

**UNIVERSITY OF CALIFORNIA ACADEMIC SENATE
UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)**

**Minutes of Meeting
January 9, 2024**

Present: Don Senear, Chair, Tim Groeling, Vice Chair, Amani Allen (Berkeley), Robert Brosnan (Davis), Georges van den Abbeele (Irvine), Michael Emmerich (Los Angeles), Julian Emmons Allison (UC Riverside), Terry Gaasterland (San Diego) Jill Hollenbach (San Francisco, Chair, TFIR), France Winddance Twine (Santa Barbara), Raphael Kudela (Santa Cruz), Jun Jang (undergraduate student representative), Jim Steintrager (Chair, Academic Council), Steven W. Cheung (Vice Chair Academic Council), Nathan Brostrom (Executive Vice President), Cain Diaz (Interim Associate Vice President, Budget Analysis & Planning), Seija Virtanen (Associate Director, State Budget Relations), Kathleen Fullerton (Associate Director for Strategy, Planning and Operations, State Governmental Relations), Shawn Brick (Executive Director, Student Financial Support) Stefani Leto (Analyst)

I. Consent Calendar

Action: UCPB approved the January 9, 2024 agenda, and minutes from December 5, 2023

II. Chair Announcements

Chair Senear presented a plan for today's meeting, noting that the Governor's initial budget proposal is due tomorrow. He requested feedback on the interim report from the Academic Planning Council on the Future of Doctoral Programs next month. Today UCPB will discuss graduate funding disaggregated by campus and discipline. There continues to be a gap between expected cost increases for graduate student workers and campus offers to supplement those costs.

- The committee discussed UC San Diego's direct admission program for doctoral students as well as their two-semester teaching experience academic requirement for those students supported as GSRs.

III. Consultation on Doctoral Student Funding

Shawn Brick, Executive Director, Student Financial Support shared data on graduate student support for 2021-22 and promised updated 2022-23 data by the next UCPB meeting. Data for 2023-24 reflecting the full effect of the new contracts will not be available until November 2024.

- Discussion centered on the lack of data capturing the distribution of percent appointment and step for current doctoral student, versus assuming all will converge at 50 percent of Step Four. The University has to compete with well-funded private institutions, and creative ways of supporting graduate students are going to have to be found to attract the best candidates.
- A mechanism to offset the increasing costs may have to be found to incentivize PIs to continue to support doctoral students on grants. Tuition remission paid from fellowships rather than grants might be one way to ease that burden.

- It was suggested that eliminating NRST for doctoral students would allow academic units to support more resident graduate students. NRST collected by the campus provides funding that the campus can return to the academic units as block grants for doctoral support, so eliminating NRST makes some sense from a departmental point of view but less from a campus view. Non-resident graduate students are essentially more expensive labor under the first view. There is some concern that focusing heavily on Cal State and UC graduates for graduate admissions without room for outstanding out of state or international students may depress quality of graduate classes. It was noted that the total NRST collected from external fund sources is only \$24M, raising the question whether this small amount justifies the strain on grants and potential effects on graduate student quality.
- It was claimed that international students are paid the standard rate for GSRs, which lowers the cost for them. This approach may help departments admitting students directly to labs more than those admitting using a more traditional model.

IV. Senate Leadership Consultation

Jim Steintrager, Chair, Academic Council, and Steven Cheung, Vice Chair, Academic Council reported on the pressure coming to bear on the Senate's campus experience requirement. Chair Steintrager expects SR 630 to be presented to the Regents at the next meeting, and they may address the delegation of authority to the Senate. The joint administration/Senate task force on online education is ongoing, with an interim report due in April and a full report done by the end of summer. Proposed changes to admissions requirements for Areas C (math) and H (ethnic studies) continue to be of interest.

Discussion about political statements on departmental websites is ongoing. The Regents own the websites and may wish to ban all non-factual postings on UC websites. The Senate has provided suggested guidelines and best practices for departmental website posting.

The governors initial budget proposal will be released tomorrow, and the UC can then evaluate its likely effects.

Feedback on the APC Task Force on Doctoral Education is still solicited, and the committee should take time needed to provide quality feedback.

Real estate acquisitions by UC Health appear to be increasing, and as UC Health is poised to make up 50 percent of the UC budget, these changes should be watched by UCPB.

Vice Chair Cheung does not expect renewed calls for increases in employee contribution to UCRP for the time being but warns that the issue is likely to resurface if investment returns remain flat.

- A member asked whether the Regents will wait for the outcome of the Total Remuneration Study before taking up any increase in UCRP employee contributions. The issue may still come up in the November 2024 Regents meeting, and if investment news is negative at that time, pressure may indeed increase. The perception that UCRP contributions should be equal between the University and employees appears to remain a minority viewpoint on the Board. The UC approaches this issue differently than other State institutions. Calls among the Regents to charge employees varying rates based on income has faced some legal scrutiny, as has different contribution rates for represented and non-represented staff.

- New UC employees are still defaulted to pension choice. TFIR believes that all should be defaulted to savings choice given a new TFIR analysis of average years of employment. Especially among UC Health employees, where shorter terms of employment are more common, defaulting to the pension choice is not the most advantageous approach for them. TFIR will once again approach the administration with the new data.

V. UCPB Responds to Proposed Revisions to Academic Personnel Manual (APM) Section 285, Lecturer with Security of Employment Series

Action: UCPB voted to approve the new language in the proposed revisions and include commentary in the response.

The LSOE series was changed in 2018 to create a series that made a parallel structure for teaching professionals. The proposed change is to add the title of Professor of Teaching to the series. Revisions made in 2018 revised the review criteria for the series, but retained the previous criteria for those appointed prior to the change as an appendix for a transition period until June 30, 2023. . “Professional achievement and activity” in the pre-2018 review criteria has been replaced by scholarly activities that seem to emphasize research in pedagogy rather than the discipline in which they teach. This may change the balance of instructional delivery in some departments. UCPB was asked to comment on this issue and any concerns it raised.

- Some departments report changes in the research taken on by teaching faculty. Discussions have included what percentage of research is appropriate to expect from members of this series.
- Faculty who were appointed to this series to serve as Directors of programs and centers may not be able to continue counting that effort as their research output.
- There is confusion in many departments about how to apply new criteria to their members. Prestige hierarchies and struggles with changed conceptions of scholarly prestige play into this discussion.

VI. Self-Supporting Degree and other Proposals for Review

1. UCLA Master of Science in Medical Physiology – Reviewed by Professor Hollenbach

The program’s stated goal is to provide a gateway curriculum to careers in the health sciences and biotechnology as well as a bridge program for students to increase their odds of admission to medical school. UCPB was unclear how the program would be beneficial other than to help students into medical school. The program has 48 units over two years, culminating in a bioinformatics capstone. It is unclear how this program serves the needs of students interested in biotechnology careers more than one of the many lower-cost bioinformatics programs.

The target student body is those who have already completed a STEM degree. Tuition is quite high, with anticipated revenue of just under \$2M in the first year, increasing to \$3m in year three. Although an indirect cost rate of 26% is presented per OP requirements, the program suggests that UCLA will charge directly for administrative services resulting in a recharge fee estimated to be just under five percent.

The program proposes to use lab and classroom spaces when otherwise not occupied by state-supported programs, but there is no indication of payment for these state-supported

facilities. There were no responses to previous critiques from campus reviewers except on the cadaver issue. The program proposes to use cadavers to teach human anatomy left over from a state-supported program when it is finished with them. Concern was expressed about the quality of previously dissected cadavers available to the proposed program and whether the no-cost acquisition reflects their value to the students.

By year five, \$1.3M is projected to be available for reinvestment and will be used to improve laboratory spaces used by this and state supported programs, and for start-up and recruiting packages for faculty, especially URM faculty. Ten percent will provide financial aid for URM students. Other than requesting philanthropic donations, no other aid proposals are outlined. Other than these benefits, no other benefits accrue from this program to the state-supported programs.

Teaching will be provided by Senate faculty on overload, limited to 20 percent effort. Faculty will be paid the lesser of their regular salary pro-rated for percent effort, or a maximum amount set per course pro-rated for the fraction of that course taught. Clinical appointees from the medical school will teach on load but there is no indication of how the self-supported program will pay that.

This program is at the highest end of the cost range for comparable programs, including the \$18,000 per year program at UC Riverside. Comparably priced programs are found outside of California, at Tufts and Brown. A debt-to-income analysis that is presented considers only the cost of tuition. Given the cost of living near UCLA, this seems disingenuous. No discussion of out of state/nation versus California students is presented.

The campus review noted negative impacts on equity in training in the medical fields. The program does not appear to have value for students except to increase the chance of admission to medical school.

Individual comments offered during the discussion included:

- Even noting the emphasis on professional development, it seems questionable whether the curriculum will on its own lead to better employment opportunities
- It risks appearing predatory by promising outcomes it cannot credibly deliver, in terms of employment, while likely overstating its utility for medical school applications. The value provided does not seem in line with the costs of the program.
- This program might work as a fifth-year master's program, to raise a gpa for medical school application. But such programs exist at much less cost. The program would have to be restructured to meet the committee's criticisms.
- There are very serious problems with pipeline/diversity issues; at the high price point and low return (except for possibly enhanced medical school admission chances), it seems a bad return on investment, especially for less-financially resourced students.
- The curriculum is similar to an undergraduate STEM major, which even when taught at the master's level, does not add appreciable skills for students.
- The program will not pay for classroom space or laboratory equipment, which is counter to the spirit of a self-supporting program.

UCPB agrees to convey its concerns to CCGA. Chair Senear will circulate the comments in written form for email endorsement.

2. UC San Diego School of Computing, Information and Data Sciences Proposal – Reviewed by Professor Kudela

UCPB noted that it was positive about this proposed school in its review of the pre-proposal last year. The current full proposal addresses the request from last year for greater detail about governance and engagement with the new School from varying areas on campus. This will standardize the undergraduate data science degree.

The new school will be created by combining the Halicioğlu Data Science Institute (HDSI) and the San Diego Supercomputer Center (SDSC) augmented by formal affiliations with several other academic units. It will be led by a newly appointed Dean reporting to the Provost, and separate directors for the two founding institutes. It was noted that transforming the program from a highly multidisciplinary focus into a school with a data science focus must be navigated carefully in order to maintain relationships with faculty outside of the School and maximize learning opportunities for students.

The School is not scavenging from other parts of the campus and so offers real opportunity for growth. Growth projections are based both on educational trends and the ability to draw students who will want a data science component to the degrees they will earn in other disciplines from other parts of the campus. Growth trajectories of data science programs at other institutions including other UC campuses indicates that their growth projections are likely to materialize. This growth and the anticipated space needs have led to a campaign for the campus to build a dedicated building. Enrollment growth will have to be managed carefully. There is concern that if faculty recruiting is unable to keep pace with enrollment growth, it will lead to an increase in the use of lecturers for instructional delivery.

Earlier reviews had indicated dissatisfaction with the ethics component. In response a mandatory ethics class has now been added to the undergraduate program as a required part of the capstone; the graduate programs have robust ethics requirements.

Research faculty in the SDDS will not have additional teaching requirements. The endowment is a true endowment from which the program will realize ongoing revenue. It is unclear if there are self-supporting graduate programs intended.

Action: UCPB approved the proposal.

VII. Budget Consultation with UCOP

Nathan Brostrom, Chief Financial Officer, Cain Diaz, Interim Associate Vice President, Budget Analysis & Planning, Seija Virtanen, Associate Director, State Budget Relations and Kathleen Fullerton, Associate Director for Strategy, Planning, and Operations, State Budget Director joined UCPB and provided a budget overview.

The Governor's budget, announced tomorrow, comes at a time when the LAO projects one of the largest multi-year budget shortfalls for the state, roughly \$68B. The 2021 tax revenue was among the largest in the state's history. Much of the increase was spent for ongoing costs for state agencies. This increase was based on high numbers of IPOs and home sales. In 2022, based on interest rates and lack of investment funding, these activities and state revenues dropped. However, gains in the stock market at the end of 2023 may mitigate some of these projections. The state has also changed from cash outlays to debt restructuring.

The DOF projects a less-dire deficit than the LAO, but if there is a deficit during the current year, the budget will have to be revised and balanced. This will likely occur from changing within-agency budgets, with any reductions in a later budget.

State reserves in the rainy-day fund, are about \$37.7B, of which \$10.8M is reserved by statute for K-12, and \$900M for health costs. The remainder is available. However, these reserves can only be accessed if the Governor declares a fiscal emergency and limited to 50% of the available funds in a given budget year. Thus, spending of these funds is limited to about \$11B. Most of the legislators are new and do not have extensive experience of large budget cuts. Borrowing from other special state funds, such as the bottle return fund, is another method the legislature has available.

A General Obligation (GO) Bond is hoped to be on the next ballot. The 2020 failed ballot effort may have had causes that no longer obtain and the University hopes to have a successful election the next time. The Glazer bill has \$15.5B proposed for K-higher education; there are some concerns that voters will feel that it is too large. Another bill, the Muratsuchi bill is K-14 for \$14B.

The UC has moved to acquire space like the UCLA purchase of the former Westside Pavilion shopping mall and the Trust Building in downtown LA. The former will be used for the new Institute of Immunology & Immunotherapy and the Center for Quantum Science and Engineering. The practice of taking on debt to purchase real estate raises the question of community hospitals. If previously these hospitals could not function financially, how could UC Health expect to run them without deficits? In response, upcoming planned acquisitions were characterized as not “distressed” hospitals, although they are underutilized. Long term strategic expansion as well as providing space for our current patients were both cited to suggest that these acquisitions are wise choices. There are costs beyond pure financing, such as absorbing new employees as well as adding risk, that campuses will have to address to acquire hospitals.

The set-aside commission met over several months and finalized a set of recommendations to the President. The commission restrict itself to review only self-imposed earmarks and not those imposed by legislative action. The committee also did not consider those earmarks subject to cost adjustment, which is the largest category of funding. This reduced the ones reviewed from over \$800M to less than \$400M. The final recommendations would move roughly \$100M distributed to campuses as earmarks, to distribution via the regular enrollment model. The largest component of this is the fixed earmark of currently \$15m to each campus. A recommendation would also establish a priority fund from which the President could select programs to fund, providing a path to fund new priorities and to possibly eliminate set-aside funding for others.

The University has added 35,000 beds of undergraduate and graduate housing over the last decade, bringing the total to 113,000. Overall this has only kept up with enrollment growth, leaving the total percentage of students housed at a systemwide average of 39 percent. However, the availability of student housing is highly variable across the campuses. UCLA and UCSD can offer four-year housing guarantees, while UC Berkeley houses the lowest percentage of its students. A revolving zero percent loan fund will be tapped to create housing at the campuses with the greatest needs. Some joint projects with community colleges will help both with housing and transfers, as the planned housing at Riverside and Merced will be on campus, increasing campus interactions with community college students. UC Santa Barbara has a new traditional dormitory planned. Graduate student housing is important to help

address financial concerns, but state tends to focus more of its attention on undergraduate housing. Faculty housing remains below the needed level, and the commercial lending market that new development relies on has been problematic, leading to a possible UC role as a commercial lender to make some of these projects go forward. Changes in the real estate market and the future of work may enable useful purchases of existing developments for the University.

Prepared by Stefani Leto, Analyst
Attest, Donald Senear, Chair
The meeting ended at 3:12pm