

**Communication from the Academic Planning and Welfare Committee
Sharmila Majumdar, PhD, Chair**

January 11, 2019

TO: David Teitel, Chair of the UCSF Division of the Academic Senate

FROM: Sharmila Majumdar, Chair of the Academic Planning and Budget Committee

CC: Todd Giedt, Executive Director of the UCSF Academic Senate Office; Alison Cleaver, Associate Director of the UCSF Academic Senate Office

RE: Optimizing Resource Allocation Models Project

Dear Chair Teitel:

The Academic Planning and Budget (APB) Committee recently heard a presentation by AVC Mike Clune on the Optimizing Resource Allocation Models Project, an initiative intended to improve current and future campus financial allocation models, which are regarded as overly complex and inconsistent. 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.

One of the key recommendations is the shifting of certain recharges and costed central activities to Core Financial Plan (CFP) funding. This will impact both campuswide recharges and non-campuswide 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.

APB Committee members 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. 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. 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.

If you have any questions about APB's comments, please contact me, or Senate Analyst Kirstin McRae (kirstin.mcrae@ucsf.edu)

Sincerely,

Sharmila Majumdar, PhD, Chair
Chair of the Academic Planning and Budget Committee