I. Consent Calendar

Action: UCPB approved the April 5, 2022 Agenda.

II. Chair’s Announcements and Task Force on Investment and Retirement (TFIR) Update

Chair McGarry noted that the state expects a larger financial surplus than projected, perhaps increasing one-time money available for the University. Issues of interest to the committee include the legislative response to a CEQA lawsuit against UC Berkeley, ongoing effects of unionization on employment of graduate student and post-doctoral students, the efforts of the UC Health workgroup tracing funds flows, and continued problems with a new pharmacy benefits manager. Some edits were suggested for the minutes from the March meeting and a revised draft of these minutes will be circulated for a later vote of approval.

TFIR Chair Brownstone discussed ongoing discussions with the Retirement Administration Service Center (RASC) executive director regarding pharmacy benefits administration. RASC has struggled to respond to the volume of user complaints. Hiring additional staff to answer these calls likely offset potential cost savings realized from changing the PBM. TFIR has created a tool, for modeling the “retirement choice” option associated with the 2016 Tier pension plan. This tool is now available on the UCFW. TFIR will ask Council to send information about the tool to each campus for distribution to faculty.

III. Consultation with Senate Leadership

Academic Council Chair Horwitz reported that at the March Regents’ Meeting, the Regents discussed the effect of Russia’s invasion of Ukraine on energy markets and the possibility of cyberattacks on the University. Other items of interest included a proposal to double the number of Student Regents, which would require an amendment to the California Constitution. At the Health Services Committee, AVP Byington reported that contracts have been signed regarding affiliation with Dignity Health Services and Adventist Health, with negotiations continuing with the Veterans Administration, Providence, and the Indian Health Services. The Presidential Policy on Affiliations with Certain Healthcare Organizations is out for systemwide review.
Searches for a new Provost and Executive Vice President, Vice Provost of Academic Personnel and Programs, and Executive Director, Systemwide Academic Senate are underway. The Council chose Jim Steintrager from UC Irvine as the new Systemwide Senate Vice Chair.

The Entry Level Writing Project (ELWR) Task Force presented the first part of their report to Council. The report noted that both students and faculty responded positively to the ELWR and that ELWR supports equity for students. Also discussed at Council was Academic Senate Regulation 424, instituting an ethnic studies A-G requirement for freshmen admits to the University. After vibrant discussion, Council sent the proposal to BOARS for further consultation and will likely respond in fall, 2022. Council took up a letter from UCAF regarding political statements on department websites. Lively discussion led to a suggestion that departments should develop bylaws for such statements as well as processes for determining conventions around signatures, and means to not coerce those holding minority viewpoints. UCAF will revise and bring the subsequent letter back to Council.

The CEQA case at UC Berkeley is one of many factors pressuring the UC for fully-online degrees. Leadership has asked UCEP to prepare concrete guidelines for online degree criteria that would guarantee UC quality.

UCAF wrote a memo in response to student requests for mandatory course recording and permanent hybrid instruction at UCLA, supporting ADA accommodations for individual students while opposing mandated recording for all courses.

The Senate continues to push for socialization of the concept of Achievement Relative to Opportunity (ARO) in faculty reviews. The Mitigating COVID-19 Effects on Faculty Working Group’s final report provides suggestions to restart research such as bridge funding and sabbaticals. The report will be sent to the Provost and presented at the May Regents’ meeting.

The proposed Climate Memorial is the first item at the April Assembly meeting and if endorsed will be brought to the faculty for a vote.

ICAS is working to formulate a singular general education transfer pathway for California State University and UC campuses.

A second survey of faculty experiences is being finalized, and it is critically important that a high response rate is achieved in order to convey the results to the Board of Regents.

Chair Horwitz was pleased to hear that UCPB’s Hiring Trends, Rebenching, and UC Health Work Groups planned to provide reports on their findings this year.

**IV. Update on UCPB UC Health Working Group**

The UCPB Health Working Group plans to produce a preliminary report this year but expects the need for the working group and its efforts to continue at least through next year. Working group Chair Steurer provided UCPB with a description of faculty salary calculations in the Health Sciences. Some parts of the salaries are very clear cut and prescribed, while other portions are negotiated and/or associated with performance/additional responsibilities etc. As such, comparisons between faculty,
departments, and even sites are not entirely linear. Like other salaries in the system, UC Health salaries trend slightly below market. The funds flow system and setup for UCSF was outlined: UCSF Health acts as the singular intake for revenues and incomes. In return UCSF Health purchases clinical services from individual departments and pays for clinical expenses (ie. Malpractice insurance, practice costs, administration etc.). The working group continues data gathering from the individual campuses and hopes to receive data from a similar working group within the UC Health Office.

V. Budget Consultation with UCOP

- David Alcocer, Associate Vice President, Budget Analysis & Planning
- Kieran Flaherty, Associate Vice President, Director, State Governmental Relations
- Seija Virtanen, Associate Director, State Budget Relations

The University is pleased with the legislative response to the CEQA lawsuit against UC Berkeley. The outcome illustrates the potential for rapid action by legislators on issues facing the University.

Multi-year funding, or “the compact,” will be revised and should reappear in the May governor’s budget revision. The legislature appears poised to provide full marginal costs for additional student enrollment. The University requests that enrollment above prior caps receives funding before adding additional students, and hopes to switch to a model that funds actual enrollment. Without such funding, prior over-enrollment is an unfunded liability for campuses. The legislators desire aggressive California resident undergraduate enrollment growth, and campuses are in conversation with the Office of the President regarding reasonable growth targets. The budget process is expected to be extended and contain multiple revisions this year. Unfortunately, finalization of the budget does not align with campus enrollment decisions.

The state expects a greater surplus than projected. As a result, the University has revised its request for one-time funding outside of the compact amount to $1.6B. The governor had proposed $100M for UC capital spending. State revenues over a certain amount must be rebated to taxpayers, unless spent on K-12 funding or capital projects by the 1979 State Appropriations Act. Additionally, the University is advocating for the $185M proposal made by the governor for climate projects, intending that the University will leverage its resources in climate research.

AVP Alcocer noted that campuses required to enroll fewer non-resident students should receive the funding set-asides meant by the legislature to ease the impact of that policy. Other University budget set-asides cannot be treated as fixed, never-to-be-reviewed, sources. Instead, they were in many cases meant as seed funding for new enterprises, and should be respected for a fixed period of time and then repurposed for other needs.

VI. TF-ANR Update

TF-ANR Chair Kaufman views an external review of ANR a timely exercise. An early 2000 external review was not considered comprehensive enough by the Senate. Now, the influx of state money into Cooperative Extension (CE), as well as the Legislative Analyst’s Office (LAO) suggestion that the Agriculture Experiment Station (AES) part of ANR be a line item as well as CE. The Governing Council is interested in expanding AES status to two other campuses, specifically Merced and Santa Cruz. In addition, interest in Senate status among specialists continues.
UCPB asked how the ANR Governing Council regards a call for an outside review, and it was noted that the suggestion has not been formally discussed as the task force is waiting for UCPB and UCORP to respond.

A question about the fungibility of any proposed AES line item revealed that it is unclear how any line item would be administered and how much discretion the Office of the President might have to distribute such funding.

In addition, it was noted that the idea of line-item funding for AES campuses is currently a proposal from the LAO. Funding for additional AES campuses has not yet been identified.

**Action:** UCPB will confer with UCORP and Senate leadership regarding a letter calling for an external review.

### VII. Items Under Review

Vice Chair Senear provided a review of the proposed revisions to the Presidential Policy on Supplement to Military Pay, and noted that it was a change from yearly renewal to permanent funding. He did note that UC employees with military pay higher than their University pay faced several unintended penalties, and that pension service credits, dependent care, life and disability insurance can all be affected. Chair McGarry questioned how contribution to pension plans and service credit were treated.

Professor Weber reviewed the proposed Presidential Policy on UC Research Data - Second Systemwide Review. He noted three main points: The Regents own research data; a PI is responsible to know regulations affecting data; and the Vice Chancellor for Research on campuses is responsible to create local policies in response to the University policy. The policy provides a reasonable and general outline, however, all implementation is left to campuses. There remains a need to create effective local policies, including educational materials for faculty, without shifting an undue administrative burden onto researchers. Professor Weber suggested that the Office of the President create training videos to support the policy.

**Action:** UCPB will write responses to both policy revisions.

### VIII. Items for Review: Systemwide Policy Proposals and Self-Supporting Graduate Degree Programs

1. **Proposed Presidential Policy on Affiliations with Certain Healthcare Organizations**

2. **UC Davis Doctorate of Nursing Practice-Family Nurse Practitioner Degree (DNP-FNP) Proposed Conversion to Self-Supporting Degree Program**

3. **UC Berkeley Master of Climate Solutions**

4. **UC Berkeley Graduate School of Education Simple Name Change**

**Actions:** Professor Brewer offered to review the UC Davis Nursing program conversion; Professor Simmons will review the UC Berkeley Master of Climate SSGPDP;
UCPB voted to approve the UC Berkeley Graduate School of Education Simple Name Change;  
UCPB will assign a reviewer for the remaining item.

IX. Consultation with UC Health

EVP Byington noted that nearly all of her tenure at UC has been served under pandemic conditions, and also noted that her background in respiratory pathogens with pandemic potential and vaccination made her well-suited for the role.

UC hospitals are noting returns to baseline numbers pre-pandemic in terms of bed availability and outpatient visits. However, patients, on average, are now sicker and have longer stays than patients pre-Covid. Financially, hospitals have reached a financial recovery level after suffering pandemic-related losses. The UC has a financially sound health system, with revenues exceeding expenses.

UC Health is the largest academic health system in the US. It provides a substantial amount of UC’s primary revenue. Payments from medical centers to campuses have been increasing. Dr. Byington began preparing yearly Community Benefit Reports, which are required from nonprofit hospitals and are prepared to a national set of standards. Last year UC Health provided nearly $4B in community benefit.

One key element practiced by the UC Health system is leveraging scale for value. By bargaining as a system with providers, including construction providers, UC Health is able to achieve greater cost savings and better performance.

UC Health leadership now meets regularly with Dr. Byington, and are hoping to begin a systemwide strategic planning year beginning in June. Openness about financial matters and governance will be part of that planning. Dr. Byington also meets regularly with campus Chancellors, including Chancellors from campuses without medical centers.

UC faces challenges as it provides care to patients due to constraints on space and clinicians who have multiple roles outside of providing clinical care. Greater numbers of pure clinicians would increase access and availability to patients. Dr. Byington would like a vastly expanded number of UC Health clinics away from campuses, with full-time clinicians staffing them.

- UCPB asked about Dr. Byington’s goals for UC Health. Dr. Byington hopes that the UC is a good platform to support universal health care. She has three goals for UC Health as a system, articulated in January, 2020:
  1. To improve the health of all Californians;
  2. To work on eliminating health disparities and addressing health inequities;
  3. To make our programs (courses, clinical trials) more accessible to Californians and more inclusive.

- Members wondered about standardization of funds flow between the health system and campuses, and Dr. Byington noted that there is a newly hired Director of Finance to monitor funds flow and data regarding them at UC Health, the first time such a position has been created. Greater standardization should follow, along with mutually-agreed on financial data.
A question about individual health care practices being absorbed into larger systems led to the response that UC Health, like individual practitioners, operates in a health ecosystem relying on ambulatory care for hospital referrals. In the case of UC, such referrals support the educational enterprise. Other providers like Kaiser and Sutter compete with UC Health, and individual operators will continue to find providing care outside of such systems much more difficult to afford.

The chair of TFIR shared hopes for a comprehensive benefits survey of all UC employees, noting that it would provide useful data for UC Health.

A question about the importance of clinical income in supporting medical education led to a discussion about the difficulties facing Riverside’s School of Medicine and hopes for a School of Medicine at UC Merced. Strong clinical partnerships are key for successful medical schools, and like Riverside, Merced would face extreme challenges finding a clinical partner given current opportunities. Dr. Byington believes a medical school needs a budget of at least $100M a year.

X. Campus Updates

UC Davis is searching for a new Vice Chancellor for Finance and Operations. The budget committee received a report about how central campus funding is distributed. A revenue-generation task force has started work. The campus is facing a structural deficit and has put into place a first stage of reductions in response. The second stage has been put on hold.

UC Irvine has a finalist for the CFO position. The CPB is starting to review proposals for self-supporting Master’s programs and has engaged in discussion about best practices for review and ongoing assessment. A new online undergraduate business school continues to be discussed and planned. Work continues on learning about how endowments are named and the process of awarding them. The campus is discussing a new process for handing FTE allotments to departments.

UC Los Angeles has an interim Vice Chancellor and CFO, and the planned new budget model will not be implemented. The CPB is meeting to reflect on the lessons they learned preparing for that new budget model for future use.

UC Merced is engaging in creating a new Academic Plan. The CAPRA had a budget call with the EVC, based on the plan. The preproposal for the new Gallo School of Management has been sent to the division Academic Senate.

UC Riverside is interested in a legislative bill regarding funding for UC Riverside and a competing measure to fund UC Merced. The hybrid responsibility cost center budget model continues to be reformed by the campus budget committee.

UC San Diego continues to experience major challenges with the Financial Information System (FIS). The new project manager has created a priority list of problems to address. The campus will need a new Student Information System because the current one will stop working in 2024 due to a programming issue. The budget committee advocates for a different procurement process than that used for the FIS. The new North Torrey Pines Living and Learning Neighborhood is open and reviews are positive. The Eighth Undergraduate College appears to be on track. San Diego has also experienced student pressure for permanent hybrid instruction, and has appreciated the Senate’s letter
in response to such pressure for universal accommodations. The campus does not have enough instructional space equipped for hybrid instruction, nor is there clarity about who has financial or planning responsibility for retrofitting existing space. No resolution of the issue of increased costs for graduate housing has been made. A new proposal for a Division of Information Sciences has been discussed. San Diego has high transit pass costs, and restitution of the 2012 program for transit passes has been requested from the administration.

UC San Francisco’s Planning and Budget Committee is beginning in-person meetings. Gifts and endowments for chair- and professorships are under discussion. Demographic data for endowed positions has not been collected, so determining equitable distribution is challenging. The committee will attempt to collect historical data for endowed positions and hopes to start an effort for equitably awarding them once the original awardee moves on.

UC Santa Barbara has a $50M budget shortfall, so the campus is discussing using one-time funds to buy out a savings program. Both student and faculty housing are under discussion on campus. A new committee with diverse members is reviewing plans for housing. The Student Health Center will have to move to make way for faculty housing, yet there is no planned site for a new one. Summer school is being considered as a method to mitigate both financial and enrollment challenges. A campus-wide Strategic Plan is under discussion, and the group will review FTE planning. On-campus facilities costs seem extreme compared to open market prices, so the budget committee is investigating that system.

The systemwide Education Abroad program has experienced a drop in fees assessed to it, and participating students have increased in number.

Prepared by Stefani Leto, Analyst
Attest, Kathleen McGarry, Chair
The meeting ended at 3:47 p.m.