

COMMITTEE ON PLANNING & BUDGET
MINUTES
DECEMBER 13, 2022

PRESENT:

Peter Atkinson, Entomology, Chair
Dana Simmons, History, Vice Chair
Roger Lake, Electrical & Computer Engineering
Hiroki Nishimura, Economics
Frances Sladek, MCSB
Yadong Yin, Chemistry

ABSENT:

Reza Abbaschian, Mechanical Engineering
Subramanian Balachander, Business
Bronwyn Leebaw, Political Science
David Lo, School of Medicine
Ayala Rao, Microbiology & Plant Pathology

Chair Peter Atkinson called the meeting to order at 11:05 am.

The Committee unanimously approved the November 29, 2022 minutes as written.

CHAIR'S ANNOUNCEMENTS/UPDATES

- **DECEMBER 6 SYSTEMWIDE P&B MEETING**

Chair Atkinson updated the committee on the December 6 systemwide P&B meeting.

UC Senate Chair Susan Cochran attended the Regents-Chancellors Retreat. Chancellors want more money from the state, while the regents want more translation of UC work towards the social good. At this retreat, there was discussion on climate and the UC mission to address climate change, weaning UC off fossil fuels, and full decarbonization of UC campuses and UC Health Centers.

UC Senate Chair Cochran provided an update on the strike. Neither the state nor the federal government are offering fiscal support. There is no magic pot of money within UC for support. UC is attempting to make sure that individual investigators do not bear the financial burden caused by the strike, but it is inevitable that grants and principal investigators (PIs) will bear the immediate burden. It is not clear that, for example, NIH, will pick up the tab. It is clear that the economics of the graduate student researcher (GSR) request do not make sense beyond the reasonable request of an adequate cost of living expense.

There was a budget update from David Alcocer (Associate Vice President for Budget Analysis and Planning) and Seija Virtan (Associate Director of State Budget Relations). Revenues are declining due to declines in personal income taxes and capital gains. Revenues are down \$4.7B through October 2022 and \$2-2.7B in November due to late filers for income tax. Expect some state agencies to face a dramatic decline in funds. UC has benefited as of late

(5% increase in state funding) and may still benefit from a further 5% next year provided we are seen as meeting our goals of the compact signed by the governor and UC President. It is possible there will be no new capital projects.

There is a new Senate Bill introduced in the California Legislature. Senate Bill (SB) 1364 is reborn as SB27. SB 1364 states:

“This bill would make it unlawful for any vendor, as defined, to accept payment above a specified threshold from the university pursuant to a contract for prescribed services if the vendor is performing services or supplying the university with employees to perform services who are paid less than the higher of the total compensation rate specified in the vendor's contract with the university or as required by university policy...”

Governor Newsom vetoed this bill last year. He typically has a limit of vetoes, and it is not clear if he would do the same again this year, especially if UC is not meeting the terms of the compact and is having strike issues.

There will be a new bill seeking a bond issue for support for classroom and research infrastructure (similar to old Proposition 13 from 2020). Also, there will be a new bill seeking debt-free colleges – yet the details of this bill remain unclear.

41 members of the legislature called for UC President Drake to honor graduate student demands. We, UC (including faculty) may be seen as being the bad players in this dispute, despite the unprecedented demands on the students. It is not clear how this will pan out with the governor.

UCM and UCSC were approved as agricultural experiment stations (AES) campuses. They will not get the same level of financial support as UCB, UCD and UCR, perhaps just \$2-4M per year split between them. The other three UC campuses get \$20M each. How can UCSC and UCM be happy about this? It is not clear what will happen in the out years.

UC is following up with a more granular analysis of the UC Hiring Plan. Two areas of interest are: the causes of the increase in the hiring of clinical faculty and the management class of staff below the upper leadership level. It is not clear why, if the number of medical students being trained per year by UC is static, the number of clinical faculty continue to increase at a high rate. It is also possible that the growth in UC Health is also the cause of the increase in hiring in management staff. This speaks to the larger issue that UC is addressing which is the relationship between UC Health and the core mission of UC. How is the former helping the latter, both academically and also in terms of cash flow?

- **CAMPUS FINANCE COMMITTEE (CFC) MEETING ON DECEMBER 8**

At the December 8 CFC meeting, there was discussion on deferred maintenance and new construction at UCR from the Facilities Director and the campus architect. \$740M is needed for deferred systemwide maintenance. \$1.9B is needed for seismic design and carbon neutrality. For 2022-23, UC gets \$125M for deferred maintenance. UCR gets \$5.4M.

Top UCR priorities are:

- 1 SUBSTATION - Site Switchgear/Breakers improvements: Substation Improvements
Primary Power \$ 4,690,000
- 2 SPIETH: HVAC - Equipment/Controls - Phase 1 Commissioning and Ducting Replacement
Mechanical Systems \$ 645,569
- 3 SPIETH: HVAC - Equipment/Controls - Phase 2 Replace Air Handlers 1 & 2
Mechanical Systems \$ 6,308,741
- 4 Main Domestic Water Station - Drives and Controls, Electrical Distribution Replacement
Mechanical Systems \$ 1,750,000
- 5 PHYSICS - Ductwork and Exhaust VFD Mechanical Systems \$ 4,900,000
- 6 FAWCETT LAB - Replace roof covering Roofs \$ 868,000
- 7 RIVERA - Air Handler 2 Replacement Mechanical Systems \$ 2,100,000
- 8 OLMSTED: HVAC - Equipment/Controls: Replace economizers for fresh air controls for all
Air handlers Mechanical Systems \$ 420,000
- 9 OLMSTED: HVAC - Equipment/Controls - Repairs to Air Handlers
Mechanical Systems \$ 420,000
- 10 SPROUL - HVAC - Equipment/Controls – Replace Heat Exchangers/VFD Pump Mechanical
Systems \$ 1,050,000

- **EXECUTIVE COUNCIL MEETING ON DECEMBER 12**

At the December 12 Executive Council meeting, Provost Elizabeth Watkins visited and spoke about strategic planning. Chair Atkinson will help the Executive Committee draft memos to Administration about spousal hiring and the limitations of the Responsibility Center Management (RCM) budget model on the Strategic Investment Fund (SIF). Based on his attendance at the November 30 and December 12 Impact 23 workgroup meetings, Chair Atkinson indicated the faculty's voice on Impact 23 issues is being listened to as best as he can tell. Various faculty members might be selected to participate in testing the functionality of accounting systems that have converted to Oracle. P&B members are reminded to review the committee's draft memo to Administration regarding the OASIS building; and to either approve or provide comments ASAP as this memo must be finalized and sent out before the holiday break.

[CAMPUS REVIEW] PROPOSED DEGREE PROGRAM: 2ND ROUND – MASTER OF PUBLIC HEALTH (MPH)

There was a motion to approve the new proposed Master of Public Health (MPH) program. Since the committee did not have a quorum at this juncture of the meeting, committee members who were not present at the meeting (and thus did not indicate approval or disapproval of the proposal) will be contacted and prompted via email to cast a vote in support of the motion to approve this new program or suggest language for a memo if not in support of approving the proposal.

FINALIZE QUESTIONS FOR EXECUTIVE COMMITTEE CHAIRS. BEGIN REVIEWING AND DRAFTING QUESTIONS FOR DEANS.

If they have yet to do so, P&B members are being asked to approve the current questions and/or submit additional questions for the Executive Committee Chairs, so that these questions may be finalized ASAP (and sent out to the Executive Committee Chairs for them to review in advance of their early January 2023 meetings with P&B).

Furthermore, P&B members are being asked to begin reviewing last school year's questions for the Deans (refer to the document on the Google drive) and to also begin drafting questions for the Deans. Submit questions on the shared document that is made available to all P&B members on the Google drive.

The meeting was called to a close at 12:25 pm.