component of efficient space use (Recommendations #6 and #7) is that space is available when faculty need it (e.g., when a new grant is awarded or a Center is funded). An important corollary is that space allocations should be re-evaluated periodically to ensure that assigned space is allocated equitably across sites and that space is used optimally.

- Define our resources by focusing on people and space, with metrics defined in terms of direct and indirect cost recovery.
  - Consider direct as well as indirect cost recovery so as not to handicap those units that are off-campus and generate lower indirect cost recovery or that focus on training or those with foundation support with low indirect cost recovery rates.
  - Determine current direct and indirect cost recovery per assignable square foot for various faculty subgroups (age, academic series, discipline, and wet/dry lab space). Use these data to establish benchmarks for different types of principal investigators and research. These data will also inform how campus finances vary depending on the type of science.
  - Organized Research Units and Chairs should play a key role in decision-making about how resources are allocated.
  - Mount a UCSF campus-wide program to develop expectations for efficient use of space and to monitor use of internal resources.
  - Add available resources to support knowledge networks.
  - Encourage cross-department and cross-school programs to share research resources.
  - Assure that there is proximity of programs – e.g., co-location of the research programs with the new Children’s, Women’s Specialty, and Cancer Hospitals at Mission Bay.
  - Laurel Heights is home to bio-behavioral sciences and the majority of the research is transdisciplinary. There is a desire for the program to continue to be contiguous and/or located near Parnassus or Mission Bay (to be near Epidemiology and Biostatistics).

- Consider term FTE assignments with periodic review of faculty funding and productivity. This proposal addresses a fundamental issue of how faculty and staff support are derived and sustained and is particularly important with limited state and federal budgets and economic uncertainties. This policy would be grandfathered in so that it would not apply to currently tenured faculty. We recognize that this recommendation is in conflict with the Academic Personnel Manual, but we raise it as a point of discussion because of the economic impact this has on units with regard to utilizing General State Allocation dollars (while available) for others.
Recommendation #5: Invest in central management of the Enabling Technology Centers to increase visibility, improve accessibility, reduce redundancy and implement sound business practices.

Enabling Technology Centers are often duplicated (at different sites and often don’t have the capacity to meet the demand) and could require significant faculty investment of time to direct and carry substantial overhead costs associated with their management and funding. We recommend that specific steps be taken to reward the time investment that faculty make in directing an Enabling Technology Center, and to provide centralized support for needs that are common to multiple Enabling Technology Centers.

- This investment should be evaluated using the same metrics used in Departments. Specific functions should include:
  - Coordinating funding and scientific recharge activities.
  - Facilitating grant writing and new funding opportunities.
  - Developing and maintaining communication (website and networking) tools to provide easy access to Enabling Technology Centers.
  - Stimulation of collaboration with external partners/clients
- Recognize institutional faculty service for Enabling Technology Center Directors and reduce their other service obligations accordingly.
- Creatively enhance promotions for faculty involved in the Enabling Technology Centers.
- Enhance and maintain campus Information Technology infrastructure to allow rapid transfer of large data sets as well as computational centers that support data mining.
- Future plans for Enabling Technology Centers should ideally be located at the sites of the research activities that they support. Given that comparable types of research are performed at the different sites, it is essential that the Cores be accessible across campus sites (e.g. a Transgenic core; an animal behavior Core etc.).

SPACE: NEW CONSTRUCTION & USING EXISTING SPACE MORE EFFICIENTLY

During the next fifteen years, it is essential that UCSF’s space supports its goals of excellence in research, education and patient care and that the allocation of space facilitates collaborations and neighborhoods of research themes and teams. Currently, UCSF has space inefficiencies and needs, without a comprehensive strategy for co-locating research, clinical and educational programs, planning and sustaining programs, buildings, and infrastructure, and allocating costs across our research enterprise. UCSF should mount a campus-wide effort to ensure that existing research space is used efficiently and allocated equitably across all sites; and if new buildings are proposed, they must have built-in ongoing financial support. In the absence of self-sustaining business plans, space construction may be constrained through 2030 (excluding the San Francisco VA Medical Center and San Francisco General Hospital). It is essential that current assumptions (in 2012) be re-evaluated periodically for possible modification.

Recommendation #6. Existing space must be used more efficiently and reorganized for optimal utilization and collaborations, with the goal of accommodating up to a 25% increase in faculty size (clinical and research).

The subcommittee is not recommending that our faculty will or should grow by 25% by 2030, but that based on the effective use of the existing physical space available, we should have the capacity to accommodate a 25% growth should it occur. The traditional academic model of allocating space to departments is inefficient. Although to some there appears to be an overall
shortage of space; departmentally controlled spaces can be empty or sparsely occupied. There are currently approximately 100,000 gross square feet of underutilized and vacant space and there is a possibility that a more efficient use of space could yield an additional 100,000 square feet. Urban universities such as Columbia have adopted a space rental policy that has recovered a substantial portion of their space, allowing them to expand without new construction. It follows that a similar “rent” charge model at UCSF could free up underutilized space for other uses (such as Enabling Technology Centers or faculty growth). While space at UCSF has grown considerably over the past 15 years, especially at Mission Bay, the emphasis over the next 15 years should be on reorganizing space so that faculty can grow without the need for new buildings. Some exceptions include computational space for existing wet labs, and space to move people who are currently occupying leased space. As new opportunities arise, there should be flexibility in assessing programmatic, financial and space models.

**Recommendation #7. New buildings may be constructed, but require built-in ongoing financial support rendering them self-sustaining in the long term.**

We assume that the modest research growth estimated by the schools through 2021 will be accommodated in existing underutilized and vacant space. UCSF should retain its ability to take advantage of opportunities for new space as part of a long-term strategy of the research enterprise and reserve space for unexpected opportunities in science and medicine. From a financial perspective, it should be noted that even if funds can be raised to construct a new building, startup funds for new faculty may be difficult to secure and a building’s future occupants will face an uncertain grant funding climate. Thus, an increase in indirect cost recovery cannot be assured, and efficiencies of existing space utilization are essential.

**To accomplish Recommendations #6 and #7 we propose the following:**

- The new campus-wide space committee should evaluate all current space and newly proposed buildings to ensure programmatic proximities and consistencies in the UCSF strategic plan. The inventory already performed by the finance office is a good start, but not adequately detailed. The charge to the committee includes:
  - Perform a full inventory of space at UCSF.
    - Inventory its administrative/support infrastructure space and include this in any space allocation policy.
    - The new inventory should capture all space (including rental and leased space) and record the type of research in each space. The inventory should also account for infrastructure and administrative space.
    - The new inventory should consider equitably the San Francisco VA Medical Center, San Francisco General Hospital, Laurel Heights, Parnassus, Mount Zion and Mission Bay.
    - The inventory should consider clinical care space where research occurs. Medical Center space allocated to research (offices, admin, Enabling Technology Center) should be inventoried as “Clinical Research Interface” space.
  - Assure that new construction has built-in ongoing financial support (i.e., self-sustaining in the long term). Ongoing financial support includes:
    - Operating costs for the building, including debt service if part of the building is financed.
- Operating costs for equipment, supplies, and the programs that populate the building.
- Funds for recruiting and supporting the ongoing research of faculty and trainees to be in the building.
  - Identify emerging research opportunities and ensure that they are linked to space and startup funds, including appropriate resources for animal facilities.
  - Assure alignment of basic research space with the clinical research (and points of care) to which it is linked.
  - Provide systematic institutional review to identify new, maintain existing, and phase out obsolete facilities.
  - Generate an algorithm to allow us to properly assess and evaluate space efficiency because assumptions in 2012 may not be applicable to realities of out years.

- The allocation of clinical space should take linked research activities into account, thus the Medical Center should be involved with space allocations. Clinical Research Services (CRS) are embedded in clinical space, which occurs in clinical settings. The current amount of CRS space is estimated at about 23,300 assignable square feet across all sites and could be used more optimally. With the additional CRS space planned at the Mission Bay Hospital, CRS space is not projected to further increase through 2030.

- Adopt the School of Medicine Space Governance Policy and apply its principles across UCSF.

- Space should meet faculty needs while encouraging synergy across programs and departments. Maximize co-localization to link translational bench research and clinical research and clinical programs at all relevant sites.

- Provide dedicated funds for ongoing upkeep of existing space to mitigate breakdowns or obsolescence.

- Minimize leases in a way that centralizes critical functions.
  - For example, we recommend that the Radiology imaging facilities currently located in leased space at China Basin be relocated to campus.
  - Since UCSF Lease Policy indicates that leasing should be in accordance with the LRDP, the objectives for all current and future leases should be fully articulated to ensure programmatic and economic alignment with the LDRP.

- Provide institutional space equivalent to at least 10% of total research space that is dedicated to Enabling Technology Centers.
  - Include biorepositories as a part of the 10% space allocation.
  - This space should not be at the expense of a host department or the directing PI.
  - A central committee should manage Enabling Technology Center space allocation. This space allocation should include dedicated biobanking facilities but not animal space (LARC).
  - Currently, Enabling Technology priorities include bioinformatics, computational sciences, imaging, large scale sequencing, proteomics, small molecule and protein reagent discovery, bioautomation, microfluidics. Priorities should be reexamined in the future to meet any unforeseeable change in needs.
- Revise the current distribution of animal-based research space and devise procedures for its future allocation.
  - Animal Use Committee should consider whether animal use space is being used optimally and consider whether all quarantine space should be moved off-site.
  - Provide additional animal housing space at Parnassus, which cannot currently accommodate any increase in faculty usage.
  - Review barrier facility procedure space and increase appropriately.
  - Provide Biosafety Level (BSL3) procedure and housing suites appropriate for infectious agent research.
  - Provide space for a gnotobiotic (germ-free) facility.
  - Additional large animal housing and procedure space is necessary at both main campuses including space for imaging procedures. Consideration should be given to non-barrier facilities to accommodate multi-modality imaging of animal cohorts.
  - Provide co-location of animal barrier space.
  - LARC estimated that the amount of animal space planned for the next 10 years is adequate; however, there could be unforeseen scenarios that would increase the demand for animal space. Therefore, it is recommended that at least 10% of total research space (consistent with current ratios) be dedicated to animal space through 2030.

AGGRESSIVELY PURSUE NEW FUNDING OPPORTUNITIES AND RESOURCES

UCSF is a global leader in innovation and excellence in research and education in the health sciences and in patient care. We are also visible nationally in health policy research and our faculty hold positions on national and foundation review groups, advisory panels, health policy boards, hold office in their respective professional organizations, and are included in among members of the National Academy of Sciences, the Institute of Medicine and the American Association for the Advancement of Science. Thus, while we are well positioned to continue to advise on biomedical research and health policy for the nation and to lead in research, training and clinical care, our position and goals are threatened by decelerating traditional streams of research funding and economic uncertainties at the State, national and global levels. Numerous opportunities exist to increase the UCSF’s funding, which will require innovative and aggressive approaches and committed financial stewardship. We should capitalize on our strong track record at NIH by advising the federal government to create funding opportunities in our areas of core strength, while increasing our efforts to pursue grant dollars from other federal agencies with an interest in innovative biomedicine (e.g., Defense Advanced Research Projects Agency). We should also mount an aggressive effort to secure funding from industry and philanthropic sources, with an emphasis on taking advantage of our proximity to Silicon Valley entrepreneurs where there are common interests and potential markets. We should also secure new funding sources that will emerge in conjunction with changes in healthcare delivery.

Recommendation #8: Position faculty to capture a broader range of federal, industry, philanthropic and non-profit funding and link knowledge networks when possible and appropriate.

Faculty pursuing new funding streams often face an ‘activation barrier’. UCSF should take specific steps to overcome this barrier and empower its faculty to bring in grants from unfamiliar sources:
Establish a greater lobbying presence in Washington, D.C. to better position NIH and other federal fund opportunities for the Campus.

Develop a database of award opportunities that is easily accessed and used by faculty. The system should include search functions to facilitate the ease of use. Emphasize multidisciplinary, team-science proposals and provide campus support to coordinate the writing and submission of multidisciplinary funding opportunities.

Increase outreach to industry, health care payers, philanthropic donors and venture philanthropy organizations; develop a strategic effort to emphasize recognition of programs and people at the University and acknowledgement and stewardship of our past, current, and potential donors.

Position UCSF to partner with alumni and opportunities in China, India, Brazil, and other emerging research powers or, e.g., the Philippines where there are potential funding opportunities. A good start would be to construct and staff a permanent office in one or more of these emerging research locations.

Faculty development and support require a major commitment on the part of UCSF for this to be high priority and be of benefit of all faculty. This should be included as a philanthropic goal, in parallel with the possible reappraisal of tenure issues.

**Recommendation #9: Enhance innovative UCSF-industry collaborations.**

Industry collaborations are becoming more common and provide a key revenue stream, especially for projects that require seed funding or are otherwise outside the purview of the NIH. UCSF should work diligently to maximize collaborations with industry:

- Work with the Biomedical Research Acceleration, Integration, and Development (BRAID) Consortium and the UCSF Vice Chancellor of Research to examine and, when necessary, advocate for change in UC policy to enable campuses to capitalize on a broader range of collaboration opportunities.

- Work with faculty to ensure that our collaborative activities with industry are ones that align with the goals of our faculty and support the UC mission.

- Develop an effective outreach plan to educate faculty about disclosing inventions, initiating industry collaborations and working collaboratively with industry. Consult with Chairs, Institutes, Center and Organized Research Unit Directors to identify opportunities for these discussions with faculty.

- Capitalize on new opportunities to engage in joint research projects with industry.
  - Develop a strategy for increasing business development activities, ensure that these activities can be efficiently executed and managed, and track their progress to monitor the satisfaction of both parties.
  - Pilot the use of social media enterprise platforms to guide a transformation in their application for research collaborations. These social platforms will facilitate
and capture the coordinating conversations and key information resources that form the dialogue around proposal development for collaborative efforts.

**Postscript:** Core values in our institution include the pursuit of fundamental research as well as targeted research, team science approaches, and clinical/translational, health policy, health systems, and patient safety and quality of care research. These are critical to our research mission and are also essential for our educational and patient care missions. The Subcommittee recognizes the opportunities and also the challenges facing UCSF in the decades ahead, but we believe that strategic, deliberate, disciplined, and innovative approaches to faculty success, space planning, and financial sustainability, as recommended herein, will enable accomplishment of our long-term goals.

**TABLE 1- Current and Projected Research Space and PI growth through 2030:**

<table>
<thead>
<tr>
<th></th>
<th>FY 2011</th>
<th>FY 2021¹</th>
<th>FY 2030⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Research Space in ASF¹,²</td>
<td>1,836,100</td>
<td>1,836,100</td>
<td>2,306,500</td>
</tr>
<tr>
<td>Net New Research Space</td>
<td>--</td>
<td>--</td>
<td>470,400</td>
</tr>
<tr>
<td>Number of PIs</td>
<td>2,170</td>
<td>2,357</td>
<td>2,944</td>
</tr>
<tr>
<td>Net New PI from 2011</td>
<td>--</td>
<td>187</td>
<td>774</td>
</tr>
</tbody>
</table>

Notes:

¹ Total Research Space includes approximately an additional 3% factor to account for research support functions and 10% factor for LARC and Animal Care.
² Enabling Technology Centers currently occupy 4% of total research space. That is anticipated and recommended to increase to 10% over the LRDP timeframe and is included in total Research Space.
³ Assumes the modest research growth will be accommodated in existing underutilized and vacant space research space through 2021. Under the ongoing Biomedical Computational Science initiative, 20 additional faculty could be recruited over the next 15 years that is not included in the 2021 PI projections. However, it is assumed that they could be accommodated in existing underutilized space in QB3 or Genentech Hall.
⁴ A 2.5% growth factor is assumed from 2022-2030.
Communication from the Committee on Academic Planning and Budget
Mary Gray, MD, Chair

May 11, 2012

Richard Schneider, PhD, Chair
Committee on Library and Scholarly Communication
Office of the Academic Senate, Box 0764

Re: Support for a UCSF Open Access Policy

Dear Chair Schneider,

The Committee on Academic Planning and Budget, after hearing your presentation on May 3, 2012, writes to enthusiastically support the Committee on Library and Scholarly Communication Open Access Policy for UCSF. We concur that such a policy will ultimately make scholarly information more readily available and help UCSF faculty retain rights to their creative works.

We strongly and unanimously endorse the creation of an Open Access Policy as a first step toward addressing current copyright issues and publication barriers that threaten access to research by scholars and the public at large. The Committee on Academic Planning and Budget stands ready to assist the San Francisco Division of the Committee on Library and Scholarly Communication in its dissemination and realization.

Sincerely,

UCSF Committee on Academic Planning and Budget

Mary Gray, MD, Chair, Medicine (Cardiology)
David Teitel, MD, Vice Chair, Medicine (Cardiology)
Barbara Drew, RN, PhD, FAAN, Physiological Nursing
Jacque Duncan, MD, Ophthalmology
OiSaeng Hong, RN, PhD, Community Health Systems
Helene Lipton, PhD, Clinical Pharmacy
Sharmila Majumdar, PhD, Radiology
Snehlata Oberoi, BDDS, MBS, Orofacial Sciences
Fred Schaufele, PhD, Diabetes Center
Michael Steinman, MD, Medicine/Geriatrics
Jonathan Strober, MD, Neurology
Ellen Weber, MD, Emergency Medicine
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Elad Ziv, MD, Medicine (GIM)