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*Chair of the Assembly of the Academic Senate
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University of California
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May 6, 2019

**JANET NAPOLITANO, PRESIDENT
UNIVERSITY OF CALIFORNIA**

Re: Implementation of Composite Benefit Rates

Dear Janet:

At its April 24, 2019 meeting, the Academic Council discussed the attached letters from the University Committee on Research Policy (UCORP) and the University Committee on Faculty Welfare (UCFW) noting that Composite Benefit Rates (CBRs) have been implemented incorrectly in some campus departments, charging existing faculty grants higher rates than had been approved under the original grant budget.

CBRs are an accounting mechanism being implemented on campuses that assess the cost of fringe benefits offered by the University. CBRs simplify accounting by pooling multiple benefit costs to create an average overall percentage rate at which the cost for a given group of employees is charged to any funding source.

UCORP found that the implementation of CBRs in the context of UC Path has involved, in some cases, a retroactive change in charges to direct cost budgets of existing research funding, which is creating “winners” and “losers” among the faculty in terms of the benefit rate charged. The negative impacts have been significant for some individual PIs who are suddenly seeing significant reductions in the amount of extramural funding available for research.

The Academic Council unanimously endorses UCORP’s recommendation that UCOP adopt a formal mitigation plan to redress the research funding shortfall of faculty affected by the implementation of new Composite Benefit Rates. The Council agrees with UCORP that this mitigation plan should include the following elements:

- 1) Any CBR charge to existing research grants should not decrease direct funding for research;
- 2) Create a method to reach investigators unknowingly affected by CBR implementation.

UCORP Chair Baird and I available to discuss the issues and problems that have come to our attention in more detail with you, if you wish. Please do not hesitate to contact me if you have additional questions.

Sincerely,

Rob C May

Robert C. May, Chair
Academic Council

cc: Provost Brown
Academic Council
Senate Directors



UNIVERSITY COMMITTEE ON RESEARCH POLICY (UCORP)
Andrew Baird, Chair
Email: anbaird@ucsd.edu

University of California
Academic Senate
1111 Franklin Street, 12th Fl.
Oakland, California 94607

February 26, 2019

ROBERT MAY
CHAIR, ACADEMIC COUNCIL

RE: Composite Benefits Rates - Concern about Implementation on Some Campuses

Dear Robert,

At the February meeting of UCORP, the committee met with Lourdes DeMattos, UCOP's Research Policy and Analysis Coordination Associate Director, and Joao Pires, Costing Policy and Analysis Manager, to follow up on concerns that were raised at our January meeting regarding implementation of the Composite Benefit Rate (CBR). It turns out to be an issue that has also come to the attention of other Senate committees who indicated to me that they intend to echo our concerns.

Briefly, CBR costs are borne by research grants of our funded investigators and, while it had been understood that a plan to mitigate financial lapses between existing (previously funded) grants funded at old rates and new grants funded at new rates, the implementation of this plan seems to be mixed.

While UCORP members are taking this back to their local COR on each campus, I was asked by UCORP members to ask the Academic Council to alert Divisional Chairs to this problem for researchers. We understand that the program has been launched on some campuses and is scheduled for deployment on others shortly.

Sincerely,

A handwritten signature in cursive script, appearing to read "A Baird".

Andrew Baird
Chair, University Committee on Research Policy

cc: Kum-Kum Bhavnani, Academic Council Vice Chair
Hilary Baxter, Academic Senate Director
UCORP members



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Sean Malloy, Chair
smalloy@ucmerced.edu

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April 17, 2019

**ROBERT MAY, CHAIR
ACADEMIC COUNCIL**

RE: Implementation of Composite Benefit Rates

Dear Robert,

The University Committee on Faculty Welfare (UCFW) has heard from our sister committee on Research Policy (UCORP), as well as from previous UCFW members, that implementation of the Composite Benefit Rates (CBRs) on some campuses, or at least in some departments, has not been enacted correctly and that some funds are being billed at incorrect rates. UCFW agrees with UCORP that the divisional leadership must be made aware of potential problems and that steps for correction and remediation, if needed, are taken with all due haste.

Thank you for your continued cooperation.

Sincerely,

Sean Malloy, UCFW Chair

Copy: UCFW
Hilary Baxter, Executive Director, Academic Senate
Andrew Baird, UCORP Chair
Joanne Miller, UCORP Analyst