

UNIVERSITY OF CALIFORNIA

ACADEMIC SENATE

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET

**Minutes of Meeting**  
**Tuesday November 14, 2006**

**I. Chair's Announcements**

Chair Newfield welcomed members and reminded them that Professor Charles Schwartz (B) will be joining the committee in the afternoon as part of the discussion of budget issues. It is hoped that UCPB can develop some working recommendations for the Academic Council to consider at the end of this month.

*Assembly update.* At its October 11, 2006 meeting, the Assembly approved three resolutions on research funding, which were forwarded to President Dynes for submission to the Regents. The previous Senate statement on this issue maintained that a unit of the university may not ban funding based solely on its source. The funding issue was raised again this fall in light of a U.S. District Court finding that major tobacco companies were in violation of the RICO Act. The Assembly, in response to the Regents' request for Senate input on the matter, passed three resolutions that affirm the primacy of academic freedom. The statements have, though, been variously interpreted as to whether tobacco funding should be banned.

At the same meeting, the Assembly approved a revised ACSCONL statement on UC faculty interactions with the labs, which UCPB discussed last month. The statement was endorsed with an additional point that would require ACSCONL consultation with Senate committees and a process of co-drafting lab policies with the Regents.

*Academic Council update.* At both the September and October Council meetings, President Dynes and other senior OP managers described what is being called the "power of ten" vision for UC. This notion is to build on the individual strengths of the campuses within a coherent, interconnected whole, the central idea being that of the whole is greater than the sum of its parts. This notion is generally supported, and is meant to guide current planning efforts and sharpen UC's competitiveness. The October 25 Council meeting included discussion of: recruitment and title for the new senior management position for business operations; the faculty salary lag, and the planned breakdown of employee-employer contributions to UCRP, which Council believes should be a 2:1 ratio from the start. In addition, Council discussed a planned joint study on diversity with Student Regent Ledesma. UCPB's submissions – a request for Cal ISI budget information, and a letter recommending that the OP budget function remain under Academic Affairs -- were both endorsed.

*Task Forces.* Chair Newfield has been appointed to a Regents Task Force looking at alternative funding options, and to a joint working group on funding faculty salaries.

**II. Consent Calendar**

**Action:** The UCORP report "Institutional Review Boards (IRB) at UC: IRB Operations and the Researcher's Experience", and the UCEP/CCGA "Proposal on the Role of Graduate Students in University Instruction" were taken off of the consent calendar for immediate discussion.

**Action:** The consent calendar, with the exception of the two items noted in the previous action, was approved.

**UCORP report “Institutional Review Boards (IRB) at UC: IRB Operations and the Researcher’s Experience”**

**Discussion:** Several members found the report’s language too mild regarding how research design of social and behavioral science protocols can be skewed by the use of a biomedical review model. One member offered an example of how the process of getting informed consent, in this case for research on public schools, biased the samples. Members agreed that the problem is not just one of inconvenience in meeting IRB requirements, but of distortion of the research process. It was also suggested that UC should take action to try to change the federal regulations, and that campuses should create separate IRBs for the review of social and behavioral science protocols.

**Action:** Analyst Foust will revise the draft letter to reflect today’s discussion and circulate it to members for approval before submission to Council. The recent AAUP statement on IRBs will also be circulated.

**UCEP and CCGA Proposal on the Role of Graduate Students In University Instruction**

**Action:** Member Norm Oppenheimer will draft short response to the proposal that will be vetted by email for submission to Council.

**III. Items for Committee Comment and Assignment of Lead Reviewers**

**Issue:** UCPB will determine its review of these two items:

- Proposed Guiding Principles for Professional School Fees
- UCAP Proposed Modification to Academic Personnel Policies (APM) 220-18b, (4) {Advancement to Professor Step VI and Above Scale}

**Action:** Members Stan Mendoza and Norm Oppenheimer will be lead reviewers of the Proposed Guiding Principles for Professional School Fees, and will draft a committee response that will be vetted by email for submission to Council by December 8.

**Action:** UCPB will offer no comment on UCAP Proposed Modification to Academic Personnel Policies (APM) 220-18b, (4) {Advancement to Professor Step VI and Above Scale.}

**IV. Recommendations of the Joint Senate/Office of Research MRU Workgroup ,  
Ted DeJong, Norman Oppenheimer -UCPB lead reviewers  
Cathie Magowan, Director of Science and Technology Research Programs and  
Initiatives**

**Issue:** The joint Senate/Office of Research MRU Workgroup has submitted for Senate review its recommendations for defining and funding MRUs. Responses are due to Council by December 7, 2006.

Director Magowan reported that the total Office of the President budget for MRUs is about \$30 million. On average MRU funding is leveraged at about a 6 to 1 ratio, which is in addition to campus matching funds. MRUs have up to this point been reviewed in 15 year

and 5 year cycles, and almost always have received very good reviews accompanied by requests for enhanced funding. It is very seldom that an MRU is disestablished, so funding has been tied up with existing programs. Thus, supporting new research initiatives has been a perennial problem. Moreover, across the board cuts to research have depleted overall support to MRUs. This joint group was formed to discuss ways to support a vital multicampus research enterprise at UC and to develop a strategic implementation plan to invigorate the MRU portfolio, support emerging collaborative research areas, and increase resources for multicampus research. The group met twice last year and developed recommendations for: new MRU taxonomy; establishment of an MRU advisory board; and a finite funding plan. The recommendations have been discussed with MRU directors, most of whom saw value in the proposals. Much of the substance of the recommendations is based on or reflects earlier Senate proposals. How facilities should be treated is one particular consideration. White Mountain, for example, is a widely used and important systemwide facility, but requires a great deal of physical maintenance. The group embraced the idea, set forth in UCPB's 2003 report, of re-categorizing MRUs by function, but suggests different nomenclature and couples grants and conferences in one category.

### **Discussion Points**

#### Removing FTEs from MRUs:

- When CalSpace was disestablished, some felt that a portion of the FTE should be retained at the MRU to help with transition. OP should not be paying for researchers who don't teach.
- IGPP FTE teach and participate fully as faculty in other ways, although the assumption of lifetime tenure should be questioned.
- Campuses assuming FTE would free up money for other programs.
- OP should regain the FTE when someone leaves; incumbent faculty could be protected, though, by granting them five years for the transition.
- It's really the chancellor who benefits from the MRU having FTE. MRUs shouldn't be pitted against the Office of Research.

#### Definition/taxonomy of MRUs

- In its 2003 report UCPB looked at defining MRUs and maintained that a true MRU should work for benefit of system as a whole.
- IGPP is trying to be more multi-campus/inter-campus. It receives massive grants that benefit all campuses. The main concern is to retain infrastructure funds.
- UCOP needs to take a stand on facilities, either fully supporting them or not at all.
- There was general consensus in favor of the recommendations to UCPB members agreed

#### Funding and oversight

- The goal of recycling funds into new initiatives will be the hardest to achieve.
- A certain percentage of OR funds should be set aside for new initiatives. Is OR willing to move to move to 50% seed money?
- OR's budget is static; a feasible plan for augmenting it is needed, which could be tied to ICR.
- The proposed advisory board should have faculty input as the key component, but not create an extra burden for senate committee members.

- Will the advisory board have the power it needs to change the budgetary climate. Perhaps a joint task force would be more effective, with direct reporting to the Senate committees.
- A revolving fund or endowment for the MRUs should be explored.
- OP is better at seeding programs, campuses better at developing them. But campuses will want to keep the money, so there has to be a formulaic way that funding is phased out.

**Action:** A revised draft response to the MRU recommendations will be circulated for committee approval.

## **V. UCAP “Synopsis of the Present Status of the UC Merit and Promotion System and Principles of and Policy Recommendations for UC Faculty Compensation”**

**Issue:** UCAP’s report “Synopsis of the Present Status of the UC Merit and Promotion System and Principles of and Policy Recommendations for UC Faculty Compensation” is under Senate review. Comments are due by January 10, 2007. UCAP is responding to the growing concern that only a minority of UC faculty are actually being compensated according to the published salary scale system, and the original intent of off-scale salary increments is not being met. UCAP recommends a return to a more regulated, rational, and transparent salary structure, and offers principles and policy recommendations, along with implementation steps for so doing.

**Discussion:** Members made a number of suggestions for revising the language of the principles and proposed policies. Regarding Principle #1, a member questioned whether restoring the salary scale is the highest priority. Another member saw a “common market” as unrealistic, and suggested that steps be set within salary ranges and promotions reviewed by CAPs to create a transparent process. Responding to that suggestion, another member felt ranges would offer no solution, since faculty would always go for the highest level. Other objections to the report were that dividing compensation by discipline doesn’t work without having the relevant numbers; and it is premature to propose restoring the scale without there being committed funds. It was suggested that the report include a description of the function of the step system, which is to promote with regard for professional achievement and to keep faculty advancing without their having to negotiate deals or get outside offers. Members agreed that recruitment needs have to be worked out in concert with salary equity for longer-term faculty. There was general support for policy recommendations #2 and #3.

**Action:** Chair Newfield will draft a memo expressing UCPB’s support of policy recommendations 2 and 3, and its significant differences with the proposed principles.

## **VI. Budget Issues**

- 1. 07-08 Budget presentation**
- 2. Budget Priorities**
- 3. Futures Report – follow up recommendations**

[UCPB discussed these three items together.]

**Issue:** UCPB is considering next steps for following up on the Futures Report, and how to respond to the Council’s request for budget priorities.

Chair Newfield brought to members' attention the list of Regent's budget priorities that is included in the 07-08 UC budget request. The long view of UC's state funding is usually described as going up when the economy is good, and down in parallel with economic slumps, although in the process regaining losses. In reality, UC is not on a track to regain the most recent cuts and is under funded in comparison to 2001 levels. The UCPB Futures Report subcommittee is estimating the amount needed to be back on track. The 07-08 UC Budget indicates that \$500 million is needed to fully fund the cost of education, although it is not clear whether this amount will be requested of the state. UCPB's estimation of what is needed for recovery is a comparable number. UCPB recommendations would be tied to the Regents' stated priorities.

**Discussion:** UCPB discussed possible ways of framing recommendations and/or requests of the Council, OP, and the Regents, including:

- Requesting acknowledgment of the findings of the Futures Report and the 07-08 budget shortfall estimate, and of the fact that regental goals are not achievable under the current funding pathway
- OP endorsement of the Futures Report findings and communicate them to the Regents
- Endorsement of regaining the 2001 pathway by 2010
- Requesting that measures of student and state impact and effects be devised beyond percentage of personal income etc., (which would be charged to UCPB).

**Action:** the UCPB Futures Report subgroup will revise and circulate for committee input, a set of recommendations for discussion at the November Council meeting.

#### **4. The Cost of Undergraduate Education of a Research University**

**Issue:** Charles Schwartz, Professor Emeriti, UC Berkeley, was invited to join UCPB for a discussion of his report, *The Cost of Undergraduate Education of a Research University*. Professor Schwartz presented the main points of the argument made in his report. The report finds that the current cost for undergraduate education at the University of California to be on average significantly less than what UC indicates as the average cost of education. The methodology used in the report disaggregates undergraduate education from the other of academic functions, such as faculty research. The report recommends that UC student fees should, on principle, not be higher than the cost of education, and that a method of cost accounting be used that disaggregates the university's functions as done in this report. Professor Schwarz suggested that this analysis is significant to public policy and asked that UCPB study the issue and provide independent evaluation.

#### **Q and A/ Comments**

**Comment:** The report does not account for the added value of a UC education.

**A:** UC is about research, although the public thinks of UC primarily in terms of undergraduate education. The Instruction and Research budget was devised as a way to tie them together for funding purposes. This is OK, but since the 1990s student fees have gone up. At first, the increases could be justified by the value of a UC education. But at some point the question has to be asked how much can be or should be carried by students.

**Comment:** If you fold a portion of time for research back into undergraduate costs, it would still be lower than the official UC average

**A:** That would be arbitrary assessment. There are many details that are left out of calculations.

**Comment:** This is a 'joint production problem' so it is illegitimate to allocate pay with time. Jobs include a mix of types of work. The government gives staff economists a portion of time to do research at higher salaries, so they can have access to the brain power.

**A:** It is impossible to maintain public support with that perspective. The report is open to considering alternatives. Faculty spends most of their time with graduate students and conducting research.

**Comment:** Private universities dump all the costs onto undergraduate education, and people admire the degree that itself has market value.

**A:** The numbers can all be improved with better data. Capital costs and financial aid are left out. But the fundamental nature of the answer is that the standard calculation of the cost is off by a factor of 2. This issue is on the horizon for all private and public institutions and UC should be out in front of it.

**Comment:** Cost accounting missing. You need to show that product can be provided at that cost.

**A:** UC has a 3 part mission, but how much of that can be put on the students?

**Comment:** Harvard doesn't need to charge tuition, but its graduates want to feel they're paying for something of monetary value.

**Comment:** This calculation is justification to cut UC's budget.

**A:** The DOF has a similar analysis and UCPB should be aware of that argument.

In further discussion, members agreed that issues raised by the report need to be addressed, such as offering a more transparent estimate of costs, and making an effective argument for funding based benefits to the state versus the individual.

Attest: Chris Newfield, UCPB Chair

Minutes prepared by: Brenda Foust, Policy Analyst