

**Minutes of Meeting
December 5, 2023**

Present: Don Senear, Chair, Tim Groeling, Vice Chair, Amani Allen (Berkeley), Robert Brosnan (Davis), Georges van den Abbeele (Irvine), Michael Emmerich (Los Angeles), Kevin Mitchell (Merced), Sonia Ramamoorthy (alternate, UC San Diego), Jill Hollenbach (San Francisco, Chair, TFIR), Juliann Allison (Riverside), Raphael Kudela (Santa Cruz), Jun Jang (undergraduate student representative), Steven W. Cheung (Vice Chair Academic Council), Shawn Brick (Executive Director, Student Financial Support), Cain Diaz (Interim Associate Vice President, Budget Analysis & Planning), David Rubin (Executive Vice President, UC Health); Zoanne Nelson (Associate Vice President for Finance and Administration, UC Health), Todd Hjorth (Director of Finance, UC Health), Stefani Leto (Analyst)

I. Consent Calendar

Action: UCPB approved the December 5 agenda, and minutes from November 7, 2023

II. UCPB Response to Proposed APM 672

UCPB had discussed previous versions of policies for the Negotiated Salary Program (NSP). The committee noted that data supporting the program's effectiveness in recruitment and retention would be most effective on a systemwide level, since relatively few faculty members participate in the program. Such data could also be used to track any effect of the policy on salary inequities among faculty. Additionally, the committee had some concerns about funds sources for any contingency funding for unanticipated shortfalls. They noted that campuses vary in level of central versus academic unit funds control. In addition, concerns about the interaction of the policy with the disciplinary system at the UC were raised by some members.

Action: UCPB approved the response letter to Council.

III. Campus Funding for GSRs

UCPB discussed ideas proposed in the interim report of the Joint Senate-Administration Workgroup on the Future of UC Doctoral Programs for doctoral program funding. Representatives from campuses that did not report in November presented campus plans to fund any shortfalls in upcoming salaries for GSRs and for TA appointments:

Berkeley has no central efforts to backstop faculty for the increased costs. Faculty want systemwide guidance as well as from the center of campus. Faculty and programs are decreasing cohort size or taking on fewer students, leading to negative impacts on research output. Within the school of public health, options are being socialized. Berkeley has relatively decentralized funding decisions, so units are adapting in different ways. Departments are bringing graduate students in at different steps, raising issues of equity. Berkeley had mandated \$34k for graduate students, so

they were already grappling with an attempt to have the money there before the students. Units do not have data on the effect on enrollment yet.

At Davis the Provost is backstopping salaries that can't be covered through federal grants for GSRs. Through the end of this school year, increased costs for graduate students in general are covered, and various committees are developing long term plans. One includes phasing out TAs in favor of lecturers with SOE, who are more cost efficient. New graduate student enrollment is mixed, ranging from units maintaining the same number of graduate students to others, such as Sociology, admitting almost none, raising the question of labor availability for employment. Impacts are likely to vary among programs.

Irvine has allocated supplemental funds, but allocations will be by Deans rather than centralized. In the long run, Irvine may decrease graduate student numbers and if this approach is taken systemwide there may be a negative effect on UC research. Balancing the budget by admitting fewer graduate students isn't sustainable in the long run. The \$2M offered by the campus administration spread across units isn't going to be enough.

UCLA is providing \$5M to cover the expected graduate student funding shortfall. It is a one-year plan, with no additional plans for supplemental funding. Application for funding requires PIs to detail their extramural funding and demonstrate that none is available for discretionary spending. The expectation is that more applications will be filled out as real data comes in next year. It appears that long term plans may involve fewer graduate student admissions, but no official communication has been received elucidating that approach.

Merced has no program to cover shortfalls in GSR support. Lower division courses have been enlarged and undergraduate students used as learning assistants to offset the cost of TAs. Because Unit 18 members will be less expensive than graduate students, the numbers may change after the currently committed graduate students move through their programs. Even though it costs the campus less to have fewer graduate students, there has been no suggestion so far to recruit smaller numbers of graduate students. No additional funding has been offered for GSRs.

Faculty at UC Riverside are not entirely satisfied with the administration's plans. The graduate college seems to be planning for fewer graduate student employees, perhaps planning to use undergraduate TAs or hiring readers. The campus will be able support fewer graduate students but continues to increase undergraduate enrollment. The administration provided a one-time bolus of funding, with no subsequent funds.

The graduate dean at San Francisco has not yet met with the faculty. Faculty expect to learn of any graduate student funding decision only after the fact. They have expressed concern with the lack of shared governance or even faculty input into funding decisions.

Santa Cruz has offered bridge funding only to units that can demonstrate that they have no available funding to repurpose. As a result, the bridge funding has been undersubscribed. The campus plans a longer-term approach of finding summer support for graduate students from the center. Faculty do not know how such summer funding would be allocated, whether need-based or uniformly to all units. The faculty have been encouraged to write more grants. The campus is experiencing a shift to more productive post docs over GSRs given uncertainty about ongoing negotiations.

IV. Senate Leadership Consultation

Steven Cheung, Vice Chair, Academic Council updated UCPB on the November Regents meeting in which there was lively discussion of the middle east situation, free expression, and campus safety. President Drake presented \$7M for initiatives to address campus unrest, Interest focused on one \$2M component to offer instruction on the history of the Middle East. Use of the term “viewpoint neutral” has raised questions about academic freedom. The President issued a clarification that his proposal was not a requirement for additional programming but there are lingering concerns.

Chair Steintrager presented remarks on competitive remuneration for faculty and pressure on faculty and staff salaries through inflation and rising health-care costs. The RFP process for the total remuneration study has slowed down and there will be Senate representation. He also spoke at length about academic freedom, while stressing values of engagement and civility.

One Regent suggested a total ban on political statements by faculty on University websites, arguing that these are owned by the UC. Concerns about this potential ban were raised by UCI Chancellor Gillman who countered by outlining unintended consequences of such an act. Additional discussion led to the formation of a committee to consider the issue rather than the Regents issuing a ban.

The Regents approved an administration plan to change retirement contributions in which employer contributions will increase by one half percent steps annually to 18 percent but there will be no increase in employee contributions. This plus additional borrowing from STIP of \$3.5b over 5 years will bring the pension to 90 percent funding in 20 years. Anything above 80 percent is generally deemed healthy for a public pension. Some Regents believe the normal cost should be split 50/50 employer/employee, but CFO Brostrom argued successfully against it. Investment returns of one quarter were flat. If returns continue to lag behind the rate assumed by the plan, there will be additional pressure for employee contribution increases.

The Regents approved a 4.2% salary increase for faculty plus 1.8% to fund merits.

UC Merced’s new medical education building was approved, and the campus is now on a trajectory to have a full medical school in seven to ten years. UCLA’s Galey Towers will be demolished and rebuilt with a four to two ratio of doubles to triples.

The Regents discussed transfer, and AB 928 and the creation of an implementation committee. The University raised some objections – “accept” in this context meaning the articulation of courses, rather than the transfer of single students. There were prioritized transfer regions, possibly creating a situation where well to do students who live near UCLA, for example, can set themselves up for easier transfer. Also language is included in the bill for a central body that would degrade faculty control of curriculum. There was also a concern whether mandating UCLA accept transfers would empower the committee to set admission requirements for UCLA.

There is now an approved Presidential Task Force on Instructional Modality. It will be composed of ten members from the administration and ten from the Senate, including a representative from UCPB. The central question before the task force is under what circumstances should the UC offer fully online degrees. Discussion of the task force focused on UC quality and costs.

The Academic Council approved the creation of a survey to query faculty about academic labor issues following the UAW agreement and the formation of an ad hoc committee on AI and education.

- Discussion included noting that in addition to the impact of the UAW negotiations on doctoral student and academic employee salaries, PIs also bear the increased employer cost of benefits, raising further the cost to grant funded investigators. These add to the context for costs to PIs – it's not just the union. Grants are zero-sum. The Council vice chair agreed, noting that faculty must be involved in labor negotiations. We need better structure to the negotiations team, and Senate Leadership will work on that. The UCPB chair noted that if PIs reduce the number of GSR's it reduces funds to support graduate education. This is a risk in the absence of a commitment to share costs so PIs can continue to train doctoral students.
- Discussion about the plan for the Merced medical school noted the constraints facing clinical training, even if the academic classroom education part can be addressed. Current commitments will not support a full medical school, so the future remains unclear.

V. Consultation About Graduate Student Funding

Shawn Brick, Executive Director, Student Financial Support, broke out graduate student support by type of support, fund source and expenses covered for academic doctoral students. Some of the costs are covered by the University; the bottom line is that if some of the charges were eliminated, such as tuition, there will be a loss to the UC. A projection of that loss was first done when the idea of waiving tuition for doctoral students was raised. Tuition is either paid by the UC, which then pays tuition back to itself, as well as through outside hard-money sources, either PIs paying it on grants or outside fellowships. The UC cannot afford to lose either of those outside sources. One alternate approach would be to continue to charge tuition to grants, thereby charging it to outside agencies, then return it to PIs so they can afford their students, thus changing tuition to an overall level of support for graduate students. There was a report examining the effect of waiving tuition for PhD students for three years which was sent to Senate Leadership and should have been part of the APC Future of Doctoral Education Workgroup. Shawn will find the report for UCPB.

The committee requested to have the information broken down by campus so members can take it back to their campuses. Showing the scale of graduate student funding coming from grants that the UC could lose if PIs don't see a benefit to hiring them would be helpful. If PIs can no longer afford to appoint students as GSRs it would result in a 40 percent reduction in PhD support across the system.

In 2021-22 there was \$201m in UC funded GSR appointments. In 2010-11 there was \$96m in UC-funded GSRs. The dollar amount of funding has increased from 2010-2011 to 2021-22, but the distribution by source has not changed much. The committee wondered why UC funds GSR positions instead of fellowships. There is data on the student levels to find out where the funding is according to student year. Executive Director Brick agreed to return next month with a breakout of graduate student funding by campus.

VI. Chair's Announcements

Chair Senear prepared UCPB for consultations with UC Health. He noted that the total Remuneration study will include Health Sciences faculty and staff. It will be the first complete study since 2009, though a faculty study was conducted in 2014. He noted that some in the

administration have questioned whether the Comp 8 is still the appropriate benchmark for the UC, while the Senate believes the Comp 8 is the most valid comparator set, if for no other reason than continuity.

Online degrees continue to be of interest; the Regents remain unhappy about the Senate's revision of SR 630 to the point that some have threatened to overturn it to make online degrees possible although the discussion was couched in terms of the Senate overstepping the bounds of its authority. Chair Senear noted the charge created for the online degree joint task force set up by President Drake.

- Committee discussion noted that fully online degrees have poor graduation rates and yield heavy student financial burdens.

VII. Budget Consultation with UCOP

Cain Diaz, Interim Budget Director, noted that the Regents approved the President's budget request for the year. The budget staff used feedback from UCPB in breaking out the increased cost of represented academic employees, making clear the effect of the new graduate student union agreements as they prepared the budget request. The Graduate Student Association is concerned that graduate fees will be affected by the increased cost of the contract. Regent Park supports graduate fees covering the increased costs of the contract, so Professional Degree Supplemental Tuition fee increases are reasonable, given rising costs. PDST are around \$400 million of core funds budget but must be used for the benefit of the program.

To calculate the increased cost for represented academic staff the total number of the academic employees funded by state funds in each bargaining unit was multiplied by the contracted compensation increases. UAW represented employees account for about ten percent of total staff compensation expenditure but will receive a 16 percent increase so yielding a disproportionate increase compared to the other bargaining units. Future contracted annual increases of three to four percent are more moderate but will be applied to the much larger new step base. In each of the last two years, the entire contractually committed cost increase was approximately \$40M total; the UAW contracts will add \$20M to this, and the overall increase for represented staff is about \$90M. The expense side includes the enrollment growth consistent with the compact.

On the revenue side, the University counts on the five percent increase to the state allocation in the compact, and the increased tuition from the stability plan. The tuition increase is capped at the five percent for undergraduates. The increase in graduate student tuition (also capped at five percent) is four point two percent based on the three year rolling average inflation. The budget accounts for growth of approximately 200, non-resident students at campuses that are below the 18 percent cap. There is some question whether the state will continue to buy out nonresidents at the three campuses that exceed 18% once the compact has expired. Future cuts to the UC budget may prompt increases to NRS admissions on campuses below the cap.

The operating budget is once again in deficit, even though it reflects one of the better recent systemwide financial outlooks. Rising costs outpace a good revenue outlook to generate a \$70M systemwide deficit. Campuses will report operating deficits that in aggregate will exceed the systemwide \$70M reported. This is because campuses have varying definition of core funds that differ from the systemwide definition, for example by including self-supporting programs and other revenue-generating enterprises. Campus operating deficits will be covered in part by campus reserves, which vary by campus and are only about 15 percent unrestricted. Individual campuses may make different choices in addition, e.g., hiring freezes, using investment reserves, taxing

carry-forwards, etc. The lack of a uniform definition of core funds and variable methods used by campuses to fill the gap in core funds from the state lets the legislature off the hook for fully funding the core operations of the campuses.

The state revenues accounted after the 2022 income tax deadline on November 16 are lower than anticipated. The LAO states that the revenue outlook expects collections to come in \$52B below from 2022-25, about \$26B of it is attributable to 22-23. The governor and legislature remain committed to the compact but expect no one time funding. The LAO anticipates an upturn after 2025. The state “rainy day” reserve fund is \$31 billion, and they have not had to tap it so far.

VIII. Consultation with UC Health

David Rubin, new Executive Vice President, UC Health, joined the committee to discuss his vision for UC Health. He noted that the committee is asking all of the right questions about the \$2.3B in reported funds flows between UC Health and UC campuses, including the positive effect of the input from UC Health to those campuses with medical centers, the extent to which these funds support the academic main campuses, and whether most is spent as faculty salaries in clinical departments. In addition, UCPB is interested in the strategic goals of UC Health, particularly its plan to expand across the state. Finally, UCPB wonders in what way academic appointees located far from any campus will contribute to the academic mission of the UC.

Dr. Rubin is currently appraising the appropriate role for UC Health. He notes that it provides convenient, affordable, accessible care for our students and employees, and those in danger of being left out of health care. Network access is the second pillar. In the past, academic medical centers could rely on referrals. More recently, for-profit companies threaten the viability of academic systems. Creating a larger and more geographically dispersed primary care network is necessary to generate referrals to the hospitals. The proportion of the funds flowing into the UC is likely to grow.

Fund flows to the undergraduate campuses may depend on the campus, the chancellor, and their relationship to the medical campus. Dr. Rubin acknowledges that the academic mission can be at risk if the UC Health network is at risk. CEOs are turning away lots of would-be users because of capacity, especially in rural areas. Sutter and Kaiser aren’t taking these people so how do we create access? Medicaid’s increasing penetration is creating underfunded levels of care especially as other networks deprioritize care of those patients. Network access is key, and Dr. Rubin and UCPB discussed the pressures of increasing network access given the UC’s concerns about how affiliations with hospitals with ERDs will work in practice. If the UC cannot help distressed hospitals elsewhere, the UCSF hospital becomes overwhelmed and patient access to care is harmed. He plans to continue discussions in the topics that have generated strong feelings and concerns that UC Health is not centering UC values.

He noted that health insurance would continue to be an area of delicate negotiations, especially given experiences where UC community members lost access to care because of insurer negotiations.

The Riverside SoM is running out of money even with the \$40M set aside from OP. They need a medical center. The southern part of the state is going to have to work together, and the other UC Health centers will have to step up. For-profit health sciences professional schools are moving in and paying hospitals for training slots. Decisions are being fast tracked to allow reliable training access. Medical schools must have GME training sites. By focusing on network access, having

those conversations early will make decisions easier down the road. UC Health convenes local entities to the conversation and supports due diligence around decisions.

Before Covid, UC Health was composed of independent campus systems. Growing awareness of interdependence and mutual responsibility and different methods of supporting that are leading to a more federated system. Dr. Rubin sees his role to provide a system view that individual UC Health centers do not. The President and Regents are the final decision makers. The future will require much diplomacy.

The final tension is how academic focus remains if UC Health is 60 percent of campus resources and Dr. Rubin says if the UC is 60-70 percent leveraged on its health system, the danger is if the health system fails.

IX. Self-Supporting Degree Proposals for Review

UCPB discussed a member-produced review of the proposal for a UC San Francisco Master of Science in Artificial Intelligence and Computational Drug Discovery and Development self-supporting graduate degree program. The program will cost \$75 thousand initially and increase three percent annually after the first few years. There are no comparable programs, so it is well-poised to create graduates with unique skills. The program plans to enroll ten students initially, with a steady state of 15 anticipated. The first year has a deficit which will be covered by the Dean using discretionary, non-state funding. No negative impacts are foreseen on any state supported degree programs. If anything, this program will add new expertise to the campus. Two hires are planned, a full-time program director, and one full-time core faculty member. Other faculty members from various programs will teach on overload.

The program plans to focus recruitment efforts to ensure a diverse class. It expects to partner with industry to create fellowships to pay students for the two final quarters. Because the job market for these skills is robust and industry interest is high, there is a strong likelihood of success. UCPB agreed that this program was well-planned and recommends approval.

Next, the committee discussed a member-produced review of the proposed UC San Diego Master of Advanced Studies (MAS) in Physician Assistant Studies program. The proposal is exciting, filling a key gap as there is a projected 20 percent shortage of primary care providers for San Diego and Imperial County. Physician Assistants can perform 80 percent of the duties of an MD so training more will help address this very real need.

While the need is clear, the budget for the proposal is not. Tuition is listed as \$113k in the initial proposal, below the median for other PA programs. Grad Council noted that the UCSD program be commensurate with Davis, Stanford, and USC, and those programs have tuition averaging \$118 thousand. The San Diego proposal indicates a \$17 thousand per quarter charge, which would be \$170 thousand. Two budgets were attached to the proposal. Should the program wish to, they could use UC Davis as a model since their physician assistant program is successful. UCPB cannot assess the proposed program without clarification of the budget.

The targeted enrollment is 30, rising to a steady state of 90. It is proposed to be self-supporting by end of year three, possibly based on a bequest. No information about IDC was included in the proposal. They propose to return 100 percent of profit as aid in years one through three and 60 percent of profit in year four. Apparently, the program has been given a loan of \$3M against a \$7M bequest. The relationship between the loan and bequest, and repayment plans are unclear.

The program anticipates having no negative impacts on state supported programs. However, the SOM faculty will be teaching onload and labs will be borrowed from health sciences programs without indication of who is paying for these teachers or labs.

The committee had a question about the time allotted for faculty FTE per week, with six advisees per cohort, faculty would have 25 hours of advising by the end of the cohort. .5 hours per week are allotted for mentoring. It is unclear that they have an adequate number of faculty to support that cohort size.

Diversity is one of the pillars of the training model. The program detailed diversity outreach and recruitment plans and many plans for applying for scholarships for URM students. Skill levels would vary among students based on prior experience which raises a question of access to those with lower skill levels. There are no clear paths to bring students up to higher skill levels. The special level courses to improve preparation may impact belonging of students if they appear to be tracked to a lower skill level. The offer of subsidized housing for ten of the first cohort can support diverse students, but there is no plan to extend the same support to following classes.

UCPB believes that the program, with a coherent budget and updated timeline, would be an asset to the UC. The committee suggested that CCGA return the program to the campus to answer UCPB's questions then return it for further consideration.

Prepared by Stefani Leto, Analyst
Attest, Donald Senear, Chair
The meeting ended at 4:01