

## UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)

**Minutes of Videoconference Meeting****April 4, 2023**

Donald Senear, (Chair), Marc Steurer (Vice Chair), Heather Rose (Davis), Alyssa Brewer (Irvine), Andrew Leuchter (Los Angeles), Kevin Mitchell (Merced), Peter Atkinson (Riverside), Michael Provence (San Diego), Jill Hollenbach (San Francisco), James Rawlins (Santa Barbara), Dard Neuman (Santa Cruz), Susan Cochran (Chair, Academic Council), Lourdes DeMattos (Director, Research Policy Analysis and Coordination), Theresa Maldonado (Vice President, Research and Innovation), Agnes Balla (Director, Research Policy Analysis and Coordination), Deborah Motton (Executive Director, Research Policy Analysis and Coordination), David Alcocer (Associate Vice President, Budget Analysis and Planning), Stefani Leto (Analyst)

**I. Consent Calendar**

UCPB approved the March 7, 2023 minutes and the April 7, 2023 agenda. Committee members agreed that the May 2, 2023 meeting would take place in Oakland.

**II. Chair's Announcements**

Chair Senear noted that Todd Hjorth could not meet with UCPB today as scheduled; he will meet with the committee at the May meeting. Upcoming meetings will include consultation with UC Health in May; in June, a discussion of faculty salaries and a proposed total remuneration study with Vice Provost Haynes; and in July, VP Humiston will talk about plans for ANR.

UC Berkeley submitted a proposal for a self-supporting Masters in Biotechnology program. Chair Senear noted similar programs at various campuses with long track records and good placement outcomes; he will assign the proposal to a committee member for review.

He reported that the Academic Council discussed the UC Berkeley proposal for a College of Data Science and Society (CDSS) at their recent meeting. After much discussion, the Council approved the proposal with conditions. The Senate process worked well and improved the proposal.

**III. Consultation with Senate Leadership**

- Chair Cochran provided more detail from the Council discussion of the Berkeley CDSS. If the three Compendium Committees disagree about a proposal, the Council Chair provides a way forward. CCGA had approved the request; UCPB had noted issues but approved, and UCEP had not approved the request. Council took up the fundamental question of whether the proposed College should exist and agreed that it should. Members agreed that the proposal lacked key information, notably the need for greater consultation with Berkeley faculty who were moving into the planned college; the structural viability of a single department reporting to two academic units; issues of faculty and student welfare; the proposed arrangement of academic programs in the CDSS; the absence of academic rigor and disciplinary expertise pertaining to the social sciences as implied in the title of the proposed college; and its

coordination with other units at Berkeley. Council can approve, deny, or approve with conditions. Council set conditions for approval in three areas, due by September 29, 2023:

1. Obtaining letters of support dated after March 29, 2023 for establishment of the CDSS from each of the departments and school proposed for inclusion in the CDSS along with a vote of the Senate faculty within each unit.
2. Articulating plans for the creation of a faculty executive committee within the college including faculty from the CDSS departments, school, and the AGGs.
3. Developing Senate bylaws for the new college.

This is a positive process for the Senate, even though the proposal was scheduled for a Regents meeting before Senate response, as it shows the Senate is a good partner for divisions; we are asking for the college to be strengthened, and the process resulted in straightforward communication.

In addition, this experience has resulted in changes by the Senate to campus requests for program or college approval from the Senate. Next year, the proposal writers will have to review and respond individually to each concern noted in the review of the preproposal.

- The University submitted a systemwide transfer admission guarantee proposal to the Legislature. This guarantee requires that students complete a series of courses to receive admission to a campus within the system, though not necessarily the student's preferred campus. The Academic Council Special Committee on Transfer Issues (ASCOTI) has been working with community colleges to align courses with the transfer admission guarantee. Details will continue to evolve through the legislative process. Pressure continues for the UC and CSU to have an identical transfer pathway, even though the UC requires courses the CSU does not. The additional UC requirements could present barriers to the 75 percent of transfer students who would otherwise complete transfer pathways to CSUs. UC believes that its transfer requirements, including specific requirements for different majors, are necessary to prepare transfer students to succeed at the UC from their first day on campus.

#### **IV. Consultation with OP about Research Labor Cost efforts**

Vice President for Research and Innovation Theresa Maldonado, along with Lourdes DeMattos, Director, Research Policy Analysis and Coordination, and Agnes Balla, Director, Research Policy Analysis and Coordination, spoke with UCPB about efforts to mitigate negative impacts of the recent labor agreements on grant-funded research. Federal funding agencies' budgets were already set before the resolution of the graduate student strike. Vice Chancellors for Research as well as representatives from the National Labs have been meeting frequently since the beginning of the strike action. Guidance for managing the difference between funded budgets and post-strike budgets has been in response to individual situations, rather than systematic.

Over the past few months, Federal Governmental Relations (FGR) staff from OP have met with representatives from federal funding agencies in an attempt to highlight the experience of PIs whose grants' labor costs have greatly increased. The agencies are aware of the new salaries' effects on grant budgets. While sympathetic to the impact new salary levels have on grants, the

funding agencies do not have money to augment existing grants. Individual Program Directors have the flexibility to provide additional funding on grants, and some may have excess funds at the end of the year, however, most PIs will not get additional funding.

Research leadership will convene in Washington, D.C. in June, and will meet with leadership from granting agencies. They will encourage planning in future budget requests, ask for increases in fellowships and training stipends, and length of programs. FGR anticipates these conversations will continue through the year.

In addition, FGR has drafted report language for science agencies to evaluate the adequacy of compensation for trainees and early career researchers supported by fellowships and training grants. In addition, they are encouraging the appropriator to provide additional funding for graduate research training programs, asking for a 20 percent increase to the program.

President Drake is aware of the work being done by the Research and Innovation and FGR offices, and their conversations with him are ongoing. Research Policy Analysis and Coordination (RPAC) is working on a formula for campuses to use to implement changes in pay and steps.

- Chair Senear asked about the details of problems faced by departments in meeting the requirement for annual appointments but who may have, for example, appointed a GSR for a limited time-period to match a financial award. The workgroup is addressing detailed questions on allowability of costs on federal awards.
- Agnes Balla noted the difference between efforts to address current grants' issues, and the RPAC group's focus on future calculations in grant proposals for the changed landscape of graduate student research employment.
- A committee member asked about changes in policy for current issues, such as PIs gaining flexibility in using funds to address new pay scales and administrative supplements to address shortfalls.
- Questions about fellowship monies and training grants from non-science departments, which do not match the negotiated pay for GSRs and may not be in exchange for a work product, highlighted the differences in types of graduate students and their pay and work responsibilities led to advice to discuss the issue with graduate divisions on campuses. Division VCRs are aware of non-STEM graduate students. Ad-hoc fellowship monies that are not linked to an employment contract will still be allowed.
- Equity demands may raise the question of the source of any bridge funds to address pay changes.
- A UCPB member asked that the University work to future proof efforts around this issue, so that the kind of challenges currently facing the University would be smaller. In addition, another member asked how the results of the workgroup are communicated to faculty. The response is that the workgroup members inform campus leadership, which can then inform faculty. The workgroup's advice is primarily captured in APP's FAQs, which are broadly distributed to campus leadership.
- The workgroup would be happy to respond to questions. VCRs are already talking about preparing for the next strike. The workgroup is designed to bring together those with different areas of expertise to inform APP and campuses. More preparation and information are needed, and the workgroup will likely meet for at least another year.

## V. Budget Consultation with UCOP

AVP Alcocer noted that the University is faring relatively well in the budget process; many other agencies are receiving cuts. A hearing was held specifically on the UC budget and was positive although some legislators expressed continued disappointment that the UC is not admitting every qualified California student. Efforts to provide transfer admission guarantee pathways appear to be well-received in Sacramento. The next official step in the state budget process is the governor's May Revise. The University expects to receive the five percent general budget increase from the compact negotiated with the Governor.

The agreed increases to undergraduate enrollment will be met with changes to the Budget Allocation Model (formerly rebenching). This includes adding a new 1.5 weight for students from LCFF+ designated schools and reducing weights for non-MD health sciences doctoral students to match the current 2.5 weight for academic doctoral students. The weight for MD students will remain 5. Davis has made a persuasive case that veterinary medicine is comparable in cost to MD programs, which may justify retaining its current weight of 5.

With no changes to the current allocation formula, or current weights and guardrail policy, \$82M in guardrail funding would be required to bring Riverside, Santa Barbara, and Santa Cruz to 95% of the systemwide unweighted average. Most campuses would grow at about 4.3% annually except Merced (where most new funding would, by design, depend on actual enrollment growth), UCSF (due to its corridor), and the 3 campuses receiving guardrail funding (which would grow at a faster rate). Introducing the LCFF+ students reduces the need for guardrail funding at Riverside and Santa Barbara, but increases the need at Santa Cruz. Total guardrail funding needed would decline from \$82M to \$68.4M. Combining all proposed changes, the new LCFF+ and Health Science weights reduces the need for guardrail funding to \$18.3 million, which could continue to be provided based on 95% of the systemwide unweighted average or a different benchmark/approach. Changing the UCSF corridor results in smaller annual increases compared to the status quo.

The effects of these changes on the average growth rate would vary slightly by campus. It would reduce the rate for guardrail funding, as the guardrail campuses do not enroll non-MD medical students, but the actual funding for campuses would not greatly change. It is a matter of choosing a methodology for equalization of campus funding to meet UC educational objectives. Every campus, under the combined new plan, would receive at least a three percent increase. Campus Chancellors have expressed general approval of the new weighting plan.

- Discussion included ideas for gradations among health sciences student weights. For MD programs, there are generally more faculty per student than others. Veterinary medicine has a low student-faculty ratio but has unique high costs for animal care.
- A committee member asked about costs for dentistry programs; there has been no agreement about appropriate costs for that kind of training and weights.
- A question about campuses exceeding targeted enrollments noted that at least one campus has submitted enrollment plans to OP without Senate input. For the 2022-23 year, enrollment funding was "trued up," with campuses receiving funding for their actual enrollment numbers even if they grew in excess of budgeted increases. For graduate

enrollment, a different approach taking the proposed new weights under consideration, and a more gradual change in funding based on enrollment planning is in order. It would present a gradual true-up rather than immediate. Funding for graduate enrollment would consider future campus enrollment plans 3-5 years out.

- Merced will receive a base budget adjustment that is not linked to enrollment growth, but additional funding will be linked to actual enrollment numbers. The plan is for Merced to be on the same funding program as other campuses, after some years of funding for anticipated growth, as outlined in the new MOU.
- One committee member noted that the impacts of the new graduate student worker contracts may impact the number of future graduate students. Any new plan for graduate enrollment will need to take this into account. AVP Alcocer noted that information from the Institutional Research and Planning Office will inform discussions with chancellors. Graduate enrollment targets mandated in the compact may be affected. A member of UCPB noted that earlier opportunities for faculty input would help the University plan for its enrollment future.
- A committee member asked why a higher weight for academic masters students recommended by UCPB was not considered in new weights. The idea did not gain much traction and was not considered in the weighting conversation. The chancellors and EVCs would need to consider masters level students in the future.
- The proposed changes in health sciences doctoral weights will necessarily decrease funding for schools with larger health sciences programs and lower percentages of MD students. This may exacerbate differences between San Francisco and Los Angeles, for example. UCLA might need to redirect funds from other students to continue to fund their health enterprise. In response, AVP Alcocer noted that campuses may react in various ways to a loss in total funding brought about by lowered funding for some health sciences graduate students.
- Campuses have difficulty predicting undergraduate enrollment because there are highly oversubscribed majors. How can the compact affect this kind of challenge? AVP Alcocer noted that the legislature is concerned with systemwide numbers and enrollment plans focus on systemwide numbers. Changeable enrollment on campuses that deviate from the predicted arc of enrollment may trigger reevaluations or future true-ups. The University may face a future in which the assumptions of the compact need revisiting, or campuses may average enrollment such that the compact is met.
- The ability of campuses to manage graduate enrollment will hinge in part on faculty's ability to pay GSRs. The new agreements have changed the outlook for graduate enrollment, making planning a greater challenge. AVP Alcocer noted a change in thinking for graduate enrollment, from a ratio with undergraduate enrollment to the ladder-rank faculty "ecosystem" and if the campus can enroll the proper number of graduate students for the health of ladder-rank faculty.

## **V. Campus Updates**

Professor Rose reported that UC Education Abroad Programs had dropped to 72 total participants during the pandemic and has rebounded in 2022-23 to 4100 participants. Program-specific fees were approved as some areas are more expensive to operate. The program had to use captive insurance to cover losses incurred during the pandemic and is discussing creating a new captive policy.

UC Berkeley's Chancellor and Provost visited with the campus budget committee. Most money will go to cover shortfalls created by the new labor agreements. The worst buildings will receive some money for repair. There is a budget reform process proceeding on campus.

UC Davis – the Provost released a budget letter with the budget overview for the entire campus. Prior savings targets are again being implemented. The cuts vary by college/school/administrative unit.

UC Irvine announced a budget shortfall, so Deans were told by the EVC that their budgets would be reduced by either 2%, 2.5%, or 3%.

At UC Los Angeles the CPB continues work on special projects such as the expansion campus in Palos Verdes and the Center for Immunotherapy and Immunology. CPB is working to put in place a robust process for approval and iterative review for these projects. They hope for the earliest possible consultation for similar projects going forward. The campus is shopping for downtown buildings. A lot of energy has been put into building robust roles for FEC and CPBs for FTE planning.

UC Merced's CAPRA is in the midst of the campus budget call. Discussions continue regarding the proposed Gallo School of Management. The campus has chosen a professional facilitator to lead a retreat about the proposal to create a deal among campus stakeholders.

UC Riverside's Biology building experienced roof collapse as it was being replaced. The campus received \$62M in climate funding from OP. Without Senate input, the funds have been allocated to a 50,000 square foot building that appears to be set aside for engineering and chemistry and non-Senate researchers under the climate research and business incubation umbrella. The life sciences facilities are in disrepair, so the Senate has been asking how decisions for space allocation in the new building were made.

UC San Diego CPB is discussing building new graduate housing. The CFO wants to demolish a seismically unfit residence for replacement. This would involve graduate student housing cost increases beyond that currently planned. Graduate students are opposed to this plan.

UC San Francisco faculty must make up five percent of their salary, as grant funded salary is capped at 95 percent. The CPB asked the executive council to promote the idea that the five percent should be guaranteed by the University to pay faculty for effort on University business. The administration cites faculty's success finding this money is as support for the practice, but the CPB finds tasking faculty with raising money to pay for their teaching and service inequitable. An investigation is ongoing into the distribution of chairships by gender and URM status.

## **VI. Discussion of Best Practices for Divisional CPBs**

Professor Brewer presented a summary of UCPB members' campus budget committees' interactions with their local administrations, in service of creating a best practices document. All divisions have regular meetings with their administrators at CPB meetings. The utility of these meetings appears to vary, based on the transparency of the campus budget process. Chairs and Vice Chairs sit on central budget committees, with at least some involvement in those discussions.

Finally, CPBs are generally involved with budget oversight, but there is wide variability. All members report that their CPBs would like to increase their role in planning on their campus. Generally, campuses that have increased the role of the Senate (specifically the budget committees) have usually done so in response to a negative event.

Remaining questions for committee members include: What is the basic budget model used by your campus? Most appear to have much more involvement in FTE allocations vs. base budget. What inputs are there into base budget planning on your campus? Which FTEs are under CPB oversight or input? Do unfilled FTE resulting from retirements or separations stay with their units for replacement or come back for central reallocation?

There are differences in how much direct contact CPBs have with schools and colleges. Some work directly with Deans and FECs to access budget plans. UC Davis has a set of questions they send to departments. How feasible is it for CPBs to reach out directly to Deans and FECs for information about yearly or longer-term budget plans? At Irvine, the CPB plans to implement Davis's model in the Spring and hopes to have the role of the FEC clarified to increase the utility of their input. UCPB members described their campus' practices:

- UC Berkeley is creating a new budget model. Currently, the budget is not highly transparent. The first year of a salary for faculty on leaves comes back to the Dean, and some departments have revenue-generating programs. The budget committee oversees FTE allocations and merit and promotions. Requests from Deans go to the committee, which makes recommendations to the Vice Provost and Provost, who distribute FTEs. The campus does have some privately funded FTEs, which need authorization and are the subject of current discussion. Departments have a number for the minimum FTE, and those near that floor are more likely to receive FTEs. Most FTE plans are carefully crafted and responsive to department needs.
- UC Davis has moved to divide undergraduate tuition formally among departments and schools. The Provost retains roughly 30 percent to allocate. The remaining 70% is distributed to colleges and schools according to a workload formula (60% for student credit hours, 30% degree major, 10% degrees awarded). Departments reveal their hiring plans during the annual budget review process. There are formal systems and structures for FEC involvement.
- UC Irvine has minor oversight over FTEs, and low oversight over budget. CPB has requested more transparency, but until now that has not been granted. They hope that using other campuses' experience will increase CPB's influence. A "shared responsibility" approach follows a new budget crisis. The campus now appears open to considering a best practices approach.
- At UC Los Angeles, the CPB requires that Deans document the nature of FEC involvement and certify that they have had input into the budget. The campus CFO, VC for Planning and Budget, is in favor of this practice, and most Deans seem supportive. By next year, the campus hopes to have a formal practice that all FECs are involved. The budget committee has been coaching FECs to improve the quality of their input to Deans. This year, the CPB will have a two-week window to provide feedback to the Chancellor.

- At UC Riverside, responsibility is being given to Deans for budgeting and therefore FECs should share in this. CPB has started interviewing Deans as well as FEC chairs. FECs have no financial interaction or planning responsibility with Deans. The campus needs a framework for FEC/Senate Chair interaction and a reporting structure. Deans vary in their appreciation for budget interaction.
- UC Santa Barbara's CPB is involved in FTE hiring plan evaluations, which is going well. Beginning with a fall meeting with Deans, the process for evaluating these plans is shared, continuing with the EVC soliciting CPB input. Budget planning is less transparent, with no one except perhaps the CFO having clarity on the overall budget, and whether the campus is in deficit or not. The CPB is not the only entity without information about the budget for faculty hiring; the EVC and Deans also do not know if the hiring budget is much greater than the number of FTEs planned for, or if they will experience cuts. The CPB hopes to present the best ideas for budget planning from divisions to the EVC, in hopes that a functional budget and planning model can be implemented at Santa Barbara.
- UC Santa Cruz is restructuring a budget model that allocates funds to disciplinary divisions. FTEs are separated between central FTEs for faculty and divisional open provisions (divisional are replacement, central are incremental growth). The EVC will announce the number of positions in an FTE call. The administration wants to grow the number of ladder-rank faculty. CPB reviews the requests from divisions. The campus does not yet have a budget-based model, in which Deans know their budget. But when a faculty member retires, the base salary for the position stays with the Dean, and they are generally held to fund start-up costs for new hires. However, these unallocated funds have been used by Deans as general discretionary funds. The EVC would like Deans to use these funds for faculty hires and is sweeping back unallocated provisions as an incentive until they have a new faculty member. This restructuring will create the new budget model.
  - Discussion included how self-supporting programs that pay for faculty through profits affect the process of planning for FTEs, especially should a program end.
  - Most campuses retain FTE lines in the case of retirements, but some lines can return to the center for reallocation. Those that return the lines to the center appear to have greater Senate involvement in FTE planning and budgeting. Some campuses appear to have more FTEs for their CPB to oversee; some generally stay with their department. At Santa Barbara, the EVC has discretion for FTE allocation and can reallocate them from their "home" position.
  - FEC activity seems to vary widely by campus. A member asked what enables the most active ones.

Attest, Donald Senear, Chair  
Prepared by Stefani Leto, Analyst  
Meeting adjourned at 2:59