



## Committee on Academic Planning and Budget

### Annual Report 2004-2005

#### David Gardner, MD Chair

During the 2004-05 academic year, the Committee on Academic Planning and Budget (APB) met as a Committee 13 times. The Committee, for the third year, actively participated in the review, evaluation and comment on the 2005-06 budget documents from all campus control points as well as the proposed uses of Chancellor discretionary funds. In addition, members of APB served on various UCSF committees and participated on Senate Task Forces related to program or other reviews involving more than one Senate Committee:

- Executive Budget Committee
- Task Force Reviewing Five Year Perspective
- Task Force Reviewing UCORP Resolution on Research Funding
- Task Force Reviewing Human Subjects Policy and Guidelines
- Joint Faculty Welfare and Academic Planning & Budgeting Subcommittee (to work with the administration on the development of options for addressing retirement fund-related issues)

The Committee benefited from a variety of informational presentations pertaining to campus budget and planning issues given throughout the year. These presentations included:

1. Update on the Clinical Practice Organization, given by Neal Cohen, Vice Dean of Academic Affairs, School of Medicine
2. Overview on the UC/UCSF Budget Process, by Eric Vermillion, Associate Vice Chancellor for Finance
3. Development Office Funding Model, by Mike Irwin, Executive Director, Development Office
4. Faculty Welfare Issues, by Bob Newcomer, Chair, Committee on Faculty Welfare
5. Overview of Indirect Costs, by Eric Vermillion, Associate Vice Chancellor for Finance
6. Cost-Sharing Budget Analysis Presentation by Charles Taylor, Director of Financial Analysis, Office of Budget and Resource Management
7. Ongoing Issues and Potential Changes to the UC Pension Plan, by Bob Newcomer Chair, Committee on Faculty Welfare
8. Quality Improvement Project, by Ara Tahmassian and Joyce Freedman, Associate Vice Chancellors, Office of Research
9. Overview of Financial Activity of the UCSF Medical Group (Formerly the Clinical Practice Organization), by Sam Hawgood, President of the UCSF Medical Group
10. Overview and Update regarding Graduate Student Funding and Change in Fees, by Stan Glantz, Vice Chair UCPB

## 11. Space Issues in the Library, by Karen Butter, University Librarian

Several of these presentations were accompanied by support materials in the form of PowerPoint presentations or handouts. Support materials regarding Cost-Sharing and Issues in the Library are attached hereto in [Appendix 1](#).

Issues reviewed and acted on by the Committee included:

1. Review of Draft Amendment to Divisional Bylaw 112(A), Expanding Membership of APB
2. Proposed Changes to the Development Office Funding Model
3. Request for Funding from the Committee on Educational Policy for a Responsible Conduct of Research Program
4. Request for Funding from the Library for Journals and Databases
5. Review and Comment to Memo from Task Force Reviewing UCORP Resolution on Research Funding
6. Review of Report from the Task Force Reviewing Campus Five-Year Perspectives for New Academic Programs
7. Review of 2005-2006 Budget Proposals

### **Systemwide Issues**

Patty Robertson served as the UCSF APB representative to the systemwide University Committee on Planning and Budget (UCPB). Stanton Glantz, former member of UCSF APB served as the Vice Chair of UCPB, and occasionally communicated with UCSF APB regarding issues at the systemwide level. The following issues were of particular interest to APB.

1. UCORP Resolution on Research Funding Sources
2. Graduate Student Fees and Disparate Return to Aid Funding

### **UCORP Resolution on Research Funding Sources**

As the representative from APB to the Senate Task Force reviewing the UCORP Report and Resolution related to restrictions on research funding sources, Lisa Bero asked Committee members to comment on the pros and cons related to the UCORP Resolution dealing with Restrictions on Research Funding Sources. If adopted, the Resolution would prohibit subsets of the University of California from imposing proscriptions on acceptance of research funds. L. Bero indicated that UCSF faculty voted in 2002 not to accept funding from tobacco industry companies and that this has been a complex and difficult issue for many UCSF faculty. Some of the key issues raised by the Committee included (1) to what extent is this an issue of Academic Freedom and when should the principle of Academic Freedom supersede other concerns; (2) how would individual faculty, departments and/or ORU's who have adopted policies precluding accepting funding from certain industries (such as the tobacco industry) be impacted if the UCORP Resolution passes; (3) how this might be the beginning of a "slippery slope" excluding a variety of other funding sources.

With a quorum present, the Committee voted 7-3 in favor of supporting the UCORP Resolution. With input and modification from the Committee, L. Bero drafted a memo from APB expressing to the Task Force its support of, concerns with, and suggested modifications to the UCORP Resolution ([Appendix 2](#)).

### Graduate Student Fees and Disparate Return to Aid Funding

S. Glantz, Vice Chair of UCPB, addressed the Committee on April 21, 2005 to summarize certain issues concerning the changes in calculating and disbursing graduate fees within the UC system. S. Glantz provided the following overview of the problem: Historically, approximately 30% of student fees were put into the category “Return to Aid,” which are directed to the Office of the President and returned to the campuses to fund student aid, fellowships and the like. Most campuses generally received back funding in direct proportion to what they had contributed. Most academic departments in the UC system paid the student fees for Teaching Assistants, and those fees tended to be paid out of Return to Aid funds, or in some cases from the departmental budget. Originally, this was an optional benefit for the Teaching Assistants, but it later became an obligation. UC campuses must pay the fees for Teaching Assistants. This is also affected by union contract, and one view is that this repayment should not be considered as aid, but rather an employee benefit.

In recent years, there have been both large student fee increases and drastic budget cuts, resulting in more fees for the University to cover, and less money with which to do so. To remedy this facet of the budget problem, UC altered the Return to Aid calculation formula based on a campus’ number of graduate students and graduate student Teaching Assistants. This formula significantly and disproportionately favors large undergraduate campuses. Specifically, the majority of Return to Aid funds are going to UC Santa Cruz and UC Riverside. With no undergraduate students, UCSF is particularly hard hit, resulting in an approximate annual shortfall of \$800,000.

The overall issue is that Return to Aid funds are being disproportionately disbursed, UCSF is the campus most negatively affected by the change, and UCPB is beginning to address the issue. While Dr. Glantz was able to describe the issue in general terms, the Committee requested that in a future meeting (in the 2005-2006 academic year), Clifford Attkisson, Dean of the Graduate Division, be asked to continue to educate the Committee on this matter with actual financial data and analysis. The Committee also requested that Clifford Attkisson be invited by UCPB to address the issue at the systemwide level with data from the UCSF campus.

## **UCSF Academic Planning & Budget Issues**

The Committee worked on several issues at the Division level.

### Proposed Amendment to Divisional Bylaw 112(A), Expanding Membership of APB

Accepting suggestions from the Committee on Rules and Jurisdiction, the Committee on Academic Planning and Budget proposed changes to Divisional Bylaw 112(A) to expand membership in APB by changing Point 1 to read, “This Committee shall consist of at least eleven and not more than nineteen members of associate rank or higher, excluding ex officio members. At least one Senate member from each School will be on the Committee. Up to four members can be from the Clinical or Adjunct Series. The membership should reasonably reflect UCSF’s broad spectrum of geographical locations and of teaching, clinical, and research activities.” Also inserted was the language of Point 5, “The Chair of the Committee shall serve a two year term as Chair.”

The Committee recommended these changes to UCSF Senate Chair Len Zegans in a Communication dated October 1, 2004, which were approved by the Division in November 2004. ([Appendix 3](#))

#### *Proposed Changes to the Development Office Funding Model*

At the October 14, 2004 and November 4, 2004 meetings, the Committee reviewed the proposal for potential changes to the Development Office funding model submitted to the Chancellor during the 2004-05 budget review process ([Appendix 4](#)). The Committee's recommendations regarding this proposal were as follows:

1. The 6% "gift tax" discourages donors who want assurance that all of their donation will be utilized for the intended purpose. The Committee recommended this fee be phased out altogether.
2. The revenue received from the gift tax should be replaced, in part, by having an increased proportion of the Short Term Investment Pool (STIP) retained to support the operating budget of the Development Office of the UCSF Foundation. The Committee recommended the STIP assessment be increased up to 65%.
3. The Committee recommended that when revenues from the STIP assessment are insufficient to fund the Development Office that additional revenue be derived from a spending fee of up to 1% to be collected on all moneys spent by the fund's controller at the time the funds are used. The Committee recommended that gifts already charged the 6% gift tax not be subjected to the spending fee.
4. The Committee requested the opportunity to review the performance of the new funding model at the beginning of the 2006-07 academic year.

#### *Review of Proposal from Committee on Educational Policy for Responsible Conduct of Research Program and Budget Request*

Dennis Dean, Chair of the Committee on Education Policy (CEP) provided the Committee with an overview related to the CEP request funding support of approximately \$65,000 for the Responsible Conduct of Research Training Program. The Committee, while enthusiastically endorsing the idea and the need for a Responsible Conduct of Research training program, discussed the request at length and raised a number of issues that should be addressed, including (1) this training program should be sponsored and supported by the Office of Research; and (2) there should be improved coordination of all courses and/or training programs addressing ethical and/or responsible conduct of research at UCSF.

The Committee sent a letter to Chair Zegans indicating enthusiastic support for the RCR Proposal, but recommended that support for this proposal be part of a campus-wide effort to coordinate existing ethics-related courses and activities under the Office of Research. ([Appendix 5](#)).

#### *Request for Funding from the Library for Journals and Databases*

Adele Clarke, Chair of Library Committee and Karen Butter, University Librarian presented to the Committee a request for support in the amount of \$150,000 for the Library's budget to cover a current shortfall related to the costs associated with the purchase of new journals and databases. Dr. Clarke reported

that while the library budget has been cut over the past years, expenses continue to increase, and the costs of journal subscriptions (print and electronic) have been increasing well beyond the rate of inflation. To continue to serve and support the information needs of UCSF students and faculty, and particularly research endeavors, the Library has reached a “desperation point” After a brief discussion, the Committee unanimously supported the proposal and agreed to draft a letter to Chair Zegans in support ([Appendix 6](#)).

#### *Review and Comment to Memo from Task Force Reviewing UCORP Resolution on Research Funding*

Lisa Bero, representative from APB to the Senate Task Force reviewing the UCORP Report and Resolution related to restrictions on research funding sources, asked Committee members to comment on the pros and cons related to the UCORP Resolution dealing with Restrictions on Research Funding Sources (see [Appendix 2](#)). If adopted, the Resolution would prohibit subsets of the University of California from imposing proscriptions on acceptance of research funds. In 2002, UCSF faculty voted not to accept funding from tobacco industry companies and this has continued to be a complex and difficult issue for many UCSF faculty.

Some of the key issues raised by the Committee included (1) to what extent is this an issue of Academic Freedom and when should the principle of Academic Freedom supersede other concerns. And (2) how individual faculty, departments and/or ORU’s who have adopted policies precluding accepting funding from certain industries (such as the tobacco industry) would be impacted if the UCORP Resolution passes

L. Bero asked the Chair to call for a vote of the Committee regarding the UCORP Resolution so that she could appropriately represent the will of the APB Committee on the Task Force. The Chair called for a vote asking the Committee to indicate support of the UCORP Resolution (no restriction on funding sources). With a quorum present, the Committee voted 7-3 in favor of supporting the UCORP Resolution. The Committee sent a communication to the Task Force reflecting the vote and the concerns raised ([Appendix 2](#)).

#### *Review of Report from the Task Force Reviewing Campus Five-Year Perspectives for New Academic Programs*

Susan Janson served as the APB representative on the Task Force Reviewing Campus Five-Year Perspectives for New Academic Programs. S. Janson presented the findings of the Task Force to APB for additional comment. During their review, the Task Force had a few questions back to the Executive Vice Chancellor’s office, most of which were answered. The remaining questions, concerns, and comments—generally addressing issues of vagueness or academic redundancy—were drafted into a Communication from the Task Force to the Executive Vice Chancellor ([Appendix 7](#)).

#### *Review of Projects Requesting Chancellor’s Discretionary Funds for 2005-2006 Budget*

In 2005-2006, UCSF will have to accommodate a variety of budget cuts from the state and integrate them into the annual budget. Steve Barclay, Senior Vice Chancellor for Finance and Administration, provided to the Executive Budget Committee (EBC) and APB a matrix of projects requesting Chancellor’s Discretionary Funds. The Committee on Academic Planning and Budget, as representatives of the Academic Senate, provided comment and opinion of priority to requests to the Chancellor’s Discretionary Funds. Chair Gardner asked the members of the Committee to carefully consider each item and to vote their conscience in their role as representatives of the faculty. Committee members submitted their evaluations, ratings, and comments to the Senate Analyst and these were integrated by Chair Gardner into a Communication sent to UCSF Senate Chair Len Zegans and ultimately to Chancellor Bishop ([Appendix 8](#)).

The projects requesting Chancellor's Discretionary Funds are listed on the matrix included in Appendix 9, and were prioritized by APB as follows.

1. State Budget Reduction Plan
2. Library Materials
3. ASAC Strategic Plan
4. OMP Funding
5. ITS Strategic Initiatives
6. Mission Bay
7. A21/CAS Relief
8. Quality Improvement Project
9. Facilities Management (CPFM)
10. Internal Controls – Controller
11. Campus Safety
12. Compliance; Office of Research
13. Development Office New Funding Model
14. Career Development and Enrichment
15. Campus Transportation Plan
16. Responsible Conduct of Research

As a final comment, APB voiced concern about the mechanism(s) whereby these proposals find their way before the EBC. Since this funding mechanism is not widely publicized, members felt that the process preferentially benefits those who know how to work the system. APB expressed in the Communication that they would like to see a more open application process that will allow equal access to broader segments of the campus administrative units, faculty and staff. And that given the increasing scarcity of these discretionary funds, it has become all the more important to make certain that they find their way into hands that will provide maximal benefit at the lowest cost to as broad a sector of the UCSF community as possible. Ultimately, the Executive Budget Committee expressed their support for all proposals.

Issues for the 2005-2005 Academic Year

1. Continuing Efforts to Modify the Systemwide calculation of Graduate Student Fees and Return to Aid Funding
2. Continuing monitoring of potential or proposed changes in the UC Defined Benefit Plan by the Joint Faculty Welfare and Academic Planning & Budget Subcommittee

**Respectfully submitted,**

**Committee on Academic Planning and Budget**

David Gardner, Chair  
Patty Robertson, Vice Chair  
Lisa Bero  
Joe Catania, Adjunct Representative  
Marguerite Engler  
Walt Finkbeiner  
Harold Goodis

Mary Susan Hansen, Clinical Representative  
Susan Janson  
James O. Kahn  
John Kane  
Norman Oppenheimer  
William Seaman  
Susan Sniderman  
Jonathan Showstack, *Ex Officio*  
Steve Barclay, VC Admin. & Finance, *Ex Officio*  
Deborah Greenspan, Vice Chair, Academic Senate, *Ex Officio*  
Bruce Spaulding, Vice Chancellor Advancement & Planning, *Ex Officio*  
Sally Marshall, Associate VC for Academic Affairs, *Ex-Officio*  
Donald Curtis, School of Dentistry Faculty Council Chair  
Wade Smith, School of Medicine Faculty Council Chair  
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## APPENDICES

- [Appendix 1:](#) Support Materials to Presentations regarding Cost Sharing and Issues in the Library
- [Appendix 1b](#) | [Appendix 1c](#) | [Appendix 1d](#) | [Appendix 1e](#) | [Appendix 1f](#)
- [Appendix 2:](#) UCORP Resolution on Research Funding Sources, Comment from APB to Task Force Reviewing UCORP Resolution on Research Funding Sources, Report of the Task Force Reviewing UCORP Resolution on Research Funding Sources  
[Appendix 2b](#) | [Appendix 2c](#)
- [Appendix 3:](#) Changes to Divisional Bylaw 112(A), Expanding Membership of APB  
[Appendix 3b](#)
- [Appendix 4:](#) Comment to the Proposed Changes to the Development Office Funding Model
- [Appendix 5:](#) Proposal from Committee on Educational Policy for Responsible Conduct of Research Program and Budget Request, Response from APB  
[Appendix 5b](#) | [Appendix 5c](#)
- [Appendix 6:](#) Request for Funding from the Library for Journals and Databases, Response from APB  
[Appendix 6b](#)
- [Appendix 7:](#) Report from the Task Force Reviewing Campus Five-Year Perspectives for New Academic Programs
- [Appendix 8:](#) Communication from APB to L. Zegans Regarding Projects Requesting Chancellor's Discretionary Funds for 2005-2006  
[Appendix 8b](#)