Committee on Academic Planning & Budget
David Teitel, MD, Chair

DRAFT MINUTES
Thursday, June 26, 2014

PRESENT: David Teitel (Chair), Sharmila Majumdar (Vice Chair), Chad Christine, Teresa Costantinidis, Tom Ferrin, Ruth Greenblatt, Stefan Habelitz, Norm Oppenheimer, Russ Pieper, Catherine Waters, Lori Yamauchi

ABSENT: Michelle Arkin, Jennifer Arnett, Barbara Drew, Shari Dworkin, Mehran Hossaini, Sally Marshall, John Plotts, Ellen Weber, Sandra Weiss, Jane Wong

GUESTS: None

The Committee on Academic Planning and Budget (APB) was called to order by Chair Teitel on June 26, 2014 at 1:02 p.m. in room CL 222. A quorum was present.

The minutes of April 24, 2014 were approved.

Chair’s Report – David Teitel
Chair Teitel reported on the following items:

- **Appreciation of Service**: Chair Teitel informed the committee that unless an immediate issue comes up, the June meeting would be the last meeting of the year. He thanked all members for their service over the year and expressed his appreciation for their time and effort.
- **Subcommittee Structure**: Chair Teitel informed the committee that he really thought the subcommittees worked well and that they effectively and efficiently provided faculty feedback to the administration. He then asked members to make suggestions on how the format could be improved next year. Members suggested the subcommittees should invite faculty outside APB to participate and consult the group. All agreed.

UCPB (University Committee on Planning & Budget) Report – Sharmila Majumdar
Vice Chair Majumdar was unable to make the last meeting. Nevertheless, she will be posting the materials she received from the systemwide senate to the APB Dropbox folder.

Academic Senate Staff Report – Artemio Cardenas
No report

Updates

Campus Finances – Teresa Costantinidis
Associate Vice Chancellor of Budget and Resource Management Teresa Costantinidis reported on the following items:

- **California State Budget Allocation to UC**: In January, the Governor released the first draft of his budget proposal. A deal proposed by the governor was that if UC did not raise tuition, the state would provide an increase in funding, around 142 million, to the university system. While this
amount of money fell short of what UC requested, it was widely accepted by leadership. When
the budget went to the State Legislature for approval, more money was allocated to fund UC and
CSU. However, during the final negotiations between the Governor and legislators, the additional
allocation was cut out of the deal and the university was provided with the 142 million originally
promised by the governor. Now the budget is complete and passed, UCSF hopes to receive
around 5 million. AVC Costantinidis did note that there was an agreement that if the state
collected more tax revenue than anticipated by a particular date, UC could get an additional boost
of funding. If we do get the windfall, we will get around 2 million of the possible 50 million extra.
Q: How will the departure of the CFO Peter Taylor have an effect the system?
A: Nathan Brostrom, the Executive Vice President of Business Operations at the Office of the
President, has been given responsibility of the CFO office while the Office of the President
determines what to do with the position. The role of the CFO is important to UCSF because it
deals mainly with balance sheet issues such as investment management.

- Financial Plan Presentations:
  AVC Costantinidis provided a review of the Core Financial Plan (Attachment 1), UCSF Ten-Year
  Comprehensive Capital Plan (Attachment 2) and Composite Benefit Rate (Attachment 3). Details
  covered included:

  o UCSF Core Financial Plan (Attachment 1)
    - Description of how the Core Funds relate to the entire UCSF Financial Plan
    - Composition of Core Fund Revenues
    - Composition of Core Fund Expenditures
      - A common perception is that core funds are spent on administration. In
        actuality, only 36% goes to administrative operations. Other obligations
        include debt service, compensation to the Office of the President, IT
        projects, strategic initiatives and facilities investments.
    - Core Financial Plan Update:
      1. The projected Core Financial Plan ending balance is up $100
         million compared to the Fall Plan, primarily due to additional new
         infrastructure and operations fund revenue, reduced outflow for
         future fixed cost increases, and offsetting reductions in ICR
         revenue projections.
      2. The overall additional revenue from the new Infrastructure and
         Operations Fund has allowed UCSF to make some new
         investments for facilities, IT, and strategic initiatives. Still,
         additional support for these needs, particularly for facilities
         renewal, remains a strategic priority.
      3. Operational cost increases continue to be a major driver of
         outflow from the Core Financial over time, so we must maintain
         pressure to control cost increases
      4. Though not yet reflected in the new base case, over the long
         term the Mission Bay Block 33/34 land purchase and
         development will be effectively offset by the Laurel Heights sale,
         generating Core Financial Plan cost savings over the next
decade
    - Description of what money is coming out of the core financial plan for projects
    - Review of the I&O funds
      - Increase in the funding for strategic initiatives
      - Increase in funding for technology initiatives
  
  o UCSF Ten-Year Comprehensive Capital Plan
    - AVC Costantinidis provided the presentation that was previously given to the
      Budget and Investment Committee.
      - UCSF needs to approve 10-year comprehensive capital plan for 2014-2015 through 2023-24
• There is a need to prepare for UCSF’s 10-year Regents Capital Plan
• The three-year facilities investment project plan has been approved
• The university has started the development of a new facilities investment and renewal strategy
  - The Scheduled Renewal and Facilities Investment Strategy – FIN list approach – was shared
    - FIN list is a prioritization method for assessing how poor facilities are impacting the core financial functions and how it is costing the university.
    - A list of items was shared
    - A review of the challenges
    - Review of the funding strategy for addressing the needs
  - Composite Benefit Rate Update
    - President Napolitano recently made a decision on the composite benefit rates. The process to make this decision started several month ago with a proposal that wasn’t going to work for UCSF. As a result, UCSF worked with the Huron Consulting Group to develop a new system. After extensive consultation with the Academic Senate, leadership at the Office of the President and President Napolitano decided to go with a new alternative model. This second model did work for UCSF. While X and X-prime will be in one band, UCSF feels it would be most cost effective in the long-run to join the system. The result serves as a middle-ground solution.

Campus Planning – Lori Yamauchi
  - Response to Committee Questions
    - AVC Yamauchi provided responses to the questions asked by the committee at the April meeting:
      - Q: Will a covered exterior walkway be erected around CSB and UCH during construction?
        A: At this point there are no plans or funding for a covered walkway around CSB and UC Hall. If safety issues do arise during construction, measures will be taken to correct the situation.
      - Q: Will a covered exterior walkway be erected through Saunders Court from N to MSB?
        A: Similar to the response for a walkway around CSB and UCH, there are no plans at this point.
      - Q: How many faculty new hires are currently in UCSF managed housing?
        A: Currently there are 45 members of the faculty living in campus housing. In total, one-third of all new faculty members are located in UCSF housing. There is a limit of two-years for all housing.
  - Space Management System
    - AVC Yamauchi informed the group that she has been working on the development of a new space management system on campus. Before beginning with the development of the system, she would like to work with the APB, or a subcommittee to determine:
      - How data can be collected and analyzed so that deans and department chairs can best use space. In an effort to be more transparent and fair. Technology and business process initiative.

Mission Bay Study – David Teitel
  - The university’s proposal review committee recently met and agreed that the best presentation was done by a select researcher. Chair Teitel explained that this research group has a fantastic proposal and a great timeline that will allow for prompt data collection and result reporting. A presentation from this research group will be uploaded to the APB Dropbox folder.
Most of Mission Hall is complete. The first groups of faculty and staff will be move in at the end of August. Other groups plan to move in when the hospital opens in February.

University Administration has approved, but not funded, a proposal to redo Pediatric Cardiology. One of the huddle rooms will be yoga, and two other rooms will be used for art galleries. There will be a coffee and tea room as well as a library. Committee members asked for David to come back and report on how the research project is going.

**Development Office**
No Update

**Information Technology (IT)**
No Update

**2014 – 2015 Agenda Planning**
Chair Teitel and Vice Chair Sharmila Majumdar will schedule a meeting together to discuss the agenda for the next academic year. Members of the committee agreed that next year, the Vice Chancellor of Development John Ford should be invited to a meeting to discuss how the immediate needs of the institution are being aligned with the strategic fund raising strategies.

**Old Business**
None

**New Business**
None

Chair Teitel adjourned the meeting at 3:07 p.m.

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