

**Minutes of Videoconference Meeting
October 5, 2021**

Present: Kathleen McGarry (Chair, Los Angeles); Don Senear (Vice Chair, Irvine); Heather Rose (Davis); Alyssia Brewer (Irvine); Evelyn Blumenberg (Los Angeles); Kevin Mitchell (Merced); Dana Simmons (Riverside); Gedeon Deak (San Diego); Marc Steurer (San Francisco); Douglas Steigerwald (Santa Barbara); Dard Neuman (Santa Cruz); David Brownstone (TFIR); Robert Horwitz (Chair, Academic Senate); Susan Cochran (Vice Chair, Academic Senate); Nathan Brostrom (CFO); Kieran Flaherty, (AVP and Director, SGR); Johan Walden (Professor, Berkeley); Holly Doremus (Professor, Berkeley); Stefani Leto, Analyst.

I. Consent Calendar and Announcements

Action: UCPB approved the consent calendar.

II. Introductions and Priorities

- *Kathleen McGarry, UCPB Chair*

Committee members introduced themselves. Chair McGarry welcomed all to the committee and noted priorities for UCPB's work during the year. These included the University's changing insurance and risk landscape; the financial relationship between UC Health and campuses; the growth in Self-Supporting Graduate Degree Programs (SSGDPs) and their approval process; the impact of the new cohort tuition plan; and the potential for a new rebenching system for distributing general state funds among campuses. COVID-related budget impacts will continue to occupy some of the committee's time.

III. Consultation with Senate Leadership

- *Robert Horwitz, Academic Senate Chair*
- *Susan Cochran, Academic Senate Vice Chair*

Smarter Balanced Study Group: The Smarter Balanced Study Group (SBSG) recently forwarded to the President a report evaluating the potential use of the Smarter Balanced assessment in University admissions. The SBSG recommended against its use at UC.

Mitigating COVID-19 Impacts on Faculty: Chair Horwitz co-chairs a joint Working Group on Mitigating COVID-19 Impacts on Faculty, which recently presented its report to the campus Executive Vice Chancellors. The EVCs generally support the goals to reduce pandemic-related harm to faculty members, but they are concerned that the report's recommendations, specifically regarding merit and promotions and allocation of funds for research, not serve as unfunded mandates for campuses.

Regents Meeting In his remarks to the Regents in September, Chair Horwitz noted the need to preserve excellence in the UCs through attention to the faculty salary scales. He also discussed

negative effects on research from changes to accounting systems on campuses; threats to intellectual property and academic integrity from third-party websites such as Chegg and Course Hero; and the importance of properly funded graduate education. The Regents also discussed ongoing needs around funding for student basic needs, Student Academic Preparation and Educational Partnerships (SAPEP), and student mental health. A report on diversity at UC revealed that both Black and Native American students are underrepresented on campuses relative to their qualified high school graduation rate, and that Black students report lower satisfaction with their experiences at UC. Female faculty also report a lower level of satisfaction. The Regents also discussed plans to modernize the ASSIST website that helps transfer students evaluate transfer-eligible courses, would like a simpler transfer process overall, and approved plans for new student housing at UC San Diego and UC Berkeley. The Regents also learned that campuses have budgeted only ten percent of the costs needed for seismic and other deferred maintenance needs.

Senate leadership is concerned that the Legislature may not continue the promised replacement of lost non-resident student tuition (NRST) in later years, although the requirement to enroll additional undergraduate students will continue.

New legislation constraining the University's ability to contract out for some positions have created budget and staffing issues. Unit 18 lecturers are discussing a potential strike, and if faculty honor the strike by not crossing picket lines, the University could face unanticipated shut downs.

President Drake has announced plans to increase undergraduate enrollment by 20,000 students by 2030. Without new campuses, suggestions to accommodate additional students include increased summer enrollment, satellite campuses, and sharing under-utilized California State University and Community College facilities.

Issues Before the Senate The Senate has expressed concern to UCOP about ongoing problems with the Retirement Administration Service Center; problems on campuses implementing new financial accounting systems that impact research and staff time, and a proposal to devolve approval authority for Master's degrees, including Self-Supporting Graduate Degree Programs (SSGPDPs), from the systemwide Senate to the campuses.

Senate leadership are investigating a possible institutional response to intellectual property infringements and academic integrity violations from third-party tutoring websites like CourseHero and Chegg.

The Regents have announced an initiative on innovation and entrepreneurship, for which the Regents have asked the Senate to engage in discussions about amendments to the APM.

The University Committee on Academic Freedom will propose that academic departments making political statements on their websites include a disclaimer that they do not speak for the University as a whole.

The Senate requested clarification and increased detail in a new new UC Health interim policy on affiliations, concerning the responsibility for managing complaints of UC staff/medical students/residents. The Senate continues to work towards greater transparency of money flows between UC Medical Centers and campuses.

- It was noted that local campus discussions about campus reopening include scenario-planning around renewed shut downs. The UCOP Reopening Committee is considering

what level of COVID-19 transmission would trigger a return to remote education, but evidence from the earliest-starting campuses suggests that no or very low transmission is taking place on campus.

- UCPB members noted that graduate student support and housing hamper recruitment efforts, and Senate should take an active role in promoting graduate studies. It was noted that CCGA and UCPB would be ideal committees to continue studying the issue and formulating possible University responses.
- It was noted that a potential change to rebenching formulas could affect graduate student funding; the Senate should lead on the issue, rather than following a timeline set by UCOP.

IV. Budget Consultation with UCOP

- *Nathan Brostrom, Executive Vice President and Chief Financial Officer*
- *Kieran Flaherty, Associate Vice President and Director, State Governmental Relations*

The University has a \$42B operating budget. UC Health's portion of the budget has grown over time and now represents 50% of all revenue. UC "core funds," those providing money for costs associated with undergraduate education, represent 24 percent of the total budget. The state provides only 9 percent of funds. Tuition and UC General Funds, primarily NRST, make up the rest of the core funds, the most flexible portion of the UC budget. Most of the state budget comes from income tax, which can fluctuate, and much is pre-allocated, so University funding is discretionary. The volatility in state budget allocations has an inverse relationship, historically, to tuition. Cohort tuition should create a sustainable and predictable source of funding.

In the past fifteen years, the University has not received adequate capital funding. General obligation bonds would provide funds for capital improvements, but the last one was in 2006. Seismic improvements and addressing deferred maintenance are important, but they are non-revenue generating activities. The University uses some of its general funds for construction bonds, but it entails moving funds from one area to another, rather than receiving additional targeted funds. The University's Integrated Asset Management Program (ICAMP) provides information for specific projects, which can be used to persuade legislators to allocate funds for those purposes.

- UCPB members noted the possibility of rebenching adjustments which help campuses that admitted greater than funded amounts of students to get funded based on enrolled students. CFO Brostrom suggested that UCPB schedule a discussion focused on rebenching.
- It was noted that the University and some individual Regents disagree about University funding levels, and methods of funding. Remote Regents meetings hamper nuanced sharing of differing understandings.

The state budget process is temporally misaligned with the University budget and admissions cycle. The University presents a budget proposal to the Regents in November, which forms the basis for the request to the legislature. Lawmakers receive a budget proposal from the Governor in January, review it and send to subcommittees in February. The Governor issues a revised budget in May and the final budget is approved in June. The University receives Statements of Intent to Register (SIRs) from admitted students by May 1. Matching the numbers of students admitted to the number of students funded is therefore challenging.

Additional challenges in the budget process include trailer bills attached to and amending the main budget bill, which can impose conditions on the University's receipt of funding such as increases in California residents admitted. Such policy impacts are difficult to avoid, as the bills are not heard in open session but approved in subcommittees.

State Governmental Relations (SGR) personnel have limited opportunities to interact with legislators and present the University's interests due to pandemic-related restrictions. The University continues to take positions on bills impacting its functioning, and will request vetoes from the Governor for bills negatively affecting the University's ability to manage student admissions and labor relations.

V. Insurance Overview

UCB Professor Johan Walden presented a high-level overview of the insurance industry, including calculations of risk, diversification of risk pools, and issues complicating the provision of insurance. He noted that the reinsurance market provides a way to insure insurers, for risks that are too large, less-diversified, or limited through regulation, using better-capitalized companies. The costs for reinsurance can be quite high.

UCPB plans future discussions of the University's insurance landscape.

VI. Proposal for College of Computing, Data Science, and Society (CDSS) at Berkeley

UCB Professor Holly Doremus, presented a review of a proposed new College at UC Berkeley. Campus reviewers earlier agreed that these are important disciplines, but the advantages of changing from an existing division to a college remained unclear.

ACTION: UCPB agreed to note suggestions for proposal improvement and send a response to CCGA.

VII. Self-Supporting Graduate Professional Degree Program Proposals

Campuses have turned increasingly to self-supporting graduate professional degree (SSGPDP) programs as a revenue strategy in an era of state disinvestment. The [Compendium](#) and [CCGA Handbook Appendix K](#) outline the role of the Senate and UCPB in the review of SSGPDP proposals in the context of the University's 2020 [SSGPDP policy](#). UCPB's role is to assess the proposed SSGPDP's financial plan and report to CCGA. UCPB identifies a committee member to lead the assessment who is provided a review template as a guide and encouraged to focus on the cost analysis template completed by the program and campus Budget Office.

ACTION: Chair McGarry asked for a volunteer to lead the review of the proposed UCB Master of Nutritional Sciences and Dietetics SSGPDP. Professor Alyssa Brewer (UCI) agreed to lead the review and report back in November.

- It was noted that this proposal came about as a response to a change in accreditation requirements, and UCPB members were reminded to consider the costs of not having a proposed Master's program. A member questioned why this proposal was not for a state-supported degree program instead of a self-supporting one.

VIII. Systemwide Senate Review Items for Optional Comment

ACTION: Professor Blumenberg will respond with a memo to the Proposed Revisions to Presidential Policy on Sustainable Practices for UCPB to review and send to Council.

IX. Multicampus Research Units (MRUs) 5 Year Reviews

Per the Compendium, UCORP leads five-year reviews of Multi-campus research units (MRUs) and UCPB and CCGA appoint one member each to act as consultants to UCORP for the reviews.

ACTION: Professor Gedeon Deak volunteered to review The Dickens Project at UC Santa Cruz, and Professor Dard Neuman volunteered to review the Institute for Global Conflict and Cooperation at UC San Diego.

X. Campus Updates

UCB is holding all classes in person. While there have been some COVID-19 cases, contact tracing suggests that there has been no on-campus transmission. Vaccination rates for students, faculty, and staff are quite high, and mask-wearing compliance on campus is high. The campus Senate has been considering holding more meetings face to face.

UCD reports excellent compliance with mask mandates and testing requirements. Most classes are being held in person. Campus budget committee discussions with the administration have yielded a 3% salary range adjustment for both on-scale and off-scale faculty. Campus institutional analysis administrators have been coming to budget meetings, and the budget committee is actively reviewing schools' budgets.

UCI has an over 90% vaccination rate for students, faculty, and staff. The Senate has been meeting remotely, and one-third of classes are fully remote. Nearly all faculty salaries are off-scale. The campus budget committee has suggested various approaches to the issue. Discussions continue regarding optimal graduate program size and support levels.

At UCLA, five concerns are occupying the Campus Planning and Budget Committee (CPB): a new activity-based budget model, specifically regarding metrics for evaluating the budget model and CPB's role; the role of SSGPDPs on campus as many new proposals will be heard this year; concerns regarding transparency of UCLA Medical Center and the School for Health Sciences budgets and money flow between them and the campus; a new five-year strategic plan for units; continuing COVID-related funding issues.

UCM is holding classes in person. High vaccination rates have meant no on-campus acquired infections. CAPRA and the Council are meeting in-person. Implementation of the Oracle Alpha Financials software has been extremely difficult, impacting purchasing and reimbursement. The campus is revamping the academic planning and budgeting process as schools are submitting their first budget plans.

UCR has an over 90% vaccination rate and 80% of sections are in person. The Senate is meeting entirely remotely. Ongoing 6 percent cuts to all academic units remain concerning. A switch to a responsibility center management structure in 2016 using the 2014-15 budget year as a baseline

has created some problems on campus. The campus continues to discuss metrics for evaluating key performance indicators in academic units.

UCSD is holding 75 percent of classes in person, with liberal remote options for professors who prefer not to teach in person. The changeover to Oracle Alpha Financials software has caused many problems on campus. CAPRA will exercise more oversight of a planned change to the Student Information System software. The increase in graduate student rents last year negatively impacted graduate student recruitment. Concerns over the coming reduction in NRST and changes in student weights in rebenching has resulted in CAPRA taking a more active role in budget planning meetings. Chair McGarry requested a memo outlining the campus' experience with the Oracle change.

UCSC is beginning to implement the recommendations made by the Joint Working Group on Graduate Education, moving graduate funding onto budget. There is a new Academic Resource Model planned and the campus hopes to proactively address any upcoming issues.

UCSF is holding primarily virtual classes. While the campus has high vaccination rates, most staff and faculty will continue remote work until March 2022. The campus is concerned that rebenching may negatively affect the campus budget. Discussions of faculty salary scales and equity in access to resource allocation continue.

UCSB has primarily in-person instruction. In an effort to distinguish between short-term COVID-19 impacts on the budget and the shortfall between expenditures and income prior to the pandemic, the budget office and Council began working more collaboratively. FTE allocation is now through the Executive Vice Chancellor, and the Faculty Senate and Budget Committee will work together with the EVC on FTE allocations.

TFIR continues to work on education materials for the Second Choice, where faculty may decide once to change between the Pension Choice Plan and Savings Choice plan. Past problems with the Retirement Services Center (RASC) appear to be easing, and TFIR continues to work with Systemwide Human Resources on retirement issues.

XI. New Business

UCPB discussed the history of rebenching and current and future impacts. In addition, "funded programs" which account for 28 percent of state allocations, hamper budget flexibility, but that eliminating a funded program was very difficult. Committee members expressed concern that State promises to fund any revenue lost as a result of capping non-resident student numbers might be difficult to rely on if statewide revenues dropped.

Questions were raised regarding the return of the UCOP budget to an Assessment Model. Members noted that the appropriate level for each campus' contribution was likely to be a contentious issue. It was noted that UCSF feels "over-taxed" due to growing UC Health monies along with not needing support from UCOP for undergraduate teaching.

The meeting adjourned at 3:54 pm

Prepared by Stefani Leto, Analyst
Attest, Kathleen McGarry, Chair