

**UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)
ANNUAL REPORT for 2003-2004**

TO THE ASSEMBLY OF THE ACADEMIC SENATE:

UCPB met seven times in the 2003-2004 session. The major activities of the committee and the issues it addressed during the year are noted in the following report.

The State Budget

The impact of the proposed state budget in its various stages throughout the year was the chief focus of the committee in these related discussions and actions:

Consultations with UCOP. UCPB was regularly briefed on the state budget process and outlook, including the transition of administration, gubernatorial and legislative actions, analysis of the state's fiscal situation, and the development of the compact with the governor.

Budget Proposal. UCPB's proposal "Increasing Access and Sustaining Excellence" was revised and updated to pertain to the current budgetary situation, and was endorsed by Council in December 2003.

Enrollment Management Options and Academic Senate Statement on the Budget. In response to proposed cuts in enrollment funding, and at the request of Council, UCPB held in-depth discussions of possible options for managing enrollment and formulated a set of principles for the implementation of possible enrollment options. The outcome of these deliberations were incorporated into what would eventually become the Senate's May 2004 "Resolution on California's Budget Crisis and the University of California."

Graduate Education Support. The committee discussed at length the ramifications of proposed increases in graduate student fees, including the relative costs of hiring postdoctoral scholars as opposed to supporting and training RAs and TAs, the role of international students, and the essential role of graduate education in maintaining UC's research mission. In a related action, UCPB drafted a *Resolution on Graduate Student Support*, calling for tuition and fee remissions associated with teaching assistantships to be treated as benefit expenses to be charged to instructional budgets along with the costs of the teaching assistantships themselves, and for financial aid to be allocated to campuses with due regard to graduate student enrollments.

Budget Priorities. In light of the eventual compact with the Governor promising a certain level of funding in coming years, UCPB formulated a list of Budget Priorities for Planning Purposes, setting at highest priority, salaries and benefits and support for graduate education.

Other UCOP Consultations

UCPB was updated on the revised Enrollment Handbook and on follow up to last year's Report of the Task Force on Faculty Instructional Activities. The committee was also briefed on a possible change in the formula used for payout of the endowment pool, which would keep the payout constant and move with the market, rather than the current formula based on a 60 month moving average.

Multi-campus Research Units

MRU Review Process. Last year, UCPB initiated a consideration of the MRU review structure and this year charged a subcommittee with developing specific recommendations on how to improve and restructure the MRU review procedure, including: making the review more useful and informative; distinguishing among the types of MRUs; and developing a schedule for transition to outside funding and a structure for competing programs for university funding. The final report, “Restructuring the MRU Review Process,” recommended a structure for re-categorizing MRUs according to their primary function and outlined a way that Office of Research funds can be recycled and used for new research initiatives, based on an NIH-like model of regular competition for funding. The report was endorsed by the Academic Council and forwarded to the President and Provost.

Participation in Reviews. In accordance with its role as stipulated in the Compendium, UCPB considered and commented on the 15-year reviews of the President’s Initiative for Research in the Humanities and the Pacific Rim Research Program. UCPB endorsed the continuation of both MRUs, recommending that in both cases, the review procedure should apply more clearly defined measures of success.

Senate Review of the California Institutes for Science and Innovation

UCPB proceeded to engage with questions of funding for, long-term planning for, and regular Senate review of the California Institutes for Science and Innovation. A request was reiterated for a formal response from administration to the UCPB and the UCORP reports that were forwarded through Council last year. A UCPB member participated as an observer in the “mid-launch” review of the Cal ISIs, held in September, and co-drafted a report of the review that was submitted to the Academic Council summarizing the structure and focus of the review. In order to better judge the impact Institutes have on campuses, UCPB began to gather data from campuses on numbers of FTEs, graduate students and the level of graduate student support associated with the Institutes, and requested that the CPBs of host campuses also try to find out what funds may or will be used for operating costs for the Institutes. UCPB will continue its efforts related to this issue next year.

Academic Initiatives

UCPB considered and acted on the following proposed academic initiatives:

UCI Proposal to Reconstitute the School of Medicine as the School of Health Sciences – endorsed.

UCLA Proposal to Change the Name of the School of Public Policy and Social Research to the School of Public Affairs – endorsed.

UC Davis Proposal for the Establishment of the Graduate School of the Environment – not endorsed.

In addition, the annual list of Campus Five-Year Perspectives was received.

Other Committee Initiatives and Issues

Changes in the University Definition of Equipment – UCPB recommended an alternate formula that would mitigate the possible negative impact on individual researchers with respect to indirect costs and the eventual allocation of ICR monies.

Allocation of Summer Funding – At the request of Council, UCPB began an inquiry into how and whether funds for summer instruction are used to offset budget cuts. The committee will continue to monitor this issue in 2004-05.

University Extensions – UCPB briefly reviewed the fiscal health and management of individual University Extensions, finding no cause for generalized concern.

UCPB reviewed and formally commented on the following additional issues and proposals:

Report of the Task Force on Instructional Activities – recommended changes to better define categories of instructional activities.

Proposed Amendments to the Senate Bylaws – endorsed.

Report of the Task Force on Graduate and Professional School Admissions – endorsed.

Equivalency Status for Cooperative Extension Specialists – After reviewing administration's response to questions raised in the Senate review last year, UCPB reiterated its opposition to the proposal.

Proposal for a Formal Review of the Division of Agriculture and Natural Resources – endorsed.

Report of the Professorial Step System Task Force – not endorsed.

UCPB Liaisons with Other Systemwide Bodies

The Chair, Vice Chair or a committee member sat on the following committees and reported to UCPB on their activities: Academic Council, Academic Planning Council, Executive Budget Committee, Council on Research, UC Merced Task Force, Technology Transfer Advisory Committee, the Industry-University Cooperative Research Program Steering Committee; the Systemwide Library and Scholarly Information Advisory Committee, and the Educational Finance Model Steering Committee.

Acknowledgements

UCPB would like foremost to acknowledge the fine work and dedication of its appointed chair for 2003-04, Professor Richard Goodman (UCLA), who passed away in January of 2004. He is missed. The committee also extends sincere thanks to the following UCOP consultants for their consistently valuable contributions: Larry Hershman, Vice President-Budget; Sandra Smith, Assistant Vice President-Planning & Analysis; Linda Guerra, Acting Assistant Vice President-Planning & Analysis; Jerry Kissler, Associate Vice President-Budget, Planning, & Fiscal Analysis; Cathie McGowan, Director, Science & Technology Programs and Initiatives; Dante Noto, Director, Humanities, Arts and Social Sciences Programs and Initiatives; Kate Jeffery, Director, Student Financial Support.

Respectfully submitted:

Richard Goodman, Chair (Sept. '03 – Jan. '04)

Michael Parrish, Vice Chair and Acting Chair (Jan. '04 – Aug. '04)

Stanton Glantz (SF representative Sept. '03-Jan. 04; acting vice chair Feb.'04 –Aug '04)

Calvin Moore (B)

Theodore DeJong (D)

Derek Dunn-Rankin (I)
John Edmond (LA)
Jonathan Turner (R)
Christopher Newfield (SB)
Robert Meister (SC)
David Gardener (SF)
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Brenda Foust, Senior Analyst