# Council of Faculty Chairs

**January 23, 2017**  
9:00 - 11:00 A.M.  
3135 Murphy Hall

<table>
<thead>
<tr>
<th>Action</th>
<th>Time</th>
<th>Top</th>
<th>Attachment</th>
</tr>
</thead>
</table>
| Consent Calendar | 9:00–9:05  | 1. Approval of the Minutes:  
Cochran                     | 9:00–9:05  | a) CFC/SCC - January 26, 2016  
Cochran                     | 9:00–9:05  | b) CFC/SCC - October 17, 2016  
Cochran                     | Attachment 1a  
Cochran                     | Attachment 1b  
Cochran                     |
| Discussion     | 9:05–9:20  | 2. Follow-up to Budget 101 Presentation  
Cochran                     | 9:05–9:20  | (Remarks & suggested topics for 3rd presentation from AVC Roth)  
Cochran                     | Attachment 2  
Cochran                     |
| Discussion     | 9:20–9:50  | 3. Appendix 35 (Merit Equity Review (MER)) and Appendix 14  
VC Levine                   | 9:20–9:50  | (Computation of years of service which count toward the  
VC Levine                   | 9:20–9:50  | eight-year limit)  
VC Levine                   | Attachment 3  
VC Levine                   |
| Discussion     | 9:50–10:30 | 4. Faculty Salary Equity Studies  
Goldberg                    | 9:50–10:30 | Attachment 4  
Goldberg                    |
| Discussion     | 10:30–10:55| 5. Emerging Issues from Faculty Executive Committees  
Cochran                     | 10:30–10:55|  
Cochran                     |
| Discussion     | 10:55–11:00| 6. New Business  
Cochran                     | 10:55–11:00|  
Cochran                     |

**Upcoming CFC/SCC Meetings:**  
**FALL QUARTER:** Oct. 17, 2016 (CFC/SCC)  
**WINTER QUARTER:** Jan. 23, 2017 (CFC), April 24, 2017 (CFC/SCC)  
**SPRING QUARTER:** June 5, 2017 (CFC)

* Board members are free to request that any Consent Calendar item be removed for discussion, either before or during the meeting.

** Action items require a vote to endorse the document as-written, to endorse contingent upon revisions, or to oppose.
Council of Faculty Chairs

MINUTES JANUARY 26, 2016 9:00 AM – 11:00 AM 1215 MURPHY HALL

MEETING CALLED BY Leobardo Estrada, Academic Senate Chair, at 9:00 a.m.
TYPE OF MEETING Council of Faculty Chairs

PRESENT Senate Leadership: Leobardo Estrada (Academic Senate Chair), Susan Cochran (Academic Senate Chair-Elect)
CFC: Dong Sung An for Wendie Robbins (Nursing), Joseph Bristow (Letters & Science), Anne Gilliland (GSEIS), Mo Kang (Dentistry), Gary Schiller (Medicine), Ben Williams (Engineering), Weng Kee Wong (Public Health),

ABSENT Joel Aberbach (Immediate Past Chair), Lili Chen-Hafteck (Arts & Architecture), Carla Hayn (Anderson), Chrisi Karvonides (Theater, Film & TV), Hiroshi Motomura (Law), Wendie Robbins (Nursing), Wesley Yin (Public Affairs),

SENATE STAFF Linda Mohr (CAO Academic Senate)
GUESTS None

CONSENT CALENDAR ESTRADA

| CONCLUSIONS | N/A |

PENSION REPORT ESTRADA

DISCUSSION Chair Estrada presented a brief background report on the proposed pension plan and the task force report. The task force, considering the constraints under which they had to operate, did the best they could and tried to make the plan as equitable as possible.

The following key issues were raised:
- The new pension plan will be effective for UC employees hired on or after July 1, 2016.
- Key characteristics/change: Under the defined benefits plan the level of support after retirement is determined by
  a) age on retirement
  b) years of service at UCLA
  c) highest 3 years of compensation.
  In the past the only cap on the highest 3 years of salary was the IRS cap ($265,000); whereas, under this agreement the cap is $117,000 (this is not a cap on the retirement benefits but a cap on the income that is used to compute the retirement benefit).
- Under the new retirement benefits plan employees hired on or after July 01, 2016 will take a huge benefit cut; resulting in a huge gap between what those who were hired prior to June 30, 2016 earn and what future faculty will earn.
- Plan will create inequality among faculty; we will have one faculty with different benefit models.
- ‘Income’ cap of $117,000 makes UCLA less competitive as opportunities for hiring new faculty will be limited (attracting new faculty will be harder).
CONCLUSIONS
For further discussion, all campuses were asked to comment on the proposed pension plan. Divisional responses will then be presented to the Academic Council and eventually to President Napolitano. Additionally, at UCLA, a Town Hall will be held. Council members should send their comments, concerns and questions to Linda Mohr.

ENROLLMENT INCREASE

Chair Estrada gave a brief update on future enrollment growth.
- UC will increase enrollment of California residents by 5000 for fall 2016. UCLA itself will increase resident enrollment by 750 students (600 freshmen and 150 transfer students).
- With student increase, space (classrooms, study space, student residence halls) will become a major problem; a space committee will be established to identify and evaluate potential options.
- Due to increased student numbers, UCLA will probably have to rely on adjunct professors and lecturers.

REPORTS & UPDATES FROM FECS

College – FEC Chair Joseph Bristow reported the following:
- In general, the relationship between their deans and the FEC is well balanced. Most of the college’s deans are very committed and attend FEC meetings on a regular basis, ensuring that the FEC always has a quorum. In particular, VC Copeland-Morgan’s regular attendance is very positive and helpful. Bristow further mentioned that he increasingly faces difficulties securing student representatives for FEC membership. He also notes that diversity is an issue and calls for a more diverse composition of the FEC.

Dentistry – FEC Chair Mo Kang reported the following:
- The Dental School has a very positive relationship with its Dean. Currently, the School of Dentistry is in the process of amending their bylaws.

Public Health – FEC Chair Weng Kee Wong reported the following:
- The relationship between faculty and the Dean is edgy. He stated that he had requested budgetary information from the Dean’s office but, so far, has not received the financial information necessary in order to review the school’s budget and provide appropriate feedback.

Medicine – FEC Chair Gary Schiller reported the following:
- He noted that he faces similar difficulties in his department; it is extremely difficult for him to receive financial and budgetary information.

GSEIS – FEC Chair Anne Gilliland reported the following:
- Gilliland reported that their CFO presents and discusses the department’s budget once a year.

CONCLUSIONS
N/A

UPDATES ON CONTINUING/RECURRING ISSUES

Chair Estrada provided the following updates to the members:
- Professor Ann R. Karagozian will serve as interim Vice Chancellor for Research as of January 2016.
- VC Goldberg has announced her retirement for the end of the 2015-2016 academic year.
- Dean Duranti announced his retirement: a search committee has been established.
- Restricted research:
- Currently, UCLA as an institution does not conduct classified research. Neither does UCLA have security clearances nor do we have the infrastructure that is required to conduct restricted research on campus. However, faculty who do have personal security clearance
may be able to conduct classified research at specialized off-campus facilities. This issue will be further discussed amongst faculty members.

| CONCLUSIONS | N/A |

With no additional business, the meeting adjourned at 10:24 a.m.
Council of Faculty Chairs  
MINUTES October 17, 2016  
9:00 AM – 11:00 AM  
Hacienda Rm., Faculty Center

MEETING CALLED BY: Susan Cochran, Academic Senate Chair, at 9:00 a.m.

TYPE OF MEETING: Council of Faculty Chairs/Senate Committee Chairs

PRESENT: Senate Leadership: Susan Cochran (Academic Senate Chair), Sandra Graham (Academic Senate Chair-Elect), Leobardo Estrada (Academic Senate Immediate Past-Chair)

CFC: Wendie Robbins (Nursing), Joseph Bristow (Letters & Science), Gary Schiller (Medicine), Fariba Younai (Dentistry), Linda Sax (GSEIS), David Cohen (Public Affairs)

SCC: Alistair Cochran (P&T), Jessica Cattelino (GC), Michael North (CAP), Anna Taylor (EAC), Clyde Spillenger (Charges), Lothar Von Falkenhausen (CIE), John Colicelli (COLASC), Francesco Chiappelli (CPB), Jody Kreiman (AF), Albert Courey (COT),

EXCUSED ABSENT: Catia Sternini (CODEO), Kimberly Gomez (CCCE), Mike Shin (CIT), Stuart Banner (GAC)

SENATE STAFF: Linda Mohr (CAO Academic Senate), Christopher Jados (Executive Assistant), Eric Wells, Estrella Arciba, Na Shin, Elizabeth Feller

GUESTS: None

CONSENT CALENDAR: COCHRAN

APPROVAL
1. The Minutes of the January 26, 2016 joint CFC/SCC meeting were pending. Approval of the minutes was deferred.

ACTION ITEMS: PERSON RESPONSIBLE

| N/A | N/A |

CAMPUS ISSUES: COCHRAN

ACTION ITEM: Chair Susan Cochran held the following discussions amongst the CFC/SCC members:

A. Safety-
Following the tragic shooting of Professor William Klug on June 1, 2016, safety at UCLA became a top priority. Members raised the following concerns:

- Members raised concerns that faculty are not receiving sufficient training. However, some reported that staff have received training. Some faculty also reported that some units have had training but faculty may not be aware.
- Several members had concerns about the safety of patients and doctors at UCLA; hospitals have no metal detection.
- Some of the buildings do not lock, which was also a concern of the faculty.
B. Enrollment Growth & TAs and Space & Resources
C. • Graduate Council Chair reported that ad hoc solutions are being proposed rather than a coordinated efforts.
• There is a much smaller pool of graduate students for TAs
• Emeriti offered to get involved to help with the TA crisis
• Council on Planning & Budget Chair reported that CPB is also concerned with the decrease of graduate students and the TA-related problems.
• The Chairs of Council on Planning & Budget, Graduate Council and Undergraduate Council will meet to discuss coordinating efforts.

D. Shared Governance – Chair Cochran asked FEC chairs to provide general comments or stresses on the FEC Chairs
• Several FEC chairs reported having a new Dean College FEC Chair reported the work on the Professor of Teaching proposal
• GSEIS mentions the new self-study on diversity, and the new mentoring program for Jr. Faculty

E. Other

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<th>ACTION ITEMS</th>
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EMERGING ISSUES FROM FACTULTY EXECUTIVE COMMITTEE AND SENATE COMMITTEE CHAIR  COCHRAN

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<th>DISCUSSION/COMMENT</th>
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<tr>
<td>Peer Review Committee. Members had a brief conversation on the proposal from OP to establish a peer review committee to advise the chancellor on appropriate sanctions in sexual assault or sexual violence charges. Members discussed concerns that changes will have on Appendix XII and the need for possible amendments.</td>
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<tr>
<td>Undergraduate Council Chair reported that the program review process was discussed amongst UgC members and the possibility of establishing divisional reviews; several members present voiced their support of division-wide reviews.</td>
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NEW BUSINESS  COCHRAN

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With no additional business, the meeting adjourned at 11:00am.
UCLA Revenues

Presentation Prepared for the Academic Senate
January 2017
Session 1: January 11
  ▪ Top Current Issues and Revenue Trends
Session 2: January 25
  ▪ Expense Trends and Budget Process
Session 3: February 10
  ▪ Assets and Liabilities – Reading the Balance Sheet
This Talk

Top Current Issues

- UCLA Response to top budget challenges
  - Revenue diversification and nonresident supp. tuition
- Key Elements of Framework Agreement Between Governor Brown and University of California
- University Budget Model
  - Funding streams
  - Rebenching
  - The OP Tax/Assessment
- Tuition increase

Revenue Sources and Trends

- All Funds
- Core Funds
- Auxiliaries
- Hospitals
- Sponsored Research
Budget Process

- Permanent and temporary budgets
- Annual budget conferences
- Linking budgets to strategic priorities
- Adjustments for Academic salaries and benefits
- Undergraduate Academic Incentive Fund (UAIF)
- Distribution of Indirect Cost Recovery
- Chancellorial Commitment System
- Composite Benefit Rates

Expense Trends

- All Funds
- Core Funds
- Auxiliaries
- Hospitals
- Sponsored Research
UCLA Response to top budget challenges: How UCLA has done it

- Increased non-resident enrollment and tuition rates
- Expanded professional degree programs generating supplemental tuition
- Established new self-supporting degree programs
- Slowed down replacement of ladder faculty
- Reduced costs in purchasing
- Consolidated IT systems
- Launched Campaign
- Commercialized intellectual property
- Asked all campus units to find savings
Revenue Diversification and Nonresident Supplemental Tuition
UCLA Revenues from State General Funds, Tuition and Fees, and Nonresident Supplemental Tuition

As of 2016-17, nearly two-thirds of revenue generated from the enrollment of students is from other than state funds.
As of 2016-17, approximately one-fourth of revenue generated from the enrollment of undergraduate students is from nonresident supplemental tuition.
UCLA nonresident tuition has been an essential offset to lost State funding. Even with recent modest increases in State funding, UCLA is down 24% in State funding since 2007-08 (nominal dollars).
Academic FTE are essentially unchanged, even though enrollment has increased 18% over this period. Non-academic FTE has declined by 13%.

(source: UCOP Information Center dashboard on FTE trends)
Investments in Undergraduate Instruction

Nonresident supplemental tuition income has mostly been allocated to undergraduate instruction (lecturers and graduate teaching assistants). This has enabled providing an adequate number of course sections to all students to help ensure that they can continue to graduate in a timely manner.
Key Elements of Framework Agreement
Between Governor Brown and University of California

- State funding to increase 4% annually through 2018-19
- Tuition to remain frozen through 2016-17, with inflationary increases thereafter
  - Nonresident tuition for undergraduates to increase 8% in 2016-17, and 5% annually thereafter
  - Professional degree fees may be approved by the Regents, except law school fees which will be frozen for four years
- New pension tier for employees hired on or after July 1, 2016
  - State to provide $436 million over three years to reduce UC’s unfunded pension liabilities
  - Pensionable salaries under the new tier limited to $117,000
  - Newly hired employees (faculty and staff) would have two options:
    - Defined contribution plan with employer match
    - Hybrid defined benefit and defined contribution plan
- Emphasis on enhancing academic performance
- Framework agreement did not address access and enrollment issues
Key Elements of the State Budget

2015-16
- Legislature approved all elements of the Framework Agreement
- In addition, legislature and UC reached an agreement on enrollment growth:
  - $25 million in permanent state funds in 2016-17 for enrollment of resident undergraduate students

2016-17
- Incorporates all elements of the Framework Agreement and the Enrollment Agreement
  - $18.5 million in permanent state funds in 2017-18 for enrollment of resident undergraduate students
- No funding of UC request for 600 graduate students

Proposed 2017-18
- Incorporates all elements of the Framework Agreement and the Enrollment Agreement
- 2,500 California resident undergraduates over 2016-17 levels
  - Builds on growth of 5,000+ students this year
- 900 Graduate students
  - Needed to support undergraduate enrollment growth, sustain the University’s research enterprise
Impact of These Agreements on UCLA

- Due to rebenching, UCLA received almost none of the increased base funding from the state from 2015-16 to 2016-17
  - Mandatory cost increases for salaries and benefits are essentially unfunded and have been absorbed within UCLA’s existing resources
- Rebenching is now completed and UCLA will start to receive a share of the state’s 4 percent increase
- UCLA added nearly 1,000 resident undergraduate students in Fall 2016
  - UCLA is not planning for future growth in nonresident students
- Typical Cost drivers
  - Faculty and staff to support new student enrollment workload
  - Salary merit adjustments for faculty
  - Salary increases (COLAs) for faculty, represented staff, and non-represented staff in the 3% annual range
  - Benefit costs (health, pension) expected to be relatively stable
- Faculty salary adjustments have been centrally funded
  - This has consumed most of the incremental core revenues
  - Additional funds have been invested in undergraduate instruction
Key Ongoing Financial Planning Issues

- How will UCLA sustain its ongoing operations in academic and administrative departments?
  - Mandatory cost drivers – salaries, benefits, etc.
  - Compliance workload
  - Building maintenance and operation

- How will UCLA accommodate any additional students mandated by the state and UCOP?
  - Faculty and teaching assistants
  - Support services
  - Classrooms
  - Housing

- How will UCLA support long term investments in academic, administrative and physical infrastructure?
  - Instructional space
  - Research facilities
  - Seismic/fire safety, deferred maintenance.
  - Cybersecurity, UC PATH, Financial System, Student Information System
  - Centennial Campaign
Funding Streams, Rebenching, and Office of the President’s Assessment
Summary of Key Budget Model Developments

- **Topics:**
  - How non-state funds are allocated to campuses.
  - How the Office of the President and systemwide programs are funded.

- **History:**
  - Campuses have long retained and managed non-core revenues, such as research funds, medical center revenue, auxiliaries, gifts, etc.
  - Up until 2011-2012, the majority of state funds, tuition and miscellaneous revenues were retained by OP in the UC General Fund. Campuses received allocations of General Funds from OP, based on annual price adjustments to their permanent budgets.
  - Key updates to the budget model in recent history include:
    - 2007-08: OP returned all nonresident tuition to campuses, and reduced their GF budgets by the estimated amount of revenue from those sources.
    - 2009-10: OP and campuses begin planning for the return of all remaining non-state revenues, principally tuition and remaining ICR, in exchange for a campus tax to support OP and systemwide programs.
    - 2011-12: Funding streams is implemented.
    - 2012-13: President begins implementation of rebenching initiative.
    - 2014-15: President accelerates rebenching initiative to end in 2016-17
    - 2015-16: OP’s systemwide services are expanding, principally due to UC Path resulting in an increase in the campus tax.
How Funding Streams Works

- **What campuses get:**
  - All non-state revenues (e.g. tuition, overhead) are now retained by the campus that generates them. However:
    - Undergraduate financial aid continues to be centrally directed. While campuses retain all tuition revenue paid by their students, OP continues to operate the EFM model under which campuses are required to set aside minimum amounts of tuition revenue for financial aid.
  - All state funds previously budgeted to UCOP are allocated instead to campuses.
  - Taxes previously paid by Medical Centers, Medical Compensation Plans, and auxiliaries to OP are repealed.

- **In exchange:**
  - Campuses pay a tax (this year $335 million) to support the unrestricted funds budget of OP & systemwide programs. An additional charge supports the Office of General Counsel.

- **Funding streams was originally designed to be revenue neutral. However:**
  - State funds returned to campuses were reduced, leaving campuses $50 million short.
  - In the year of implementation, campus’ state funds were reduced by $750 million, so campuses used the “new” state funds instead to prop up their campus GF budgets.
  - As a consequence, the impact of funding streams is essentially the gross amount of the tax, with little offsetting revenue.
Rebenching

- **Topic:**
  - How OP allocates State General Funds to the campuses.

- **History:**
  - Pre-2010-11: State General Funds were allocated incrementally, as increases or decreases in UC General Fund allocations to campuses.
  - 2010-11: Funding Streams is implemented, returning all non-state funds to campuses. Rebenching Task Force appointed, co-chaired by Provost Larry Pitts and EVP Nathan Brostrom.
  - 2012-13: President begins phased implementation of rebenching recommendations.
    - Original plan was for six years (2012-13 to 2017-18)
    - Accelerated by President Napolitano to end in 2016-17
How Rebenching Works

- **Objective:**
  - Over time, to equalize the amount of State General Funds allocated to each campus on a per student basis.

- **Methodology:**
  - Some State Special Funds are earmarked for specific programs and are therefore excluded from the per student calculations.
  - Some State General Funds support non-instructional programs, and therefore are excluded from the per student calculations.
  - Instructional needs vary by discipline, so student counts were weighted.
  - Each campus receives a fixed $15 million allocation without regard to enrollment.
  - UCSF and UCM are excluded, so UCLA’s per student state funding is the “target” for the remaining seven campuses.
  - Between 2012-13 and 2016-17, new state money was utilized to bring seven campuses up to UCLA’s level.
  - Remaining funds are distributed on the basis of weighted enrollment.
Rebenching Implementation Issues

- **Overenrollment**
  - Rebrenching initially recognized only “budgeted” enrollment at each campus – i.e., enrollment for which the State had provided enrollment growth funding to support.
  - The State stopped regularly funding enrollment growth after 2007-08. UCOP considered (mostly) all enrollment growth since then to be “unfunded” and not eligible for funds under rebenching.
  - Overenrolled campuses were expected to reduce enrollment unless/until the State providing funding for those students.
  - Rebenching began to acknowledge unfunded students in 2015-16. Budgeted enrollment was expanded to include 2014-15 actual enrollment, plus State-supported growth in subsequent years.

- **Changes to UCOP assessment formula**
  - When the formula changed in 2014-15, UCSF’s contribution fell significantly and was effectively shifted to other campuses.
    - Previously the assessment was based solely on campus expenditures. Since 2014-15, the assessment is based upon a combination of campus expenditures, employees, and students.
  - UCSF’s base SGF budget was reduced by $18M, which was distributed to campuses that were negatively affected by the new formula.

- **Recategorization of State General Funds in UC’s Budget**
  - Rebenching was originally intended to apply only to SGFs that were not allocated to specific programs in the Budget Act.
  - Since then, Gov. Brown has eliminated most program-specific language in the Budget Act. UC has continued to fund those programs outside of rebenching.
Funding Per Student Has Converged

State General Funds per Budgeted Student (Weighted)
Disaggregating UC Total SGF Appropriation

Components of the University of California 2015-16 Permanent State General Fund Appropriation
(Figures in $M; may not total due to rounding)

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Campuses</th>
<th>OP</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Debt Service (GO Bond, Lease Revenue Bond, UCRS)</td>
<td>426.9</td>
<td>100% of any residual</td>
<td></td>
<td></td>
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<tr>
<td>- Excess/shortfall distributed to campuses as one-time funds</td>
<td></td>
<td></td>
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<tr>
<td>2. Capital Program</td>
<td>13.9</td>
<td>100% of any residual</td>
<td></td>
<td></td>
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<tr>
<td>- Debt service on AB 94 projects</td>
<td></td>
<td></td>
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<tr>
<td>3. Set-Asides (Cost Adjusted)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- AGR. Exp. Stations, Scripps, SAPEP, Neuropsych Inst., MH Teaching, MIND</td>
<td>192.3</td>
<td>192.3</td>
<td></td>
<td></td>
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<tr>
<td>4. Set-Asides (Not Cost Adjusted)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- SD Supercomputer, Cal-ISIs, UCR Med School, Labor Centers, Financial Aid, etc.</td>
<td>101.6</td>
<td>101.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- UCOP-coord. Programs (AIDS Research, Online Ed, CA Subject Matter Project, etc.)</td>
<td>23.8</td>
<td>13.9</td>
<td>6.7</td>
<td>3.2</td>
</tr>
<tr>
<td>- Off-campus Programs (Education Abroad, UCDC, UC Sacramento)</td>
<td>0.3</td>
<td>0.2</td>
<td>0.1</td>
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<tr>
<td>5. Merced Corridor (net of set-asides)</td>
<td>114.9</td>
<td>114.9</td>
<td></td>
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<tr>
<td>6. UCSF Corridor (net of set-asides)</td>
<td>177.9</td>
<td>177.9</td>
<td></td>
<td></td>
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<tr>
<td>7. Base Funding at Other Campuses ($15M/campus)</td>
<td>120</td>
<td>120</td>
<td></td>
<td></td>
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<tr>
<td>8. Campus Allocations for Per-Student Funding</td>
<td>1938.5</td>
<td>1938</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>3110.1</td>
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## Example: Distribution of New 2015-16 SGFs Under Rebenching

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<thead>
<tr>
<th></th>
<th>BK</th>
<th>DV</th>
<th>IR</th>
<th>LA</th>
<th>MC</th>
<th>RV</th>
<th>SD</th>
<th>SF</th>
<th>SB</th>
<th>SC</th>
<th>CAMPUS TOTAL</th>
<th>UCOP</th>
<th>DEBT SVC</th>
<th>OFF-CAMPUS SYSTEM TOTAL</th>
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<tbody>
<tr>
<td><strong>2014-15 Permanent Base Budget (a)</strong></td>
<td>330.3</td>
<td>358.9</td>
<td>249.2</td>
<td>453.4</td>
<td>114.2</td>
<td>210.5</td>
<td>296.4</td>
<td>186.0</td>
<td>177.3</td>
<td>159.5</td>
<td>2,535.7</td>
<td>23.8</td>
<td>426.9</td>
<td>0.3</td>
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<td>2014-15 Set-Asides Eligible for Cost Adj.</td>
<td>23.9</td>
<td>55.6</td>
<td>0.8</td>
<td>35.7</td>
<td>0.8</td>
<td>27.8</td>
<td>26.6</td>
<td>12.0</td>
<td>0.8</td>
<td>2.1</td>
<td>186.1</td>
<td>186.1</td>
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New Permanent State Funds to Be

2. Allocated
   - A. Base Budget Adjustment - 4% 119.5
   - B. Funding for Centers for Labor Research and Education 4.0

### Total New Permanent State Funds 123.5

3. Permanent Adjustments - Statutory
   - B. 2015-16 Perm funds for Labor Centers 2.0
   - C. Drem Loan Program 0.3

### Total Permanent Adjustments - Statutory 2.3

4. Permanent Adjustments - Outside of Rebenching
   - C. FHIP 0.0
   - D. Funding for Capital Program 13.9
   - E. USAP (19969) -1.5

### Total Permanent Adj. - Outside of Rebenching -1.5

5. Permanent Adjustments - Subject to Rebenching
   - A. Merced enrollment growth 6.5
   - B. San Francisco corridor 4.6
   - C. Cost adjustments for set-asides 0.9
   - D. Funding for 50% of overenrollment 7.2
   - E. Rebenching increment - accelerated 5.6
   - F. Per-student distribution 2.0

### 2015-16 Permanent Adj. - Subject to Rebenching 8.5

**Total Permanent Adj.** 9.3

### 2015-16 State General Funds Perm. Base Budget 339.6
Rebenching Next Steps

- Addressing Actual Enrollments from 2016-17 and 2017-18
  - 2016-17 allocations will be based on projected enrollment based on campuses hitting their assigned targets for new students
  - UC needs a longer-term strategy for handling campuses that over- or under-enroll relative to those targets
- Response to CSA Audit Regarding Set-Asides
  - Auditor recommended a comprehensive review of all set-asides relative to current State priorities.
  - UC committed to exploring whether alternative fund sources are feasible.
- Incorporating Multi-Year Enrollments Plans into Rebenching
  - Ultimately, campus enrollment plans and State funding need to be reconciled in rebenching
OP Tax/Assessment FAQs

- Q: How big is the OP budget?
  - For 2016-17 the approved budget is $697 million.

- Q: Where does the money come from?
  - $324 million in restricted sources.
  - $373 in unrestricted sources, of which $305 million is the campus assessment.

- Q: What is the unrestricted money spent on?
  - General Administration and Central Services: $267 million
  - Systemwide Initiatives: $106 million

- Q: How is each campus’ tax calculated?
  - For 2013-14, each campuses’ share of the tax is based on its expenditures from all operating fund sources, from the last audited financial statement.
  - Beginning 2014-15, each campus’ share is based on 3 equally weighted factors: (1) expenditures
    - (2) student enrollment (3) employee headcount.

- Q: If a campus has a relatively large share of restricted funds, like research or gifts, is the tax reduced accordingly?
  - A: No.

- Q: Does OP have a “blank check”, allowing it to spend whatever revenue is generated from the tax rate?
  - A: Based on three year’s experience, no. The tax rate has been based on an approved budget, and each year the tax rates were reduced compared to the previous years.
Q: Is any portion of the tax retained or allocated by the Chancellor?
   A: No. 100% of the assessment is used to support UCOP and systemwide programs.

Q: How has UCLA allocated the tax burden?
   - In 2011-12, the Chancellor paid the tax from central reserves.
   - In 2012-13, the full amount of the gross tax ($65 million) was allocated to campus units using the same methodology that OP used to calculate UCLA total tax bill – i.e., based on total prior year expenditures from all funds. For many units, this gross tax was partially offset by increased ICR distributions and repeal of other taxes.
   - For 2013-14, UCLA’s tax bill increased to $70 million. The Chancellor has allocated $37 million in state General Funds to partially offset the gross tax paid by each unit. The full amount of the original offsets (state funds, ICR, tax repeals) has now been returned to the schools and administrative departments.
   - Under the new methodology for 2014-15, UCLA’s tax fell to $63 million. Chancellor provided $30 million in tax relief.
   - With UC Path being incorporated into the assessment, the increase in 2016-17 and estimated for 2017-18 is 29% over two years. The allocation of the increased tax is a budget decision to be made during the upcoming planning process.
Summary of OP Budgets/Assessment and Historical and Projected UCLA Allocations

BUDGET Analysis
OFFICE OF THE PRESIDENT'S BUDGETS

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<thead>
<tr>
<th></th>
<th>Estimated FY 2015-16</th>
<th>Estimated FY 2016-17</th>
<th>Estimated FY 2017-18</th>
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ASSESSMENT

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UCLA FY15-16 CAMPUS ALLOCATION ($64M)

UCLA FY16-17 CAMPUS ALLOCATION ($71M)

UCLA Proposed FY17-18 CAMPUS ALLOCATION ($83M)
2017-18 Proposed Tuition Increase and Excerpt’s from UCOP’s Access, Affordability, and Excellence: The Role of Undergraduate Financial Aid and Tuition
2017-18 Proposed Tuition Increase

Proposal:

- 2.5% increase, or $282; tuition would grow to $11,502 for the 2017-18 school year
- Financial aid to cover the increase for two-thirds of the university’s California resident students

OP Talking Points:

- UC Has Cut Costs and Tightened its Belt
  - During the past several years, campuses have cut costs and become more efficient during a period of limited state support, increased student enrollment, and since 2011, no tuition adjustments.
  - Doing more with less has focused efforts on redirecting resources to priorities such as serving additional students and covering cost increases such as collective bargaining agreements and pension contributions.
  - Some of these efforts, however, have negatively affected the student experience and can’t continue without causing lasting damage to individual campuses and the University as a whole.

- Examples of Systemwide Cost-Cutting and Belt-Tightening
  - By taking advantage of UC’s scale, we have negotiated procurement contracts that save about $200 million a year. Likewise, a new systemwide risk management approach is generating savings that through 2015-16 total more than $180 million.
  - We reformed our pension plan this year and are set to realize $99 million in average annual savings over the next 15 years.
  - We ended financial aid to out-of-state and international students last year, realizing an annual savings of over $40 million by 2019-20.
  - Since 2004, we have avoided more than $160 million in energy costs thanks to energy efficiency projects. In 2015, UC spent $77 million less on energy than it did at the peak in 2006.
Campus Cutbacks That Have Negatively Affected Students

- Campuses have delayed making investments that directly improve the student experience, including hiring faculty and maintaining a student/faculty ratio that is in-line with state recommended levels.
  - On one campus, undergraduate enrollment has jumped by 2,800 students since 2011, yet the campus has not hired more faculty, leading to larger classes and fewer opportunities for direct student engagement with their professors.
  - Over the past eight years, another campus’ student/faculty ratios has grown to 27:1, far larger than the targeted ratio as agreed upon with the State of 18.7:1.
  - At another campus, $3.3 million from student services and other support for graduate students has been cut.
  - Another campus has reduced freshman and transfer seminar programs, forcing a move to larger, lecture style courses for undergraduate students.

- Campuses have halted, or in many instances made broad cuts in staffing or delayed hiring in areas that directly support or affect the student experience. Among the effects is that the ratio of students to mental health services staff can make it difficult for students to receive timely attention.
  - In a recent survey by the UC Student Association, results showed that the average number of days a student waits for an appointment was 21, with longer wait times in the latter part of the academic quarter, when student stress is highest.
  - While students who need to be seen urgently do not have difficulty accessing care within a day, almost 40% wait longer than four weeks from the time they make an appointment for initial assessment to the first therapy visit.
  - At another campus, IT systems that support student advising and financial aid have been chronically underfunded.
  - During a period when one campus expanded its undergraduate population by 13%, the number of administrative staff across the campus, many supporting students and their academic experience, shrunk by 12%.
2017-18 Proposed Tuition Increase - OP Talking Points Continued

- Capital Growth Limitations and Deferred Maintenance

  - Budgets for updating aging facilities and critical mechanical and other systems have been slashed, leaving campuses at risk for disruptions to teaching and research programs. Moreover, cutbacks in basic building maintenance and custodial services have led to widespread dissatisfaction across the campuses about current working conditions.

    - One campus’ deferred facilities maintenance needs have ballooned to exceed $600 million, limiting classroom space and increasing risk for students and staff within those buildings.

    - Another campus has slashed its annual budget for capital renewal – updating aging facilities and their critical systems – by 75%, even though there is significant risk that failing building systems will disrupt teaching and research programs.

  - Without new funds, another campus’ $1 billion backlog of critical repairs to classrooms, lab spaces, and other facilities will continue to grow.
For UCLA, a 2.5% tuition rate increase partially covers the anticipated increases in salaries and wages for 2016-17. Even with that, other budget adjustments (cuts) are required.

83% of revenues from state general funds, net tuition, and nonresident supplemental tuition (referred to as the 19900 fund) is spent on salaries and benefits with academic salaries being the largest component.
UC tuition volatility is challenging to students and families.
UC’s financial aid program works: a large proportion of UC students come from low-income families.

$80,000 and above 45%

Less than $27,000 18%

$27,000 to $54,000 17%

$54,000 to $80,000 12%

Independent Students 7%

55% of UC students come from families with incomes under $80,000
More than half of UC California resident undergraduates pay no tuition.

- 55% Tuition Fully Covered by Grants and Scholarships
- 25% Tuition Partially Covered by Grants and Scholarships
- 20% No Grants or Scholarships
Tuition supports both academic excellence and affordability.

- 2/3 of new revenue from a tuition adjustment helps maintain UC excellence and student success
  - Hiring and retaining talented faculty members
  - Academic advising and other student support services
  - Instructional equipment and technology
  - Other essential resources for a world-class education, such as laboratories, libraries, museums, and classroom space
- 1/3 of new revenue is used for need-based financial aid
Excerpts from OP Presentation
Example: $1 tuition adjustment for six students.

- This generates $6 in new revenue
  - $2 for UC’s financial aid program, $4 for the operating budget
Excerpts from OP Presentation

When tuition rises, Cal Grants fully cover the change for about 1/3 of UC students.

- Cal Grants awards are tied to UC tuition.
- When tuition rises, Cal Grant awards grow to cover the increase for eligible students.
Excerpts from OP Presentation

UC grants help additional students and provide extra aid to the neediest students to help with other cost increases.

- Additional UC Grants help cover tuition for some students without Cal Grants and help the neediest students cover a portion of their other costs (rent, books, etc.).
UC’s tuition has declined in real terms since 2011-12, but has increased at other AAU public universities.
UC relies more heavily on a combination of State funding and tuition paid by in-state students than most comparable public universities.
Excerpts from OP Presentation

Summary

- UC has sustained access, affordability, and excellence despite financial challenges
- Cal Grants, UC Grants, the MCS, and other sources of aid are critical to sustaining this track record
- At UC, tuition supports both academic quality and affordability
- UC continues to work with other partners to identify new sources of aid and to improve outreach
Revenue Components and Trends
UCLA’s budget is funded from a variety of sources

2015-16
$7.2B Total
In Millions of Dollars

- Core Funds $1,357 (19%)
- Financial Aid $427 (6%)
- Investment Income $24 (0%)
- Other State Funds $35 (1%)
- Other Source Funds $72 (1%)
- Compensation Plan $1,086 (15%)
- Gifts & Endowments $282 (4%)
- Contract & Grants $819 (11%)
- Auxillaries $394 (5%)
- Sales & Service $257 (4%)
- Medical Group $129 (2%)
- Hospital $2,312 (32%)
### UCLA Total Operating Revenue

**In Millions of Dollars**

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<td>$1,017</td>
<td>$1,149</td>
<td>$1,118</td>
<td>$1,098</td>
<td>$1,158</td>
<td>$1,240</td>
<td>$1,326</td>
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<td>$1,158</td>
<td>$1,281</td>
<td>$1,326</td>
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$1.4B in core revenues in 2015-16

In Millions of Dollars

- State Funds: $486 (36%)
- Net Tuition - All Other: $320 (23%)
- Nonresident Supplemental Tuition: $161 (12%)
- Prof. Deg. Suppl. Tuition: $64 (5%)
- Self-Supp. Degree Fees: $111 (8%)
- UCLA Extension: $92 (7%)
- Indirect Cost Distributed: $123 (9%)
UCLA Core Revenue

In Millions of Dollars

- **State Funds**
- **Net Tuition - All Other**
- **Nonresident Supplemental Tuition**
- **Prof. Deg. Suppl. Tuition**
- **Self-Supp. Degree Fees**
- **Indirect Cost Distributed**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>State Funds</th>
<th>Net Tuition - All Other</th>
<th>Nonresident Supplemental Tuition</th>
<th>Prof. Deg. Suppl. Tuition</th>
<th>Self-Supp. Degree Fees</th>
<th>Indirect Cost Distributed</th>
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Changes in State Funding to UCLA

In Millions of Dollars

Significant Milestones

- **2007-08**: UCLA’s state funds were $643 million. This was also the year of the financial crisis.
- **2011-12**: State funds fell to $380 million, a reduction of $263 million, or 41%, below the 2007-08 level.
- **2016-17**: State funds have increased $111 million since 2011-12. State funds remain $152 million, or 24%, below 2007-08 levels, in nominal terms, not accounting for inflation or increased student enrollment.
Resulting Change in State Funding per FTE

General campus FTE based on Instruction-Based Student FTE (Capped).
Health Science unweighted FTE based on Three-Quarter Average Unduplicated Major Headcount.
Includes Interns and Residents.
$447M in Auxiliary Revenues in 2015-16

In Millions of Dollars

- Housing: $253.7M, 57%
- Athletics: $72.3M, 16%
- Hospital: $3.5M, 1%
- Transportation: $48.9M, 11%
- Hospitality Services: $10.3M, 2%
- ASUCLA: $58.5M, 13%
UCLA Auxiliary Revenue

In Millions of Dollars

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$2.4B in Revenue from the Hospital in 2015-16

In Millions of Dollars

- Ronald Reagan: $1,841.2 (75%)
- Santa Monica: $531.4 (22%)
- Neuropsychiatric Hospital: $63.1 (3%)
- Tiverton House: $4.6 (0%)
Total Research Awards by Sponsor Type
In Millions of Dollars

2010-11: $749
2011-12: $674
2012-13: $539
2013-14: $572
2014-15: $624
2015-16: $608

- Higher Ed.
- Business & For-Profit
- Charitable & NPO
- State & Other Govt.
- Federal Govt.
I. Calculating the Eight-Year Limit

For an Academic Year (9-month) appointee, the Eight-Year Limit consists of: twenty-four (24) complete quarters; or sixteen (16) complete semesters; or a combination of these two with one semester equal to one and one-half quarters.

For a Fiscal Year (11-month) appointee, the Eight-Year Limit consists of ninety-six (96) months of completed service, including vacation taken.

Separation with subsequent re-employment does not affect the counting of service prior to the interruption. Service in any title for less than full time while in student status on any campus of the University of California does not count.

II. Service in Multiple Titles Counts Toward the Eight Year Limit

Periods of service in multiple titles count toward the Eight Year Limit as provided in the following subsections:¹

¹ Regents Standing Order 103.9 mandates that: “An Assistant Professor who has completed eight years of service in that title, or in that title in combination with other titles as established by the President, shall not be continued after the eighth year unless promoted to Associate Professor or Professor.”

Unlike APM 133-0, UCLA does not count any Instructor or Acting Instructor titles toward this Eight-Year Limit; and some titles listed in APM 133 as counting toward the Eight-Year Limit are not used at UCLA or are no longer in use by the University.
A. Assistant Professor or Assistant Professor-in-Residence

For a person with an above-mentioned appointment, periods of service on any campus of the University of California in any combination of the following titles count toward the Eight-Year Limit:

- Assistant Professor
- Acting Assistant Professor
- Visiting Assistant Professor
- Acting Associate Professor
- Visiting Associate Professor
- Acting Professor
- Visiting Professor
- Assistant Professor-in-Residence
- Assistant Professor of Clinical (X)
- Assistant Adjunct Professor at more than 50% time (see APM 280-16-c)
- Lecturer - Potential Security of Employment (PSOE) at 100% time
- Lecturer - Security of Employment (SOE)
- Senior Lecturer - Potential Security of Employment (PSOE) at 100% time
- Senior Lecturer (SOE)

Except as otherwise noted above, an appointment at any percentage of time including 0% (WOS) counts toward the Eight-Year Limit, unless the 0% (WOS) appointment is also Without Step.

B. Assistant Professor of Clinical (X), or more than 50% time as a: Health Sciences Assistant Clinical Professor, Assistant Adjunct Professor or Assistant Researcher

For a person with an above-mentioned appointment, periods of service on any campus of the University of California in any combination of the following titles count toward the Eight-Year Limit:
Assistant Professor
Acting Assistant Professor
Visiting Assistant Professor
Acting Associate Professor
Visiting Associate Professor
Acting Professor
Visiting Professor
Assistant Professor-in-Residence
Assistant Professor of Clinical (X)
Health Sciences Assistant Clinical Professor at more than 50% time
Assistant Adjunct Professor at more than 50% time
Assistant Researcher at more than 50% time
Lecturer - Potential Security of Employment (PSOE) at 100% time
Lecturer - Security of Employment (SOE)
Senior Lecturer - Potential Security of Employment (PSOE) at 100% time
Senior Lecturer (SOE)

Except as otherwise noted above, an appointment at any percentage of time including 0% (WOS) counts toward the Eight-Year Limit, unless the 0% (WOS) appointment is also Without Step.

C. Lecturer (PSOE) or Senior Lecturer (PSOE) at 100% Time

For a person with an above-mentioned appointment, periods of service on any campus of the University of California in any combination of the following titles count toward the Eight-Year Limit:

- Appointments at 100% time:
  - Lecturer (PSOE)
  - Senior Lecturer (PSOE)

- Appointments at any percentage of time, including 0% (WOS) unless the 0% (WOS) appointment is also Without Step:
  - Assistant Professor
  - Acting Assistant Professor
III. Exclusion of Time from the Computation of Years of Service:

The Vice Chancellor, Academic Personnel may grant “Time Off the Clock” by excluding from the computation of service toward the Eight-Year Limit: (1) certain leaves substantially unrelated to academic career, as set forth in subsection III.A below; and (2) certain periods of service for reasons set forth in subsection III.B below. The Vice Chancellor shall report such decisions in writing to the appointee.

1. The amount of Time Off the Clock must be based upon adequately documented justification.

2. No more than a total of two years of Time Off the Clock during the Eight Year Limit may be granted to an appointee.

3. The timing of a review (and Reconsideration of a Non-Renewal) will not be affected by the exclusion of:
   - only one quarter or one semester from the computation of service; or
   - a period of time after July 1 of the year in which the promotion review was otherwise scheduled.

A. Leaves Substantially Unrelated to Academic Career

Periods of leave, with or without salary, shall be included as service toward the Eight Year Limit unless, upon the basis of a petition with adequate supporting documentation, the Vice Chancellor determines that the period of leave shall be excluded because the activity undertaken during the course
of the leave is substantially unrelated to the appointee’s academic career.

1. Childbearing or parental leave with or without salary, provided for in APM 760-25 & -27, shall be excluded from service toward the Eight Year Limit unless the appointee informs the Academic Personnel Office in writing, no later than one quarter or semester after the leave, that it should not be excluded.

2. A period of leave, with or without salary, based on a serious health condition or disability, provided for in APM 710 & 715, shall be included as service toward the Eight Year Limit, unless, upon the basis of a petition filed no later than one quarter or semester after the leave is taken, the Vice Chancellor determines that the leave shall be excluded because no other accommodation, such as reduction in teaching or service responsibilities, suffices.

3. For all other leaves, the petition shall be filed at the time the leave is applied for. A Sabbatical Leave may not be excluded.

**B. “Time Off the Clock” During Periods of Service**

A request to exclude periods of service from the calculation of the Eight Year Limit should be made as soon as the need becomes apparent and must be justified, as to reason and duration, with adequate documentation. The Vice Chancellor may grant such a request for a justified period of time for up to one year, for the following reasons:

1. Childbearing and Childrearing (See APM 760-30)

   The care of a child who is or becomes part of the appointee’s immediate family, provided that the appointee certifies that s/he is a primary caretaker responsible for at least 50% of the primary caretaking of a minor child:

   - under five years of age;\(^2\) or

\(^2\)This is UCLA’s requirement in applying APM 760-30-a.
• at least five years of age who has medical needs, disabilities or other special circumstance requiring substantially more time for care than typical of a school age child, when supported by adequate documentation from an appropriate professional.

For care of a child under five, the Vice Chancellor shall grant all such certified requests for one year off the clock, provided that the appointee gives Notice of Intent to stop the clock within two years of the birth or adoption/placement of the child or within two years from the start of an appointment at UCLA, whichever is later. A combination of childbearing and childrearing leave and “time off the clock” may not exceed one year; and the birth or adoption/placement of more than one child at the same time constitutes a single event for purposes of this section.

2. Serious Health Condition including Disability

A serious health condition or disability that significantly disrupts the ability to perform essential functions of the appointment, (1) if supported by adequate documentation of a health-care professional and (2) if the Time Off the Clock is a reasonable accommodation and another accommodation (such as reduced teaching and/or service) will not suffice.

3. Care or Bereavement of Child, Spouse, Domestic Partner, or Parent

The need to care for a child, spouse, domestic partner, or parent (or in exceptional circumstances another close family member) who is seriously ill, or bereavement as a result of their death, which disrupts the ability to perform essential functions of the appointment, when supported by adequate documentation from a health-care professional.

4. Significant Circumstance Interfering with Research or Creative Activity

A significant circumstance beyond the appointee’s control that disrupts the ability to pursue duties, such as a natural disaster or significant delays in the provision of research space, facilities, or resources necessary for research as promised in writing (such as an offer letter).
C. Appointees shall not be arbitrarily disadvantaged in their promotion review (or compensation) because they have elected to take a childbearing or parental leave, or sought to stop the clock for reasons listed above. A review deferred due to a family accommodation under APM 760 should be treated procedurally in the same manner as other promotion reviews; and the file shall be evaluated without prejudice as if the work were done in the normal period of service and that shall be so stated in the Department Chair’s letter unless otherwise requested by the candidate.

D. Forms: To apply for an extension of the probationary period under sections III.A.2 & 3 and III.B.2, 3 & 4, use “Request for Exclusion of Time from the Eight-Year Limit.” To notify APO with respect to childbearing leave or child care under III.A.1 and III.B.1 (or to notify APO not to extend the probationary period) use “Notification: Extension of the Eight-Year Probationary Period for Childcare (Time Off The Clock).” (https://ucla.app.box.com/v/time-off-clock-non-childcare or https://ucla.app.box.com/v/time-off-the-clock)

IV. Timing of the Submission of a Dossier

Review of a dossier for promotion is required no later than in the seventh year of service, followed by its submission to the Academic Personnel Office no later than the posted deadlines for Academic Year and Fiscal Year appointees.

A. In determining the seventh year of service for an Academic Year (9-month) appointee:

- two (2) or three (3) quarters or one semester of service in an Academic Year count as one year;
- one (1) quarter of service in each of two academic years counts as one year.

Example: Assistant Professor X, an Academic Year (9-month) appointee, is appointed in the Spring Quarter of 2016-17. That quarter of service counts toward the Eight-Year Limit; but 2016-17 does not count as a year of service in scheduling the 7th year promotion review.

B. In determining the seventh year of service for a Fiscal Year appointee:

- 6 months or more of service (including vacation taken) in an Academic Year count as one year; and
\begin{itemize}
\item less than 6 months of service (including vacation taken) in each of any two or three academic years that total 6 months or more count as one year.
\end{itemize}

V. Restrictions on Re-employment (APM 133, Appendix A)

If, in an Eight-Year Limit review, the Chancellor decides not to continue a person’s appointment in a series, that person may not be appointed on any campus of the University to any faculty series or title listed below for a period of five years:

- Professor
- Acting Professor
- Visiting Professor
- Professor-in-Residence
- Adjunct Professor
- Professor of Clinical (X)
- Health Sciences Clinical Professor
- Supervisor of Physical Education
- Supervisor of Teacher Education
- Lecturer, Senior Lecturer
- Lecturer, Senior Lecturer PSOE
- Lecturer, Senior Lecturer SOE
- Coordinator of Field Work
- Field Work Supervisor
- Field Work Consultant

This limit does not prevent appointment as Lecturer in Summer Session or in the Clinical Professor Volunteer Series.

VI. Eight-Year Limit on Service Funded from General Funds

In addition to the Eight-Year Limit, when an appointment in any of the series listed below is supported by state funds for more than 50% time, the total period of such state support shall not exceed eight years:

- Professor-in-Residence
- Professor of Clinical (X)
- Adjunct Professor
- Health Sciences Clinical Professor
December 1, 2016

TO:        Joint Senate-Administration Faculty Salary Equity Study Committee

FROM:   Jerry Kang, VC—Equity, Diversity and Inclusion

Carole Goldberg, VC Emerita—Academic Personnel

RE:        Senate Faculty Salary Equity Study — Recommendations

Administration

VC – EDI should:

1. Provide training to all Equity Advisors regarding proper interpretation of the report of the UCLA Senate Faculty Salary Equity Study for the College and non-HSCP professional schools (hereafter “Report”) and implementation of these Recommendations

VC – EDI and VC emeritus – AP should:

1. Present the Report and its Recommendations to Deans at a meeting of the Deans Council
2. Present the Report and its Recommendations to a specially convened meeting of Department Chairs from the College and non-HSCP professional schools
Every School/Division:

Deans, Chairs, and Equity Advisors together should:

1. **Read report**
   - Read Executive Summary for the entire Report;
   - Read section of the Report for their own School/Division;
   - Read at least one other section of the Report (for comparison purposes);
   - Meet and discuss reading, and ask further questions.
     - For example, ask what, if anything, the study and Report may have missed or failed to capture about salary equity?

2. **Explore data**
   - Examine the data file provided by the Task Force for departmental and individual-level inequities;
   - Explore individual outliers and ask why they are so above or below the median of similarly situated peers;
   - Conduct additional analyses as necessary.

3. **Discuss how disparities subtly appear**
   - Are certain faculty viewed as more “deserving” of income because they are the “heads of households?”
   - Are certain faculty more aggressive in parlaying outside interest into raises and negotiating for perks?
   - Do we accurately measure the genuine “flight risks” of faculty with outside inquiries or offers?
   - Do some faculty have better information about how to negotiate for salary increases?

4. **Develop best practices and plan of action**
   - Meet and discuss different procedures and structures that can cabin discretion
     - For example, before recommending starting salaries, promotion or merit salary increases, or retention offers, make sure to review baselines, medians, comparators, and outliers.

5. **Convene a “town hall” meeting of faculty**
   - Solicit broad input regarding the Report, including sources of any disparities and appropriate solutions/strategies moving forward.
Schools or Divisions where Significant Disparity\(^1\) has been Found:
(either in salaries or progression through rank and step, keeping in mind that Report data are for July 1, 2013, and discretionary salary allocations under UCOP programs in 2015 and 2016 have been made, in part, based on considerations of equity)

1. **Conduct individual examinations**
   ⇒ Deans should direct their department Chairs, in consultation with their Equity Advisor, to pursue the finding(s) through examination of individual dossiers, in order to determine whether the disparities reflect inequities (unfair treatment based on gender, race, and/or ethnicity).
   ⇒ Chairs should provide a written report to their respective Deans with a plan and recommendations for remediation of those inequities.
   ⇒ Deans should submit a summary of these analyses, plans, and recommendations to the Vice Chancellor, Equity, Diversity and Inclusion, no later than March 15, 2017.

2. **Remedy inequities in salary**
   ⇒ Where inequities remain with respect to current salaries pursuant to the Chair’s review under 2), above, Deans should recommend use of any discretionary allocations that may be available to remedy inequities, and should recommend any additional salary increases that may be required to the Vice Chancellor, Academic Personnel.

3. **Remedy inequities in progression**
   ⇒ Where inequities are found with respect to progression pursuant to the Chair’s review under 2), above, Deans should inform any individual faculty members who may be entitled to seek a Merit Equity Review.
   ⇒ Where a Merit Equity Review would not be appropriate, but the Dean and/or Chair finds that individual faculty members experienced difficulty in progression because of an adverse departmental climate or discrimination, the Dean should provide research or other support for those faculty to assist their future progression.

4. **Produce accountability report**
   ⇒ Working with their Equity Advisors, Deans must submit a report to the Vice Chancellor, Equity, Diversity and Inclusion no later than June 30, 2017, describing the actions taken above.

\(^1\) As used in these Recommendations, "disparity" refers to a significant difference (in salary or progression) found with respect to groups based on gender and/or race/ethnicity. Because the Faculty Salary Equity Report does not evaluate every factor that could contribute to such difference, and because the analyses consider groups rather than individuals, the existence of a disparity may or may not reflect inequity (unfair treatment) as to any particular faculty member.