

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET

MINUTES OF MEETING

December 6, 2022

UC Office of the President and by Videoconference

Present: Don Senear (Chair, Irvine); Marc Steurer (Vice Chair, San Francisco); Max Auffhammer (remotely Berkeley); Heather Rose (Davis); Alyssa Brewer (remotely Irvine); Andrew Leuchter (Los Angeles); Kevin Mitchell (Merced); Peter Atkinson (remotely Riverside); Michael Provence (San Diego); Jill Hollenbach (San Francisco); Dard Neuman (remotely Santa Cruz); Peter Ko (Graduate Student, Davis); David Brownstone (remotely TFIR); Susan Cochran (Chair, Academic Council); James Steintrager (remotely Vice Chair, Academic Council); David Alcocer (remotely AVP – Budget Analysis and Planning); Seija Virtanen (remotely Associate Director, State Budget Relations); Pamela Brown (remotely VP Institutional Research and Planning); Todd Greenspan (Director, Academic Planning); Brianna Moore-Trieu (Analyst, Institutional Research and Planning); Stefani Leto (Analyst).

Consent Calendar

UCPB approved the December 6, 2022 agenda and the November 1, 2022 minutes

Health Subcommittee Update:

Vice Chair Steurer outlined issues and goals for the health subcommittee. He reiterated that the subcommittee will focus on UC Health planning issues at the medical center campuses and seek opportunities for faculty input to issues of funds flow and growth strategy. Members plan to report on decision-making strategies at UC Health Centers, and current ways faculty influence or are involved with these strategies. In addition, they will study the impact and possible outcomes of various growth scenarios, and the interaction between plans for growth and the UC mission. A proposed timeline was outlined in which members would collect and report data from each of the campuses by the end of February, with a preliminary report in April.

- UCPB discussed potential results of a leadership change at UC Health. The committee will work to ensure Senate priorities in the search for a new UC Health EVP, drawing on the findings and recommendations of the subcommittee to emphasize the importance of shared governance.
- Spirited discussion ensued about Health Sciences clinical faculty and Senate membership. Committee members noted surveys of clinical faculty revealing low morale, leading to hopes of UC Health leadership that Senate membership would address these problems. It was noted that UC Health EVP Byington has revived a longstanding discussion of this idea and that Senate chair Horowitz commissioned a task force of UCFW to consider the related issues. Members agreed that clinical faculty would be better served by improvements in working conditions rather than Senate membership.
- Members emphasized the importance of data gathering as UC Health makes decisions about expansion. Understanding decision-making structures and opportunities for faculty involvement or creating new advisory structures for the faculty to have a consultative report are key activities for the work group.

Consultation with Senate Leadership

Chair Cochran presented the results of the faculty survey to the Regents Academic and Student Affairs Committee, and the Regents acknowledged the concerns raised. Senate leadership attended a retreat with the Regents and Chancellors where leadership and faculty and staff advisors provided context to discussions.

Council met and endorsed the general education transfer requirements to create a “singular transfer pathway” from community colleges to the UC and California State Universities. Assembly will vote on the transfer proposal this week and the UC will have met AB 928 requirements to simplify transfer. Because of the UC’s focus on major preparation for transfer students, creating a single simplified pathway remains a challenge.

Labor issues continue to dominate concerns systemwide. The University reached an agreement with the UAW covering postdocs and academic researchers. Negotiations are ongoing with graduate teaching assistants. The Senate will focus is on keeping faculty and academic welfare front and center. There are no indications that more money will be allocated to the University from the state to cover increased labor costs. Senate leadership hopes to provide guidance for faculty needing to fill out Federal compliance forms.

Vice Chair Steintrager noted that the Senate Climate Committee met and discussed campus electrification. The Office of Research and Innovation will distribute money the legislature allocated for climate resilience research projects through a competitive grant program.

- Much committee discussion focused on potential impacts of labor agreements on costs to faculty either increased costs to grants or department monies to teaching assistants. Various possible approaches to address increased costs were raised, perhaps through indirect cost rebates.
- A key concern is that individual investigators do not bear the impact of these decisions; the costs are easier to carry as a group, so they should be institutionalized as much as possible. The committee noted that fewer positions for graduate researchers and fewer TAs for classes is the most likely future outcome.
- A committee member noted that student researchers take time to become productive and are an educational investment rather than cost-effective laboratory assistance. The current model is not designed to be a job but rather a training program for young scientists. The UC developed this model of graduate training instead of scholarships years ago, based on funding models. Unionization is going to force model changes if research and teaching are reimagined as wage-earning jobs.
- Guidance has been disseminated about hiring TAs as normal for next semester. Pay for striking graduate students has not been decided.
- A committee member noted a disconnect between student demands and the reality for faculty discussed in this committee. The impact of labor agreements on faculty budgets seems to have been neglected from both sides and should have been centered long ago. The likely outcome of fewer graduate students and more work is not widely understood by students or legislators.
- Faculty expressed concerns about working relationships between faculty and graduate students after the strike.
- Committee members expressed interest in a study on graduate student salaries and their changes over time.
- A committee member noted a lack of focus on cost effectiveness in discussions about decarbonizing campuses. He strongly urged that the various climate committees remember to raise cost of changes in all discussions.

Budget Consultation with UCOP

Associate Director Virtanen noted that after two years of robust growth, state revenues are in decline. The University can expect greater legislative scrutiny should it receive the anticipated five percent base budget increase in the existing compact. In past seasons of diminished state revenues, budget agreements have often not been honored.

Forty-one members of the legislature have signed a letter asking President Drake to bargain in good faith with the four UAW bargaining units. The opinion of the university's position is not negative but is likely to become so the longer the strike lingers. The general perception of the University in the capitol is somewhat negative. An identical bill about outside vendors as one vetoed at the University's request last year has resurfaced. Another bond measure has been proposed for construction of new classroom/research space.

AVP Alcocer discussed likely budget impacts of GSR labor agreements. Increased grant funding is doubtful; the legislature is unlikely to allocate more, so fewer workers will be hired. He acknowledged that undergraduate enrollment increases will enshrine a permanent unfunded increase in needs for graduate students. How to communicate the scale of this issue to the students, legislature, and administration, and from where at the UC the message would originate, has not been considered deeply yet.

- UCPB discussed the odds of a gubernatorial veto of the proposed contracting measure.
- The legislature is pro-labor and would not bear the costs of the requested graduate student contract, nor does it understand likely effects on graduate student education.
- Discussion noted limits on the University's ability to support or advocate against state measures. Propositions that have potential negative impacts on the University cannot be directly combatted.
- Chair Senear asked about the possibility of a clawback of unspent one-time funds. The Department of Finance has not acted on this suggestion from the LAO. The University does have unspent funds, such as those not yet used for deferred maintenance.
- UCPB noted that the proposed contracts will change the graduate ecosystem.
- A committee member noted that changes to funding through rebenching will affect the weight of graduate education and change formulas. AVP Alcocer noted that has the effect of raising the funding for undergraduate education in line with increased costs. Increased undergraduate enrollment will need additional teaching assistants.
- Using rebenching funds to remit some of the tuition paid for through faculty grants was seen as an unlikely solution. Tuition reduction is a broad brush. The University's approach has traditionally focused on stretching resources.
- Committee members expressed great concern about issues of equity. As the University is forced to offer fewer GS packages, only wealthier prospective students can apply for graduate instruction. Admitting unfunded graduate students would work against the UC's commitment to diversifying graduate education and the professoriate.
- A committee member suggested that planning for a contraction in graduate admissions and lab staffing might be prudent in the face of increased costs. In addition, the Regents just approved salary increases for staff plus equity adjustments for faculty.

- The UC system has no unallocated resources and so few available options to address the effects of increased cost of gsr's, which fall on individual research grants. One approach to socialize costs that would fall on individual grants that could be considered would be to increase campus assessments and use those funds as a short-term grant relief fund.
- It was pointed out that faculty also needs to be seen through an equity lens, as female and URM faculty receive less grant funding. Those labs will go under or become less competitive. AVP Alcocer asked if that thinking would be done by discipline, or individual grants. He is interested in thoughts from UCPB.
- A member opined that an across-the-board response is the least attractive response because of the inequities in impact on diversifying faculty. Nuanced funding responses are problematic but needs to consider new labs, non-tenured, more diverse, junior faculty. A response would have to be by campus as each knows who they recruited, who was most affected by the pandemic, and whose research has been most affected.

Consultation with UCOP – Capacity Report

VP Pamela Brown discussed the 2030 Capacity plan and its relation to the compact. The original goal of the plan was to present a long-term vision: enrollment management stability; to show how graduate students were important to undergraduate instruction; and to tie resource needs to enrollment by linking capital needs to education. The proposed plan is to grow 17,000 undergraduate students and 6000 graduate by 2030. A second, more aggressive, aspirational Building 2030 Capacity Plan was created by Chancellors to grow by 20,000 undergraduate and 10,000 graduates.

The compact created the proposed enrollment plan to secure an ongoing five percent base budget growth and the buyout of out of state students. This and the cohort tuition plan were designed to create greater stability. The compact with the governor followed the capacity and matches the modest growth of the 2030 Capacity Plan.

The state has not kept up with the capital needs to support student growth, leading to campuses considering summer, off-campus, and online education to reduce capital costs. The UC must decide whether to hire ladder rank faculty to serve the needs of graduate students at the expense of undergraduates or reduce costs to admit and teach growing numbers of undergraduates by hiring non-ladder rank faculty, reserving current faculty for graduate instruction. Director Greenspan noted that the UC is unique among peer institutions because the percent of instruction by ladder rank faculty is about 75 percent, rather than 60-65 percent.

AVP Alcocer outlined the UC funded capital program resulting from AB94. Prior to its passage, the state used to pay for buildings. Under AB94, then-Governor Brown transferred debt incurred by the state for UC capital projects to the University, and along with this added \$200M that the state had been using to fund this capital debt into the UC 2013-14 base budget. Subsequent fractional increases to the UC's base budget allocation have applied to this amount, accounting for a current increase of about \$100M more in the base budget allocation. The UC has added capital projects under AB94 that account for about \$120M in annual debt service. In addition, the UC still pays close to \$200M on the original bond debt service but that will decline soon as the bonds are retired. Those dollars can service new debt on new capital in about ten years.

- A member noted that the University has not grown ladder rank faculty as it should have. The president's proposed hiring of 1100 ladder rank faculty would only make up for the deficit from the last decade. How would additional faculty be afforded?
- Marginal cost of instruction does not fully consider operational costs nor does it consider capital. The current formula would provide enough for small growth but not the amount over the past decade nor called for in the report.
- Discussion included various ways to calculate marginal cost, and the context in which the state uses a negotiated methodology to do so, and how availability of separate funds for capital improvement impact how much is allocated to student instruction.
- A member asked about quality of education and questions about continuing to grow enrollment when we are bursting at the seams physically and straining faculty capacity. Ladder rank faculty always seem like the last to grow. Much faculty hiring is just replacement.

Program Proposals for Review

1. Review of UC Berkeley College of Computing, Data Sciences and Society (CDSS)

Professor Leuchter reviewed the proposal for the first new college on Berkeley campus in 50 years. It presents a more coherent intellectual vision for data sciences on campus and brings disparate data programs together. The campus hopes this will attract top scholars. The College is an incremental growth from the 2018 division of data sciences. The "and society" represents a good faith effort to include humanitarian concerns. All programs pulled together are highly regarded. The College represents programs that currently have more than 3000 undergraduate and 1500 graduate students; and two of the three largest majors on campus (computer science and data science) will be housed in CDSS.

Concerns noted focused on questions about governance, financing, and impact on the wider campus: Unclear integration of the various parts. Some reporting structures overlap within and without the CDSS. Examples are the Dept of Electrical Engineering & Computer Science to be jointly administered by CDSS and School of Engineering without a MOU, but only conceptual agreement. Another is the Berkeley Institute of Data Science within CDSS but overlaps Departments of Chemistry, Molecular & Cell Biology, Bio Engineering and Environmental Science & Engineering outside of CDSS. This provides high potential for turf wars.

Data Science is already a division with similar administrative costs. Faculty and staff are already supported by FTEs and grants. The instructional workload is higher here than every other campus unit except engineering. Additional funding depends on philanthropy and self-supporting programs. Currently, the division demonstrates success in securing philanthropic support but may overreach with the stated expectations. Another \$255M is needed to complete the gateway building. The College is expected to be profitable immediately, reaching \$8-10M in five years, but financial projections include not yet approved programs. Contingency plans if proposed funding streams are not available or are smaller than expected are insufficient. The proposed savings would arise primarily from cutting administrative costs and limiting enrollment and would amount to approximately \$2.3M, a modest amount relative to the overall budget and large scale of CDSS. These scenarios leave financial risks outstanding.

Data programs currently present challenges in demand for instruction. CDSS can reasonably be assumed to exacerbate that. Growing demand for access to this major may require enrollment caps. In addition, disciplines using data science but not the majors in the CDSS may lose students to the new College.

- Discussion noted three concerns expressed by the campus: Whether the necessary consultation with faculty took place when planning CDSS rather than a top-down process; Concern that this central data hub will overtake data science in other departments; lack of clarity about the “society” designation.
- Some of the most reputable faculty on campus are those doing data science and society, so how will the central campus assign FTEs to CDSS versus departments demonstrably doing this already?
- The new building has started but is still hundreds of millions short of needed funds to finish. UCPB wondered how the new building fits into planning for this College. A gift drove the building but provided only about half the funding necessary to complete it. Committing resources to this new college performance removes them from other areas, perhaps those already doing excellent work in data instruction.
- A member suggested that CDSS is a way to recognize changing demands of students and focus instructional energy on those areas, leading to a productive evaluation of all programs.
- Discussion noted lack of planning for foreseeable ripple effects. Data science already faces enormous and growing demand. There will be pressure to grow the faculty in the area but no indication from campus about how to manage that.
- UCPB agreed that the CDSS is an intellectually attractive proposal but remain concerned about lack of integration of governance both within the college and campus wide. The “and Society” creates concerns about overtaking data science in other parts of campus and may negatively affect excellent majors such as economics, linguistics, psychology, and cognitive science. Strong presence of data science in these fields in collaboration with CDSS may enhance opportunity for recruitment of top scholars, but allocation of FTEs going forward must be clarified. Ethics is well-developed in the proposal and meaningfully tied to “and society” within CDSS, but how it integrates with the social sciences more broadly across the campus is not well-explicated.

2. Review of UC San Diego School of Computing Information and Data Sciences Pre-Proposal

Professor Auffhammer reviewed this pre-proposal for a school composed from the Halicoğlu Data Sciences Institute and the San Diego Supercomputer Center. The pre-proposal provides an overview of an interesting unit combining these two highly successful components. The budget seems reasonable for the proposed growth, and most of the funding will go to instructors. There is no indication of what types of faculty would be added. A new Dean’s office to administer the existing and fairly large academic programs accounts for proposed administration costs but offers an improvement over the current reporting structure. Space is available and currently being renovated.

Several areas requiring of more detail in developing a full proposal were noted. Sources of revenue are not clearly delineated. Additional revenue from new self-supporting and professional programs is expected but fee revenue is not projected. Similarly, philanthropy is expected but fundraising expectations are not outlined. Campus funding is expected, but whether rising from enrolment growth or redirecting from other areas is unclear. Campus implications of dedicating more FTEs to this school are not sufficiently addressed. The proposed number of statistics professors is small to build a huge data science program. Instructional levels needed for capstone projects and undergraduate growth are not clearly addressed. A key concern raised in the review is the effect of pulling high numbers of data-

interested students from data science-adjacent majors. The question is how to plan for potential future drop in demand that might deplete adjacent departments. Descriptions of graduate programs to be developed present these individually, without describing how they are expected to articulate with one another and lacking general parameters such as enrollments, budgetary requirements, revenue projections and teaching workload requirements.

- Discussion noted that the current forty FTE in the supercomputer center are research scientists with no teaching responsibilities. To convert to a School, will these faculty take on teaching responsibilities?
- A member noted a lack of ethics and DEI at the undergraduate level. The proposal focuses on getting the right ethnic composition but not how to measure their success. No ideas about how ethics is integrated in the undergraduate level are presented.

Action: UCPB agreed to write letters in response to both proposals.

Hiring Report Next Steps

The working group will gather data to provide more detail on staff growth to distinguish student/faculty facing staff. CFO Brostrom had noted that growth of managerial staff is due to research support needs such as compliance and administration. The working group plans to investigate these claims. Additionally, data will be gathered on in-residence, clinical, and adjunct faculty. Additional areas of investigation will be the growth of teaching faculty at campus vs. system level and growth of staff for UC Health.

Staff growth is larger at the medical centers than academic areas. Director Greenspan suggested revealing what staff support the academic mission by subtracting medical center staff from totals, noting that MSP Senior Professionals are more prevalent at UC Health than on campus. Growth of MSP and SMs happened at different times at different campuses.

- UCPB had vigorous discussion about the impact of the health enterprise on the academic, and if UC Health initiatives that take labor from the SOM support the mission of the University. One suggested measure was to discover if clinical faculty is growing while ladder rank numbers drop, and clinical revenue is up while grant revenue down, then clinical growth is to meet its own ends versus the academic mission. All agreed that health needs are important but unless growth ratios are quantified agreement on ratios of growth is impossible. Claims that UC Health subsidizes the academic mission through salaries to researchers and teachers cannot be proven. Using relative growth rates will reveal how any subsidies work: if medical student numbers are flat, high growth in faculty is not needed. All new faculty are self-supporting.
- Training new doctors is an inefficient way to deliver more health care but expanding clinical capacity does that. Affiliations were driven purely for growth.
- Members asked questions such as What is the UC? How does UC Health differ from Kaiser? If the UC is not designed to deliver health, but to deliver our tripartite mandate, does being the dominant health provider in the state fulfil our mission? What do we do with the revenue if growth continues? Do we use it to fuel further ongoing growth or to fund different parts of the mission such as indigent care?
- UCPB agreed that there is a need to get more faculty involved in decision making and explicitly raise the questions about the use of clinical revenue, rather than positioning unfettered growth as natural.

Campus Updates/TFIR Report

David Brownstone, TFIR Chair, noted that some Regents continue to express interest in increasing employee pension contributions. An upcoming pre-Covid Regents policy of increasing employer contributions to 17 percent from the current 14 may increase this pressure. The pension is currently funded at 80 percent and is stable. Moving to a fully funded pension does not increase stability.

TFIR has formally requested to set the default choice for new hires to savings choice. The model can show that increasing employee pension contribution to 10 percent will make savings choice a better one for new employees. Human Resources has not yet publicized the modeling tool.

The last total remuneration survey was done in 2013. A new survey would give accurate information about how the UC compares to its comparator institutions.

Attest: Donald Senear, Chair
Prepared by Stefani Leto, Analyst
The meeting ended at 3:59