

Academic Planning and Budget Committee
Sharmila Majumdar, PhD Chair

ANNUAL REPORT
2018-2019

Primary Focus Points for the Year:

- Campus Planning
- Parnassus Master Planning Steering Committee
- Campus Finance
- Optimizing Resource Allocation Model

Issues for Next Year (2019-2020):

- Campus Finance
- Capital Projects
- Space Allocation
- HR Development
- Faculty Workspace Planning
- Research Management Services

2018-2019 Members

Sharmila Majumdar, Chair
Aditi Bhargava, Vice Chair

Carol Dawson-Rose
Dean Chou
Wilson Hsin
Sang-Mo Kang
Sean Mong
Jason Flatt
Bo Huang
P. Daniel Knott
Christian Vaisse
Paul Volberding

Ex-Officio Members

Brian Alldredge, Vice Provost Academic Affairs
Joe Bengfort, Chief Information Officer
Teresa Costantinidis, Chief Financial Officer
Lori Yamauchi, Assistant VC, Campus Planning
Paul Jenny, Senior VC, Administration & Finance

Permanent Guests

Thomas Chi, Medicine Faculty Council Chair
Radojka Savic, Pharmacy Faculty Council Chair
Jennifer Perkins, Dentistry Faculty Council Chair
Soo-Jeong Lee, Nursing Faculty Council Chair

Number of Meetings: 8 Committee Meetings

Senate Staff: Kirstin McRae

Systemwide Business

The Academic Senate Committee on Academic Planning and Budget (APB) took up the following Systemwide issues:

UC Planning and Budget Committee Reports

Over the course of the year, [University Committee on Planning and Budget](#) (UCPB) representative Aditi Bhargava reported on the broad array of issues discussed at UCPB's monthly meetings, some of which are summarized below:

- [Multi-Year Framework for Strengthening UC's Contribution to CA](#) -- In December, Committee Members were informed that that UCPB is developing a multi-year framework for full funding of the University beginning with the 2019-2020 budget, which will articulate a vision for UC's commitment to the State and its goals for students, faculty and staff. The framework is focused around three key goals: 1) produce 20,000 more UC degrees by 2030; 2) accelerate social mobility by improving graduation rates and time to degree (especially for low-income and URM students); and 3) reinvest in UC faculty and faculty research to benefit the state. The plan will also emphasize UC's need for consistent and predictable State budget increases, renewed capital investment, and predictable tuition increase.
- [UC Budget Gaps](#) – UCPB reported a tuition gap of \$183m, which stems in part from decreases in non-resident enrollment. It is estimated that \$4.2 billion in State funds would be needed over ten years, to fill the resulting gap in the university's budget, support enrollment growth of additional California residents, and fund financial aid for the additional reside. The Regents tabled a proposed 2.6% increase in nonresident tuition over concerns about its effect on socioeconomic diversity. Rejecting the increase will create a \$29 million gap in the 2019-20 budget.
- [Dignity Affiliation](#) – In May, Vice Chair Bhargava reported on the growing opposition at systemwide level towards UCSF's proposed affiliation with Dignity Health. Several other divisions had criticized the affiliation on the grounds catholic and/or faith-based hospitals generally refuse to provide various reproductive and LGBT health care services. APB Members noted that this was not necessarily true of Dignity, as they are currently partnered with St. Luke's, which offers gender-affirming procedures for trans-patients in San Francisco. The Committee discussed the growing criticism at both the campus and system-wide level and the need for a coordinated response from the administration. Committee Members also reviewed [Executive Council Chair David Teitel's letter](#) to the UC Academic Council, which summarized the merits and rationale of the proposed affiliation. In June, systemwide Senate Chair Robert May planned to present the various Divisions' views on the Dignity affiliation before the Regents Committee on Health Services, however, in late May, Chancellor Hawgood announced a decision to “not [to] continue to pursue the affiliation as it had originally been envisioned.”

Other UCPB areas of interest and discussion included: tuition increases, faculty salaries, UC Care premium increases, benefit adjustments for domestic partners, faculty housing and loans, ANR updates, self-supporting program developments, UC-Mexico Nexus, research on fetal tissue, and SB14.

UC Negotiations with Elsevier Publishing

In November, APB Members were briefed on the on-going contract negotiations between UC and Elsevier Publishing by representatives from the Elsevier Task Force, UC Libraries, UCOLASC (systemwide) and UCSF COLASC. UC's contract with Elsevier ended on December 31, 2018 with negotiations continuing into January 2019. Negotiations failed in early spring, however UC campuses Continued to have access to Elsevier articles through July.

Divisional Business

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

Campus Planning and Space at UCSF

At the beginning of the year, Committee Members acknowledged the various space-related groups and initiatives that seem to be operating concurrently at UCSF and Parnassus. In an effort to better understand the varying objectives of these groups, APB set up a rotating schedule of space-related presentations and discussions to provide Committee Members with frequent updates as well as a broader understanding of space issues around campus.

- Parnassus Heights Research Space Working Group

In November, Member Dawson-Rose reported on the recent activities of the Parnassus Heights Research Space Working Group (RSWG), which operates under the Parnassus Heights Master Plan Steering Committee as one of three working groups (Education Space; Research Space; Digital Hub). The RSWG is charged with developing guiding principles for research space at Parnassus Heights, which generally involves talking to as many people as possible on campus to gather input on how the campus could implement a better design. Rather than assessing actual space or budget matters, the RSWG focus is on conceptualization and brainstorming; for example, ways to improve community while maintaining productivity and growth, fostering community workflow collaborations, creating a more attractive environment for junior faculty and fellows, and carving out a distinct campus identity from that of Mission Bay.

Members discussed the need for more communication between these working groups and other campus organizations and agreed that the Academic Senate should continue to seek out ways to improve information flow and transparency through its representatives on the Master Plan Committee and various working groups.

- Parnassus Master Plan Steering Committee

Ex Officio Paul Jenny (Senior Vice Chancellor of Finance and Administration) and Senior Associate Vice Chancellor of Real Estate Brian Newman presented to the Committee in December as representatives of the Parnassus Master Plan Steering Committee (PMPSC) to discuss the short and long-term plans for Parnassus campus.

Ex Officio Jenny explained that the committee has been working to plan out the next 15-20 years while focusing on six big themes (campus heart, complementary districts, connection/convergence, topography, pedestrian/guest access, community connection). The committee is finishing gathering input from different subgroups (research, education, digital hub) and will be hosting a workshop in January 2019 to present to faculty, staff, and administration that will depict proposed new buildings and demolitions looking toward 2030 and beyond. Guest Newman further highlighted some of the unique challenges posed by planning/building around Parnassus Heights, most notably the 'space ceiling' imposed on the campus, which prohibits expansion beyond a set square footage. Ex-Officio Lori Yamauchi, who also sits on PMPSC, also acknowledged how such restrictions might affect the planning/building of the new hospital at Parnassus.

- UCSF Capital Projects Update

Senior Associate Vice Chancellor of Real Estate, Brian Newman also provided a Capital Projects Update in February. The presentation focused on current and planned construction projects, zoning restrictions and UCSF's space ceiling, and shifting research/office space. Presentation slides and project details can be viewed in ([Appendix 1](#))

Committee members discussed how these projects might affect research/office space and whether the plans would result in more "open office" plans like that utilized in Mission Hall. Guest Newman acknowledged that Mission Hall triggered a general shift to smaller private offices for faculty (75 ft) and open office layouts for support staff and the university as a whole would continue to densely fill spaces to meet target for financial goals of efficiency. Addressing Parnassus specifically, Guest Newman noted that the current plans for the new Helen Diller hospital call for a gradual phasing, so any renovation in Moffitt would happen after the new tower is built. Guest Newman also acknowledged that while there are potential long-term plans for new research building (possibly behind UC Hall), those plans are still in the conception phase and not currently in pipeline. APB will continue to monitor current/future construction projects across UCSF and address their impacts on staff/faculty life across UCSF.

- Parnassus Heights Land Development

In June, the Committee received a follow-up report concerning Parnassus Heights Master Planning, which incorporated the recommendations of the various space working groups into the campus long range plan, addressed UCSF's developable land and future growth opportunities within the Bay Area, and outlined next steps for the future. ([Appendix 2](#))

Committee Members agreed that Campus Planning and Space Issues should remain a primary focus for ABP in 2019-2020

UCSF 10-year Financial Plan

Ex Officio and Chief Financial Officer Teresa Costantinidis reported on UCSF's current financial state and presented a condensed summary of UCSF's 10 year Financial Plan ([Appendix 3](#)) UCSF's 2017-18 financial performance exceeded projections by \$273 million, with patient care and research representing more than 80% of UCSF's revenue and personnel-related costs representing 64% of UCSF's combined enterprise expenses.

UCSF's unrestricted cash position is expected to grow through 2027-28, driven by UCSF Health. In the long-term, total expense is expected to grow at a slightly higher rate than total revenue, 5.2% and 5.0% respectively, due to anticipated service expansion into government-based and underfunded pay or markets.

Key focus areas for the next decade include strategic capital investment, leveraging cash reserves, and being attentive to dept. Over the next decade, the critical driver of net positive revenue to UCSF's financial health will be the clinical enterprise, with revenue from competitive markets being UCSF's dominant source of funds.

The Core Financial Plan (CFP) reflects mostly unrestricted resources available to support UCSF operating and capital needs, and represents the centrally managed funds available to the Chancellor to help support the University's mission. The CFP is comprised of two revenue sources – core funds and non-core funds. Of the total \$7.1B in revenue that UCSF collected in 2017-18, only \$625M of that came from core funds category (9%), with non-core funds dwarfing the core funds at \$6.45B (91%). Over next the ten-year period, the projected CFP ending balance falls to \$42 million in 2019-20 due to planned capital spending, before rising again.

UCSF Debt Capacity

Ex Officio Teresa Costantinidis provided the Committee with a condensed summary of UCSF's Debt Capacity, which addressed questions concerning how much can/does UCSF borrow and how debt affects our ability to borrow. ([Appendix 4](#)) Key points included:

- As of June 30, 2018, UCSF's total debt obligations were \$3.4 billion
- \$928 million reflects UCSF Health obligations and \$2.5 billion is campus debt (split between the Core Financial Plan and auxiliaries)
- Total debt has more than tripled since 2008-09, primarily due to borrowing for MB development.
- Future projects will push debt levels near \$5 billion within the next 10 years

Optimizing Resource Allocation Models Project Report

In January, Assistant Vice Chancellor of Budget & Resource Management Mike Clune presented on the Optimizing Resource Allocation Models (ORAM) Project, an initiative intended to improve current and future campus financial allocation models, which are regarded as overly complex and inconsistent. ([Appendix 5](#)) Over the last year, an administrative task force has been documenting existing mechanisms and developing proposals for improving administrative funding systems, with a proposed implementation date in summer 2019. A key recommendation of the initiative involves is the shifting of certain recharges and costed central activities to Core Financial Plan (CFP) funding, which would affect both campus wide recharges and non-campus wide recharges. One remaining issue concerns the two options for handling the Schools' shares of the eliminated recharge mechanisms. Under consideration are reductions in recurring State funds and a new assessment on clinical and other sales and service revenue. However, some departments have limited State funds needed to support ladder rank faculty salaries. Furthermore, while details on cost shifting among Schools have not yet been presented, it should be noted that not all Schools enjoy the same access to clinical revenue.

A critical point of APB's discussion focused on how the proposal affects the Office of Sponsored Research (OSR). Under the current model, departments pay for pre-award services on a per-PI basis; however, this proposal would shift to an F&A cost recovery basis. APB members observed that this model would likely disproportionately affect faculty in departments that have fewer PIs generating high F&A.

In response to the presentation, APB drafted a letter to Executive Council expressed support for simplifying and even reducing the number of financial mechanisms that exist under the current model, but highlighted the importance of balancing transparency and alongside the drive for efficiency. Additionally, while acknowledging the need to improve and streamline pre-award services, the Committee stressed the importance of incorporating diverse faculty perspectives in current and future models, as well as working to mitigate the financial impacts that these plans may have on individual school budgets. ([Appendix 6](#))

Human Resources Update

In April, Senior Vice Chancellor and Ex Officio Paul Jenny presented an update regarding Human Resources at UCSF. He was joined by outgoing Senior Vice President of HR David Odat and Assistant Vice Chancellor Mara Fellouris. An HR Organizational Assessment was conducted by AON in 2018, which outlined ten fundamental challenges for UCSF HR, including lack of operational discipline, lack of consistent HR strategy and governance, and improving positive employee experiences. The assessment also highlighted several core areas in which HR must perform well in order for a university to succeed. Committee members commented that adequate compensation is particularly relevant to the UCSF 'employee experience' as UCSF salaries do not currently match those of any other universities in the Bay Area. Members further echoed this point by stating that the university cannot and should not begin to focus on active recruitment of talent until it ensures that current employees are being taken care of. The Committee also discussed issues of recruitment, employee turnover, HR standardization across depts. and the changing demographics of the Bay Area workforce.

Committee members agreed that APB should take a leading role in helping to communicate these issues to the wider faculty community.

Housing and Parking Services

In June, Clare Shinnerl, AVC Campus Life Services, presented on the current state of parking and housing at UCSF and addressed future developments to expand and improve those services. Committee Members discussed growing traffic/congestion problems at Mission Bay and commented that it would only get worse with opening of Chase Arena. Guest Shinnerl acknowledged it was an ongoing problem but assured APB members that CLS was continually working to find solutions and improvements to congestion at MB, especially following the opening of Chase. UCSF and the City of SF were working together to coordinate special traffic protocols for emergency and hospital vehicles and would continue to monitor challenges as they arise. Committee Members will invite Clare Shinnerl to return in the fall to engage in longer discussion about how APB can help get the word out regarding new housing opportunities for faculty.

Going Forward

Ongoing issues under review and actions that the Committee will continue into 2019-2020:

- Campus Finance
- Capital Projects
- Space Allocation
- HR Development
- Faculty Workspace Planning
- Research Management Services

Appendices

This Annual Report is posted online and accessible via the [APB Web page](#) on the Academic Senate Web site.

- [Appendix 1:](#) Capital Projects Update
- [Appendix 2:](#) Parnassus Land Development Presentation
- [Appendix 3:](#) UCSF 10 Year Financial Plan Presentation
- [Appendix 4:](#) UCSF Debt Capacity Presentation
- [Appendix 5:](#) ORAM Project Report
- [Appendix 6:](#) APB Comments to Executive Council re: ORAM