

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET ANNUAL REPORT 2005-2006

TO THE ASSEMBLY OF THE ACADEMIC SENATE:

Under Senate Bylaw 190, the University Committee on Planning and Budget (UCPB) is charged with advising the President and appropriate agencies of the University administration on policy regarding planning and budget matters, and resource allocation in accordance with the Standing Orders of the Regents. UCPB conducted eight regular meetings during the 2005-2006 academic year and one teleconference. This report outlines committee's activities and accomplishments within the year

The University Budget

UCPB received monthly updates from its committee consultants regarding the status of the state and federal budgets and their impact on the University budget, student fees, financial aid, enrollment, capital outlay, and faculty and staff salaries. UCPB also advanced the following initiatives:

Maintaining the Public Status of the University of California

Last year, UCPB submitted to the Academic Council a *Resolution on Maintaining the Public Status of the University of California*. In October 2005, a revised version of the Resolution was adopted by Council and submitted to the President, which asks the University of California Long Range Guidance Team to evaluate the effects of increased reliance on private funds on the instructional, research and public service missions of UC, including the long term implications of the Compact, and to report results back to the Council.

UCPB "Futures Report"

A major committee initiative of the year, the UCPB report *Current Budget Trends and the Future of the University of California* (the "Futures Report") assesses the long-term implications of the Higher Education Compact with the Governor, as well as those of three other budgetary scenarios involving varying degrees of state and private support. The report grew out of UCPB's concern that the current trend of reduced state support for UC is leading to a possibly irreversible decline in the scope and quality of the University. UCPB hopes this analysis will be useful for faculty, administration, Regents, the general public and public policy makers as a benchmark in planning for UC's future. The report received wide input from the Senate and the administration and has been distributed to the Provost's Long Range Guidance Team. The Academic Council voted to formally receive the UCPB "Futures Report" for posting on the Senate web site and to support its wide distribution. It was presented to the Assembly at its June meeting as part of the UCPB budget update.

University Compensation Issues

UCPB was in the forefront of the Senate's deliberations of proposed changes to UC employee compensation structures and the Senate's discussion of public concern regarding UC Senior Management compensation policy and practices. In the course of the year, UCPB submitted a number of formal positions on these related issues:

The Regents Compensation Proposals and Senate Consultation

UCPB reviewed the report developed by Mercer Human Resources Consulting that provided the basis of the Regents' proposed: "Policies on University-wide and Senior Leadership Compensation and Procedures for Senior Leadership Compensation" and the basis for the planned "slotting" structure for senior management salaries. In a series of formal comments issued throughout the year, UCPB raised concerns about the report's methodology with regard to proper assessment of total compensation, the proposed salary slotting structure for senior managers, and the rationale for proposed salary adjustments, and urged that no final action be taken until the report and its recommendations were further scrutinized and refined according to established Senate review procedures. UCPB also provided significant input into the Senate Resolutions on compensation that were passed by the Assembly in November as well as the Assembly's Compensation Principles that were adopted in February. At its May meeting, UCPB had the opportunity to discuss compensation issues with Regent Judith Hopkinson.

Proposed Principles on Private Funding for Salaries

At the request of the Assembly of the Senate, UCPB drafted a rationale and set of proposed principles maintaining that support of the university's core mission should be the highest priority for private fund-raising and that private funds should not be used in any way that would appear to compromise the integrity of the university. A slightly revised version of these principles was endorsed by the Academic Council, adopted by the Assembly, and forwarded to the President for consideration as University policy by the Regents.

Compensation Task Force Report and Audits

UCPB commented on the recommendations of the Task Force on UC Compensation, Accountability and Transparency, and on the outcomes of the independent and State audits of UC compensation policies and practices, reiterating the Senates' position that faculty and staff salary increases should take priority over increases in administrator pay and making the point that, in restructuring the senior management pay scheme, proper consideration should be given to full compensation.

Employment Growth

UCPB submitted a preliminary analysis of university FTE that indicated differential growth in management relative to other employee categories and to student FTE. In response to UCPB's request for more information, a joint Senate/administrative work group was established, which includes UCPB representation, that will look at the issue in greater depth and report results in the coming year.

Graduate Student Support

UCPB received regular updates on the deliberations of the Competitive Graduate Student Financial Support Advisory Committee (GSAC), which was established last year – based on a UCPB-initiated recommendation -- to advise the Provost on graduate and professional student support issues. The GSAC Final Committee Report recommendations included eliminating, in stages, nonresident tuition for academic doctoral students; providing fee relief for academic graduate students; and restructuring graduate aid allocations to campuses and treat graduate student fee remissions as distinct from student aid. These recommendations are consonant with UCPB positions of the past several years.

Review of Systemwide Research Units

Multi-campus Research Units (MRU)

In accordance with the Universitywide Review Processes for Academic Programs, Academic Units, and Research Units (the “Compendium”), UCPB reviewed and commented on the 15-year reviews of two MRUs

- University of California Committee on Latino Research (UCCLR). At the request of the Academic Council, UCPB will forward its recommendations on UCCLR next year after further information is considered.
- UC Biotechnology Research and Education Program (BREP). Since the originally funded MRU no longer exists, UCPB recommended that the program currently functioning as UCBREP should compete for systemwide funding as a new research initiative.

California Institutes for Science and Innovation (Cal ISIs):

At the request of the Provost and the Academic Council Chair, a joint UCORP-UCPB workgroup developed a draft protocol for the review of the Cal ISIs that reflects much of the substance of Senate recommendations made over the past five years. The protocol structures a coordinated review process that includes appropriate Senate and administrative involvement at both the campus and systemwide levels. The review guidelines establish a review timeframe and specifies areas for assessment, such as the Institute’s administrative operations, budget, relationship with industry and related intellectual property issues, integration with host campuses; coordination with other sites, and governance. The review process also includes a final “closing the loop” report to the Senate. The protocol was approved by the Academic Council and adopted by the Provost as the basis for a sequential review of the four Cal ISIs beginning in the fall of 2006 with the review of Cal IT2. In addition to commenting on the Cal IT2 review next year, UCPB will participate in refining the review process and developing guidelines for the Director’s Report that parallel the review panel guidelines in the adopted protocol.

UC International Education Programs

UCPB was this year apprised of a serious budgetary situation facing the University Office of Education Abroad Program (UOEAP) and of concerns about the funding allocation formula for campus EAP operations. A UCPB subcommittee gathered information from the Office of the Provost and the UCOP budget office and reviewed the charge and makeup of the ad hoc Committee on the Future of International Education at UC. Based on that inquiry, UCPB forwarded recommendations to expand the membership of the ad hoc committee reviewing UC International Education and enlarge its charge to include EAP funding and planning contingencies, the curricular and academic needs of the program, administrative streamlining, the integration of international education efforts at UC,

Laboratory Management Issues

UC and the Los Alamos National Security LLC (LANS)

In carrying out its charge to review university budgetary and planning issues, UCPB sought more specific information concerning the contractual relationship between and among UC, LANS, and the industry management partners for the Los Alamos National Laboratory. . UCPB requested to see the contract with LANS, and followed that request with a number of specific questions to President Dynes that - addressed LANL’s legal status, management and budgetary issues,

pension issues, research; and the academic rationale for UC's involvement. UCPB feels it is particularly important to gain clarity on this matter because LANS is a private corporation and in light of the possibility that UC will enter into a similar arrangement for management of the Lawrence Livermore National Laboratory (LLNL)

LANS transition and proper shift of assets

UCPB advised that the individual or individuals charged with negotiating the shift of assets from UCRS to LANS have no financial or other business relationship with LANS and be clearly charged with the mission of minimizing the effect of the creation of LANS on the UCRS. The Academic Council forwarded this recommendation to the President.

Proposal on UC Faculty – DOE Lab Relations

The Academic Council special Committee on the National Labs (ACSCONL) drafted a set of recommended actions for ensuring that faculty expertise and advice are brought to bear in UC's continued and changing involvement with all three DOE laboratories, which were endorsed by the Academic Council. While in support of the general intentions of the proposal, UCPB felt that it was not apposite in view of the changed role of UC within the new lab management structure and recommended a more considered analysis of the matter.

UCPB Review and Comment

UCPB members reviewed and commented on the following issues and proposals at the request of the Academic Council:

- Draft UC Guidelines on Non-Competitive Funding – endorsed.
- Proposed amendment to APM 220-18b(40) – endorsed.
- Proposed change to the University copyright policy initiated by the Special Committee on Scholarly Communications, along with that committee's set of five White Papers on aspects of scholarly communication – endorsed with comments.
- Proposed Policy Changes Related to Effort Reporting – endorsed.
- UCOL Proposal to Amend Senate Bylaw 185 – endorsed.
- Proposal to Reconstitute the A Gary Anderson Graduate School of Management – not endorsed, with recommendations for a revised proposal.

UCPB Representation

The Chair, Vice Chair or a UCPB committee member sat on the following committees and reported to UCPB on their respective activities: Academic Council; Academic Planning Council; Council on Research; Education Funding Model Steering Committee; Competitive Graduate Student Financial Support Advisory Committee; Technology Transfer Advisory Committee; Systemwide Library and Scholarly Information Advisory Committee, and the ad hoc MRU Funding Work Group.

Acknowledgment

UCPB wishes to acknowledge the valuable contributions of the following committee consultants: Wyatt R. Hume, Provost and Senior Vice President-Academic Affairs; Lawrence Hershman, Vice President for Budget; Joseph Mullinix, Senior Vice President for Business and Finance; Bradley Barber, Assistant Vice President, Institutional Advancement; Linda Guerra, Acting Assistant Vice President for Planning and Analysis; Lawrence Coleman, Vice Provost for

Research; Cathie Magowan, Director, Science and Technology Research Programs and Initiatives; Dante Noto, Director, Humanities, Arts and Social Science Research Programs and Initiatives; Kate Jeffery, Director, Student Financial Support.

Respectfully submitted:

Stanton Glantz, Chair (UCSF)

Christopher Newfield, Vice Chair (UCSB)

Calvin Moore (UCB)

Patricia Conrad (UCD)

Eric Stanbridge (UCI)

Malcolm Gordon (UCLA)

Steven Cullenberg (UCR)

Stanley Mendoza (UCSD)

Norman Oppenheimer (UCSF)

Henning Bohn (UCSB)

Paul Koch (UCSC)

Roger Bales (UCM)

Clifford Brunk, Chair, Academic Council, *ex officio* (September-February)

John Oakley, Vice Chair, Academic Senate, and Chair, Academic Council, *ex officio*

Michael Brown, Vice Chair, Academic Council, *ex officio* (March-August)

Joe Bishop, Graduate Student (UCSB)

Rueben Barnes-Levering, Undergraduate Student (UCSC)

Brenda Foust, Policy Analyst