Dear Professors,

Attached please find the “Rebenching” report, which I am forwarding to you on behalf of Senate Chair Linda Sarna. Please review the report and submit your responses to me by November 15, 2012 at jbalboa@senate.ucla.edu. This will allow the Executive Board to review all responses and submit a single response for the campus at its November 20, 2012 meeting. Responses are most helpful when they include a clear statement of endorsement, endorsement contingent upon stated revisions, or opposition. Committees may also decline to opine or simply “raise no objections.” Minority reports are always welcome.

I have also attached for your information the UCLA Statement on Rebenching which was endorsed by the Executive Board last February.

Sincerely,

Jaime

July 12, 2012

SENATE DIVISION CHAIRS
SENATE COMMITTEE CHAIRS

Re: Systemwide review of “Rebenching” report

Dear Colleagues:

I have enclosed for systemwide review in Fall 2012 the report and recommendations of the Rebenching Budget Committee, which met from April 2011 to March 2012. The rebenching project is the second phase of the University’s overhaul of its internal budgeting processes, following Funding Streams, which addressed non-state revenues and which was implemented in 2011-12. The intent of rebenching is to increase transparency and equity in the formula for allocating state funds across the campuses.

Comments should be sent to SenateReview@ucop.edu by Monday, December 3, 2012. I encourage you to circulate this report and recommendations widely in order to engage the broadest possible range of faculty in discussion of the future shape of the University. I thank you for your assistance.

Sincerely,
Robert M. Anderson, Chair
Academic Council

Cc: Academic Council
    Executive Director Winnacker

Encl.
SENATE DIVISION CHAIRS
SENATE COMMITTEE CHAIRS

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Sincerely,

Robert M. Anderson, Chair
Academic Council

Cc: Academic Council
Executive Director Winnacker

Encl.
June 25, 2012

PRESIDENT MARK G. YUDOF

Dear Mark,

Enclosed please find the report and recommendations of the Rebenching Budget Committee. At your request, we convened this Committee in June 2011. The Committee was broadly representative of the University and its ten campuses, including six Chancellors, five members of the Academic Senate (including the Chair and Vice Chair of the Academic Council), two Executive Vice Chancellors, and four Vice Chancellors for Planning and Budget. The committee deliberated over the better part of the year, holding its last meeting on March 7, 2012. The committee approved the framework and recommendations of the report at the last meeting and this report was reviewed extensively by a drafting committee representative of the full Committee.

While not every member of the Committee agreed to every detail of the proposal, there was consensus on the need to move forward on the general principles behind the proposal. In particular, there was strong consensus that the University needs a more transparent and equitable process for allocating funds received from the State of California to its ten campuses. And there was strong consensus that such allocations need to be guided by core principles derived from the University’s mission. Specifically, that UC’s excellence is found in all of its parts and that state support per student should not depend on the campus a student attends. The Committee also felt strongly that rebenching should occur, if possible, out of new State funds rather than by further cutting existing State support at any campus.

Given the volatility and uncertainty surrounding the State budget, the Committee did recognize the need for year-to-year flexibility in implementing these changes. In particular, such flexibility would be needed in years of small or no budget increases. Other issues that would need to be addressed in implementation include:

- The development over the next year of a long-range enrollment plan that will provide the basis for the rebenching enrollment targets beginning in 2013-14. The campuses will be asked to begin such planning in early November, after the results of the November tax measure are known.
- The methodology for annual adjustments to the UC Merced and UC San Francisco budgets (proposals are referenced in the report).
Establishing a method for determining and annually adjusting the appropriate allocations to "off-the-top" programs including the Agricultural Experiment Station (AES), the Scripps Institute, the Neuropsychiatric Institutes, Mental Health Teaching Support, the MIND Institute, SAPEP programs, and any State General Fund adjustments to student financial aid in order to even out the student work/loan commitment across campuses.

In our belief that, similar to Funding Streams, adoption of rebenching will create a framework that allows for the transparent resolution of many of these issues. Many of these issues concern funding that was allocated to the campuses for a specific program at the request of the state government and are related to how that funding has grown or been cut over the years since it was originally allocated.

The enclosed report includes two documents (Appendix A and B) that show the results of the rebenching model calculations. However, one of the implementation tasks is to verify these numbers with the campuses. Thus, the numbers and results in these appendices will change prior to implementation. They should not be considered final numbers. In addition, there are additional appendices that will be compiled and transmitted to you over the next few weeks.

We are transmitting the report for additional review and comment to a broad range of University constituents. We look forward to discussing the report and its implementation with you at your earliest convenience.

Sincerely,

Lawrence H. Pitts
Provost and Executive Vice President
Academic Affairs

Nathan Brostrom
Executive Vice President
Business Operations

Enclosures

CC: Chancellors
    Rebenching Budget Committee Members
    Executive Vice Chancellors
    Vice Chancellors for Planning and Budget
    Rebenching Budget Committee Staff
Reduced state support prompts reexamination of UC funding models. Beginning in 2008, the University of California Office of the President (UCOP) initiated a comprehensive review of how the University budgets and allocates its various fund sources. This became particularly urgent in the intervening years as the state dramatically reduced state support to the University and non-state fund sources became an ever-increasing share of the University’s total budget. This review and subsequent deliberations in the University led to a recommendation in 2011 to adopt Funding Streams, a new budget allocation model for current funds.

Funding Streams. Funding streams, implemented for the 2011-12 budget year, is based on the principle that campuses would retain all the revenues they generate and that central operations would be funded through a new assessment on expenditures from all fund sources. Funding streams was implemented for all revenues except State General Funds. Fundamentally, it did not change how State General Funds are currently distributed across campuses.\(^1\) The distribution of State General Funds among campuses is a result of a long history of State and University funding allocation decisions. Because campuses grew at different periods under different allocation models, the base allocation of State General Funds could no longer be explained by any one set of factors or principles.

The need for rebenching. Parallel to the funding streams discussions, there were a number of discussions about the need to address the distribution (or redistribution) of the State General Funds that comprised the campus base budgets. One such body, the UC Commission on the Future (COTF), recommended, subsequent to funding streams, that the University examine the rationale for distributing state General Funds and design a proposal for “an equitable and transparent readjustment of base funding formulas.” The need for such a change included concerns about the “considerable disparities” among campuses in per-student funding and “the complexity and opaqueness of the current model.” This “readjustment” or reallocation of core State General Funds came to be known as Rebenching.

Rebenching Budget Committee. Provost Pitts and Executive Vice President Brostrom appointed the Rebenching Budget Committee which held its first meeting in April 2011 and deliberated for the better part of year. At its meeting of March 7, 2012, the committee agreed to the recommendations for the rebenching of state General Funds.

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\(^1\) There were adjustments to campus General Fund allocations associated with Funding Streams and state General Funds are included on the expenditure side in the calculation of the assessment.
Core principles. The recommendations below are based on the following core principles:

- Unrestricted State General Funds provided to University shall be allocated to the campuses for the purposes of UC’s core missions based on the number and type of students they educate.
- UC has a common standard of excellence across its 10 campuses. The state subsidy per student should not depend on the campus a student attends. Thus, the amount of state General Funds allocated per student should be the same for each type of student across all of the campuses.²
- Rather than reducing the state funding provided to any campus, if possible, rebenching should be implemented in a way that seeks to bring all campuses to up to current highest level of per-student funding. This requires additional state funding.
- Graduate education is such an integral part of UC’s mission and excellence that it needs to be recognized in any allocation model.

Committee recommendations. Those core principles as well as a number of others are inherent in the recommendations for rebenching adopted by the committee. The following are recommendations agreed to by the committee at its last meeting:

- Initially, UC Merced and UC San Francisco are not included in the rebenching model and adjustments to their State General Fund allocations will occur through different means. The intention is that, as it grows, UC Merced will transition to the funding allocation method recommended here for the other campuses. A determination will need to be made as to when UC Merced begins to be part of the normal rebenching formula. For UCSF, there is a proposal for a corridor for increases and decreases that was not reviewed by this committee. Under the proposed corridor, UCSF would get 100 percent of its share of augmentations for the first two percent increase in State General Funds and then 50 percent of its share for any further increases. UCSF would take 100 percent of its share of any cuts for the first one percent decrease in State General Funds and 25 percent of any decreases beyond the one percent cut.
- Rebenching will be implemented starting with allocations for the 2012-13 fiscal year.
- The transition to a fully-rebenched state General Fund allocation at each campus will occur over six years.
- At full implementation, all campuses are to receive per-student funding equal to the highest campus’ per-student average³ (by level – see next bullet)
- Per-student funding is to be distributed on a weighted basis in which undergraduate, postbaccalaureate, graduate professional, and graduate academic master’s students are weighted at 1, doctoral students at 2.5, and health sciences students at 5 (except health sciences undergraduate students are at 1 and health sciences academic doctoral students are at 2.5).

² The Academic Senate stated it this way: “The state subsidy per student should not depend on the campus the student attends; this recommendation follows from our core value that UC is one university with one standard of excellence at its ten campuses. The cost of a UC-quality education is the same on every campus, and the campuses should be funded accordingly.”
³ The committee did discuss options for implementation that, in the absence of sufficient resources, would prioritize campuses furthest from the rebenching target and/or would rebench to the second highest campus.
• At the undergraduate level, only California resident students will enter into the formula for determining the allocation of state funding in the model. At the graduate level, all students are included.

• Only enrolled students up to a targeted number established in a systemwide enrollment planning process will be included. Students above targets will not be included in the weighting formula.

• For 2012-13, current budgeted enrollment targets will be the basis for rebenching. A new long-range enrollment plan will be developed over the next year and this plan will be the basis for rebenching enrollment targets in future years.

• There will be a penalty if a campus falls below its undergraduate California resident targets by more than a particular percentage over a particular time frame. For each student below the target, a campus will lose its per-student funding times a multiplier. The tolerance, time frame, and multiplier for assessing the penalty will be determined in implementation. For example, it has been proposed that the penalty be assessed if a campus falls below its target by more than one percent calculated using a three-year rolling average and that the multiplier be 1.5.

• Campuses with academic doctoral student proportions below 12 percent (ratio of Ph.D. to undergraduates) will be provided funding to increase the numbers of such students up to the 12 percent level.

• Campuses are assigned a set-aside of $15 million in State General Funds prior to application of the weighting formula to recognize fixed costs that every campus has to cover unrelated to the number of students served.

• State General Funds allocated for specific state purposes and restricted to those purposes are funded “off-the top” — that is, these funds are allocated to campus or systemwide budgets prior to application of the weighting formula.

• As determined in Funding Streams, there is a student financial aid self-help contribution policy for resident undergraduate students common across all campuses. Currently, no State General Funds are used for leveling the student work/loan expectations among campuses pursuant to this policy. If state General Funds are used for this purpose in the future, those fund will also be treated as an “off-the-top” and not available for rebenching.

There were a number of issues that the committee left for resolution during implementation, including verification of the figures in the rebenching model. Two were mentioned above — the appropriate way to allocate state General Funds to UCSF going forward and the timing of the transition of UC Merced to the rebenching formula. Others include:

4 2007-08 budgeted enrollments as adjusted in 2010-11. “Over-enrollment” (students enrolled beyond the budget targets) will not be included.

5 The rebenching model includes funding at 12 percent for those campus now below 12 percent; thus, those campuses will realize funding for additional doctoral students as rebenching is phased in over the six years. Funding will be withdrawn for any shortfalls in achieving these numbers at the end of an appropriate phase-in period.

6 “Off-the-tops” agreed to by the committee include Agricultural Experiment Station, the Neuropsychiatric Institutes (NPIs) including Mental Health Teaching Support, Scripps Institute, SAPEP, and MIND. Clinical Teaching Support is not included as an “off-the-top” and remains part of the base budget subject to the weighting formula.

7 There are some discrepancies in the dollar figures for General Fund and “off-the-top” programs that need to be resolved between UCOP and campus budget offices.
• Establishing a method for determining and annually adjusting the appropriate allocations to “off-the-top” programs,
• Determining the appropriate set-aside for SAPEP funds, and
• Refining budgeted enrollment numbers by level.

While the University will need to work out the exact funding scenario through the allocations process, the committee recommends a “waterfall” of funding sources, in which new state funding would be the first source of rebenching funds, followed by savings generated from cuts to central programs, and, in a worst-case scenario in which no new funds are available for rebenching and cuts to campus budgets are necessary, distributing cuts in alignment with the goals of rebenching. However, the group acknowledged the President’s authority to alter this recommended solution in any given year in which circumstances warranted different action.

In the event of new funding from the State, funds would be distributed as follows:

• UC Merced – for enrollment funding according to its Memorandum of Understanding, which currently ends after 2013-14.
• Agreed-upon cost-adjustments to the “off-the-top programs” excluded from the rebenching base.
• To the campuses according to the rebenching targets based on the six-year implementation schedule. Under one state growth scenario, this would account for approximately 20% of any remaining new state funding after the above two categories are funded.
• Any remaining funds would be distributed according to the target General Fund percentages in the rebenching model in order to increase the dollar amount of state support per weighted student equally across the campuses. This would include UCSF’s distribution (proposal for UCSF described above).

These are the recommendations of the Rebenching Task Force. The President has the authority to take some, all, or none of these recommendations.

Calculations. Attachment A is the spreadsheet representing the latest version of the calculations that show a six-year path to implement the above recommendations. The spreadsheet shows the total amount of new funds that would be necessary to implement rebenching over six years and how those dollars would flow to each campus under that scenario. Note that it excludes the funding that would be needed for UC Merced and UC San Francisco and assumes no enrollment growth beyond the additional graduate students discussed above. Attachment B is a graph showing dollars per weighted student by campus, the system average, and the rebenching target.

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8 Line S on the 5/4/12 version of the model (Attachment A)
9 Assuming no state General Fund cuts
10 The figures in the attachments will change as the various data elements are verified with the campuses and as implementation decisions are made.
### Appendix A

| Results will change when data is verified with campuses |

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Berkeley</th>
<th>Davis</th>
<th>Irvine</th>
<th>Los Angeles</th>
<th>Merced</th>
<th>Riverside</th>
<th>San Diego</th>
<th>San Francisco</th>
<th>Santa Barbara</th>
<th>Santa Cruz</th>
<th>Systemwide</th>
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<tr>
<td>A State Budgets</td>
<td>$282,858,000</td>
<td>$312,560,000</td>
<td>$193,953,000</td>
<td>$398,800,000</td>
<td>$72,800,000</td>
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<td>$236,714,000</td>
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<td>$122,797,000</td>
<td>$116,751,000</td>
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<td>B General Campus Off-the-top</td>
<td>$24,408,471</td>
<td>$46,927,171</td>
<td>$384,000</td>
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<td>$725,000</td>
<td>$26,551,316</td>
<td>$159,691,660</td>
<td>$242,000</td>
<td>$675,000</td>
<td>$1,790,000</td>
<td>$127,733,368</td>
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<tr>
<td>C Health Science non-CTS Off-the-top</td>
<td>$33,315,390</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$44,209,042</td>
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<td>D Clinical Teaching Support Off-the-top</td>
<td>-</td>
<td>(3,357,727)</td>
<td>-</td>
<td>-</td>
<td>(30,762,766)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>E Clinical Teaching Support Admin</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>F Fixed Cost Set-aside</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
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<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$150,000,000</td>
</tr>
<tr>
<td>G Subtotal (RF)</td>
<td>$243,449,525</td>
<td>$247,274,556</td>
<td>$178,259,000</td>
<td>$351,969,234</td>
<td>$57,075,000</td>
<td>$112,853,484</td>
<td>$202,022,040</td>
<td>$316,655,450</td>
<td>$107,122,000</td>
<td>$99,961,000</td>
<td>$1,761,591,590</td>
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<tr>
<td>H Health Science Budget</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Current Dollars per Student**

| J Unweighted Enrollment | All State-supportable | 33,176 | 29,390 | 27,444 | 35,672 | 4,765 | 17,878 | 27,434 | 3,784 | 21,480 | 16,060 |
| K % of Systemwide Total (Campus / System I) | 14.4% | 15.7% | 12.7% | 16.6% | 2.2% | 8.5% | 12.7% | 1.8% | 10.0% | 7.5% | |
| L Dollars per Student (U/I) | $7,759 | $8,414 | $6,495 | $9,867 | $11,978 | $6,312 | $7,364 | $42,708 | $4,887 | $6,224 | $8,183 |
| M Difference from Mean (Campus I - System I) | $424 | 231 | $1,688 | 1,684 | $3,795 | 1,821 | 813 | 34,525 | 5,196 | |

**Funds available to research**

| N Adjusted campus base budgets | (I except MC & SF = 0) | $243,449,525 | $247,274,556 | $178,259,000 | $351,969,234 | $112,853,484 | $202,022,040 | $316,655,450 | $107,122,000 | $99,961,000 | $1,542,911,140 |

**Enrollment Options**

| O Graduate Growth to UC average | 12.0% | |
| P Population to weight | All-State-supportable | Custom | |
| Q Weighting Scheme | |
| R Weighted Enrollment | 42,348 | 40,144 | 35,832 | 54,883 | N/A | 20,895 | 35,741 | N/A | 25,055 | 19,168 | 275,266 |
| S % of Systemwide Total (Campus R / System R) | 15.4% | 14.7% | 13.0% | 19.9% | N/A | 7.6% | 13.3% | N/A | 9.1% | 7.0% | 100.0% |
| T Campus funds on equal per student distr. (System N / Campus I) | $237,163,495 | $226,134,166 | $200,844,245 | $307,638,239 | N/A | $1,119,007 | $205,039,329 | N/A | $140,437,390 | $107,439,788 | $1,542,911,140 |
| U Change in State Funds: Dollars (T - I) | ($6,062,091) | ($23,199,810) | $22,585,245 | ($44,341,005) | N/A | $4,366,423 | $9,918,999 | N/A | $33,315,190 | $7,478,788 | $0 |
| V Change in State Funds: Percentage (U/I) | -2.5% | -8.5% | 12.7% | -12.6% | N/A | 3.8% | 1.9% | N/A | 31.1% | 7.5% | |
| W Dollars per Weighted Student (U/I) | $5,605 | $5,605 | $5,605 | $5,605 | N/A | $5,605 | $5,605 | N/A | $5,605 | $5,605 | |
| X New Funds Needed (W, if W is negative, 0) | - | - | $22,585,245 | - | N/A | $4,366,423 | $9,918,999 | N/A | $33,315,190 | $7,478,788 | $71,562,645 |
| Y Resultant Dollars on Campus (the greater of N or T) | $243,449,525 | $247,274,556 | $200,844,245 | $351,969,234 | N/A | $117,190,007 | $205,039,329 | N/A | $140,437,390 | $107,439,788 | $1,614,473,985 |
| Z Resultant Dollars per Weighted Student (Y/I) | $5,749 | $6,129 | $5,605 | $4,413 | N/A | $5,401 | $5,499 | N/A | $4,275 | $5,215 | $5,865 |
| Z1 Dollars per weighted student (unadjusted) | $5,749 | $6,129 | $4,975 | $6,413 | N/A | $5,401 | $5,499 | N/A | $4,275 | $5,215 | |
| AA Difference from Mean (Campus Z - System Z) | $116 | 264 | $260 | 548 | N/A | $260 | $260 | N/A | $260 | $260 | |
| AB Resultant Dollars per Weighted Student (rank of Z) | 3 | 2 | 4 | 1 | N/A | 4 | 4 | 4 | 4 | 4 | |
| AC Bring these below up to 4 | 1 | |
| AD Resulting timeframe –years | 6 | |
| AE Resulting campus budget (I + AD) | $271,581,239 | $258,709,420 | $229,793,590 | $351,969,234 | N/A | $134,001,369 | $235,624,082 | N/A | $160,879,794 | $122,925,975 | $1,765,303,704 |
| AF Resultant dollars needed (AE - N) | $28,131,714 | $11,454,864 | $51,534,590 | - | N/A | $21,147,885 | $33,600,742 | N/A | $53,557,794 | $22,964,975 | $222,392,564 |

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**Growth on positive, 0 on negative, 1 if W is below 0, 4 if W is above 0**
Appendix B:
Rebenching Model Results: dollars per "weighted" student

These values are State General Funds per "weighted" student based on the formula in the rebencing model. The values are not related to the actual costs or expenditures for instruction since the model only accounts for a portion of one revenue source. It does not take into account other State General Funds, other revenue sources, actual expenditures, budget cuts, or over-enrollment.
UCLA Academic Senate Statement on Rebenching
Approved by the Executive Board on February 23, 2012

The special consideration for UCSF in Rebenching calculations is an explicit acknowledgment of the distinct nature of a health science campus. UCSF, however, is not a singularity in the UC system. Each of its distinct characteristics is shared to a greater or lesser extent by the other campuses that host a health science academic program. In the interest of equity within the UC system, the special consideration afforded UCSF should extend to all health science entities on any campus. The Executive Board of the UCLA Division of the Academic Senate therefore resolves that state general funds that support all UC health science academic programs should be afforded the same special consideration as proposed for UCSF, namely: 1) designated as separate from funds for general campus programs, and 2) given the same consideration in Rebenching calculations across health science campuses.

Background
The UC has a tripartite mission: education, research, and service. The Rebenching exercise is predicated on the principle that student headcount is an appropriate proxy for all academic activities of a campus, and therefore for the assignment of state general funds to a campus. The special consideration afforded UCSF in Rebenching is an unequivocal recognition of the fact that headcount is an inappropriate proxy for state general fund assignment in the health sciences; in other words, when this proxy is used, “the numbers don’t work.” There are three foundational reasons why this proxy is inappropriate for health sciences on any campus:

1) the service and research missions of the university receive significantly greater relative emphasis in the health sciences than in most departments on the general campus;
2) educational cost is poorly described by weighted funding per student in the health sciences;
3) academic administration and infrastructure support are significantly more costly on a health science than a general campus.

Each of these foundational differences is examined separately below.

1) The service and research missions of the university receive significantly greater relative emphasis in the health sciences than in most departments on the general campus. The balance among activities in the tripartite mission is fundamentally different in the health sciences than on the general campus. The health science campuses must dedicate substantial resources to building clinical service as a foundation for education and research. Immersion of faculty and trainees in clinical service is essential for health science programs to fulfill their education and research missions within the University, their service mission to their communities, and their research missions within their disciplines, as well as to maintain national standing in their fields. In addition, there is a greater relative commitment of time and resources to research in the health sciences because of the need to continually pursue substantial extramural funding as a consequence of the intensive demands of team-based clinical and laboratory research, and the expectation of contributions to biomedical discovery and their translation into public benefit.

2) Educational cost is poorly described by weighted funding per student in the health sciences. Educational activities in the health sciences are both qualitatively and quantitatively different from that of most programs on a general campus. Education in the health sciences is inextricably intertwined with the service and research missions of the university: clinical teaching with provision of health care, and research training with laboratory activities. Many faculty who are hired to perform clinical teaching are entirely self-supporting, and many
research faculty are largely if not entirely self-supporting. In order to fulfill its educational mission, a health science campus therefore is required to operate clinical facilities, hire and sustain faculty, as well as support clinical, research, and administrative infrastructure in a way that most departments on a general campus are not. While some clinical and research activities themselves are supported by clinical revenue or extramural research funds, respectively, much of the enabling infrastructure must be supported by state general funds. All these factors represent educational costs that are not simply reducible to student headcounts.

3) **Academic administration and infrastructure support are significantly more costly on a health science than a general campus.** Academic administration is more complex and costly in the health sciences because of the greater regulatory and reporting demands imposed by the FDA, NIH, and other agencies. Human subjects research in the health sciences is higher risk than on a general campus because of the use of investigational drugs and devices. Institutional Review Board (IRB) operations therefore are significantly larger on a health science campus, and require staff with a greater degree of skill and training in risk assessment and post-approval monitoring. Animal research accounts for a greater proportion of research activity in the health sciences, and also requires special review, regulation, and monitoring. Research in the health sciences frequently involves conflict of interest, compliance, and confidentiality issues that carry significantly greater risk than general campus research, and require special coordination and monitoring among campus units. An added difference in infrastructure cost on a general versus a health science campus is attributable to the use of space. While the highest proportion of space supported by state general funds on a general campus is instructional space (particularly outside the sciences and engineering), a higher proportion of space supported by state general funds in the health sciences is research space. The operation and maintenance of physical plant for research laboratories and vivarium space is significantly more costly than for instructional space. All of these factors lead to greatly increased administrative and infrastructure support costs on a health science campus. While some of these costs are borne by direct costs of grants and indirect cost recovery, much of the expense still is supported by state general funds.

The special consideration afforded UCSF is an explicit acknowledgment by the Rebenching Committee of the fact that use of student headcount for state general fund assignment in the health sciences would result in significant and disproportionate cuts to vital academic activities. Depending on how Rebenching is implemented on other health science campuses, there could be two immediate consequences of these cuts: 1) significant reduction in the size and scope of health science academic activities, and/or 2) diversion of undergraduate tuition revenue to support academic health science programs. It is possible that the University would choose to implement one or both of these two options, but they both represent significant philosophical and policy decisions that should be separately and explicitly considered. At this juncture, both of these outcomes represent unintended and undesirable consequences. We therefore urge that all health science academic programs be afforded the same special consideration under Rebenching.