

COMMITTEE ON BUDGET AND INTERDEPARTMENTAL RELATIONS
ANNUAL REPORT 2006-07
December 12, 2007

The Committee on Budget and Interdepartmental Relations (BIR), more widely known on campus as the Budget Committee (BC), is a standing committee of Berkeley's Academic Senate. It traces its origins back to 1920 and the famous "faculty revolt" against President David Barrows; since its creation as one outcome of that altercation between the faculty and the administration, the BC has played a key role in Berkeley's tradition of "shared governance." The BC is charged with two primary functions: (1) conducting regular reviews of ladder rank faculty with respect to merit advancement, tenure, and promotion, as well as reviews of faculty in the Adjunct, Clinical Professor, Lecturer, Professor-in-Residence, Researcher, and Visiting Professor series, and making recommendations to the administration regarding these reviews; and (2) evaluating the annual requests of departments, schools, and their deans, for allocation of new faculty FTE, and again making recommendations to the administration. In addition, the BC is regularly asked to comment on many other matters, such as the performance reviews of deans, and on the periodic external reviews of departments and schools. The BC's workload is widely recognized to be a heavy one, and membership on the BC is a major service commitment.

This report summarizes the work of the BC during the 2006-07 academic year, and draws attention to some of the particular issues facing the Committee during this period. A statistical summary of cases handled by the BC is attached to this report.

Routine Academic Personnel Reviews and FTE Allocations

The BC processed a total of 1,085 appointment, appraisal, tenure, promotion, and merit review cases during the year, a considerable increase over previous years. The Committee continued to enjoy a constructive working relationship with the administration, especially with the Office of the Vice Provost for Academic Affairs. Although some cases involved a "reconsideration" of an initial BC recommendation, in the end in only 7 cases did the administration not accept the BC's recommendations with respect to appointments, salary, step, or rank. In such rare cases, as always, the BC discussed these disagreements with the administration.

Schools, departments, and directors of new initiatives requested a total of 153 new faculty positions for TY 2008-09. The administration requested that the BC recommend a total of 65 positions, a number consistent with the University's current budgetary state. This annual review process is a difficult one, since nearly all of the requested positions reflect real needs, and chairs and deans present compelling arguments. In making its recommendations, the BC takes into account several factors, including programmatic needs, the outcomes of recent departmental reviews and their recommendations; the current gap between actual unit size and target size; and, workload data such as faculty/student ratios, the numbers of majors and graduate students (and whether these have been increasing or declining), and so forth. The BC's initial recommendations are responded to by the administration, and a final adjusted set of recommendations are reached after mutual discussion and in light of last minute information on pending separations and the likely outcome of on-going searches.

Issues of Shared Governance

The long tradition of shared governance continues to work in the best interests of the University. Inevitably, the tradition results in some tensions between the Senate, as represented by the BC, and the administration; the current year was no exception. Early in the year, the Committee expressed its concern over two cases in which the administration appeared to have acted prematurely with respect to salary increases involving outside offers, cases in which the BC had not been consulted or made a recommendation prior to administration action. The Committee was assured that these cases were due to unusual circumstances, and that in the future the administration would make every effort to see that the BC was consulted prior to responding with retention offers.

The BC also was disturbed to find that the administration had approved the allocation of new FTE to the Berkeley Diversity Research Initiatives (BDRI) without consulting the Committee for its recommendations. Executive Vice Chancellor and Provost (EVCP) George Breslauer met with the Committee regarding this matter, explaining that this had been an unintended oversight. EVCP Breslauer assured the BC that in the future all such special initiatives involving new FTE resources would indeed be subject to BC review.

A third, and by far the most contentious, issue of shared governance arose out of the competitive request from British Petroleum (BP) for proposals to establish a university-industry research partnership in the area of biofuels. Berkeley's proposal to BP included the allocation of new FTE resources. Vice Chancellor for Research (VCR) Beth Burnside did keep the Senate's CAPRA committee apprised of the proposal process, but there was no direct communication from the administration to the BC with respect to the intended allocation of FTE. In early 2007, a meeting between EVCP Breslauer, VCR Burnside, VP de Vries, and the BC was held to discuss this lack of consultation. All present agreed on the principle of shared governance with respect to any faculty FTE to be included in the BP biofuels initiation, including BC review of any new appointments. The BC was satisfied with this outcome. In addition, later in the spring VCR Burnside invited the BC Chair to join with the Chairs of several other key Senate committees as an ex officio ad hoc advisory committee to the VCR as the exact terms of the contract with BP were negotiated. We believe that this was an excellent decision of the part of the VCR, and that it established an important precedent in making certain that the Senate is fully consulted in such major decisions as the BP contract.

In sum, while the year was marked by some tensions over shared governance, in the end the principle represented here—that both the faculty through its Senate and the administration stand to benefit through mutual consultation—emerged stronger than ever.

Continuing Problem of Faculty Salaries

No group of individuals on campus is more acutely aware of the problem of Berkeley faculty salaries than the members of the Budget Committee. Hardly a week passes without one or more retention cases, or competitive offers to attract a new faculty member, each marked "URGENT" with a bright red sticker, arriving in the BC's in-box. While Berkeley is generally able to meet the competition with respect to new hires, this inevitably results in more and more of our faculty receiving "decoupled" salaries. The problem is often more difficult with retention cases, especially since many of these involve targeted raids on our very best faculty, usually by peer private universities

(Stanford, Princeton, Harvard, and Yale among them) with vastly larger endowments and resources.

One of the most effective weapons in the arsenal developed by Berkeley over the past few years to fend off raids on our faculty, especially on mid-career faculty, has been the Targeted Decoupling Initiative (TDI). Under this program, which was originally developed by the administration at the suggestion of the BC, faculty who are likely to be the target of a retention case may be awarded one or more increments of a TDI award, in addition to a regular merit increment. The TDI program was approved for a three-year period, and was set to expire at the end of AY 2005-06. Early in the fall of 2006, the BC became troubled by the disappearance of this important tool. The Committee therefore argued forcefully with the administration that, in addition to a very narrow TDI-2 which was restricted to faculty in the first few steps of the full Professor rank (to compensate for a limited number of faculty who would not benefit from the so-called “promotion increment”), a new TDI-3 program also be approved. As with the original TDI, this TDI-3 would be open to all tenured faculty, subject to the recommendations of the relevant deans. The administration accepted this proposal, and TDI-3 was implemented. We believe that this has helped in the preemptive retention of key faculty.

Another area of concern to the BC was that of salaries in the Department of Economics, which seemed to be undergoing an unsustainable acceleration due to outside offers. After considerable discussion with the administration, a variant of the TDI was proposed for Economics in order to preemptively raise the salaries of faculty especially vulnerable to outside offers, and thus head off even larger retention battles. This program is being funded in part through a reduction of 1.0 FTE in Economic’s FTE target.

The problem of UC salary scales lagging those of our peer competition is, of course, not unique to Berkeley, but is a matter of systemwide concern. In the spring, the Universitywide Committee on Academic Personnel (UCAP) circulated a draft of a proposed set of principles and policy regarding faculty compensation. The Budget Committee reviewed and commented on this proposal, agreeing with the core recommendation that a panel of competitive salary schedules, based on academic disciplines and cohorts, be developed. The Committee is pleased to see that the outcome of this initiative has been a first step in raising the systemwide salary scale, in fall 2007.

Finally, the BC Chair served as a member of a Working Group on Faculty Endowed Chairs convened by Vice Provost de Vries. The Working Group met several times during the year, and developed a set of principles that would govern the allocation of earned income from endowed chairs. This is especially important in light of the administration’s plan to raise at least 100 new endowed chairs during the current capital campaign. The basic principle agreed upon is that the income from an endowed chair fund made available to the chair holder (for use in research, summer salary, etc.) would be capped at \$25,000 per year, with the remainder of the income going to help underwrite faculty salaries. In the future this should produce a substantial income stream to help ease the problem of faculty compensation.

Review and Procedural Matters

A number of issues concerning the process of merit and promotion review, and procedures in general, came to the Committee’s attention during the year. Early in the

year the BC was approached by Academic Senate Chair William Drummond, along with the Chairs of the Committee on Privilege and Tenure, and of the Committee on Committees, with a request to develop specific guidelines for the evaluation of service in merit reviews. The BC drafted an initial statement on service guidelines, which was then circulated at Divisional Council, and revised by Senate Vice Chair Sheldon Zedeck with consultation from other Senate chairs. After further BC comment, a revised Service Guidelines document was drafted, and was finalized in fall 2007. These guidelines clarify the service roles expected of Berkeley faculty at various ranks and stages in their careers, and will aid the BC and administration in assessing service as a part of regular merit reviews.

Another matter which had at times presented difficulties in the review of junior faculty was posed by appointments that begin with an initial year of leave without salary (LWOS), a practice not uncommon at Berkeley. Because reappointments are made every two years at the non-tenured level, this led to initial merit reviews being prepared just as a new faculty member was arriving on campus after their LWOS, and effectively without a record of on-campus research, teaching, or service. There was additionally the matter of whether the tenure clock starts with the date of initial appointment, or at the end of the LWOS; if the latter holds, then effectively faculty who start their Berkeley careers with an LWOS gain an additional year on the tenure clock. Working with the administration, the BC recommended a change in the manner in which LWOS and merit reviews are administered, which brings Berkeley practice into line with that at other campuses.

The BC was also concerned over the increasing number of requests for waivers of Campus Ad Hoc Review Committees (CAHRCs), both in urgent cases of appointment with tenure, and in promotion cases. The BC agreed with the administration that it would be desirable to reduce the considerable burden on faculty asked to serve on CAHRCs by waiving such CAHRCs in cases where the case for promotion to full Professor met several criteria, including (1) unanimous or near unanimous support of the department, (2) enthusiastic support of the cognizant dean, (3) overwhelming support in external letters, and (4) an outstanding and balanced record of teaching, research, and service. However, the BC felt that the decision of whether or not to waive a CAHRC in full Professor promotion cases should not be delegated to deans, but should be a matter of mutual consultation between the BC and the VP Academic Affairs. After discussion at the Council of Deans, this proposal was accepted. Thus, in former VP de Vries' words, in the future "CAHRC waivers will appear to [the deans] as an act of grace, granted by an unknowable distant authority."

A final matter arising during the year was the development of a Memorandum of Understanding concerning joint appointments between the campus of the Lawrence Berkeley National Laboratory. With considerable interest on the part of both UCB and LBNL for a number of such split appointments (usually 0.5 FTE at UCB), both the administration and the BC felt it was essential for there to be an MOU defining the terms of such appointments, such as the obligation of UCB to "backstop" the other 0.5 FTE funded by LBNL, should the Lab discontinue funding for a position. The administration prepared a draft MOU that was reviewed and commented upon by the BC, and finalized late in the academic year.

Committee Membership and Staffing

Given its critical role in shared governance and in the regular appointment and evaluation of Berkeley faculty, the composition of the Budget Committee is clearly a non-trivial matter. Ultimate responsibility for selecting members of the BC, as for other Senate committees, lies with the Committee on Committees (COMS). However, for some time COMS and the BC have worked together closely to identify and evaluate possible members for appointment to the BC. Both committees have gone to considerable lengths to identify candidates who can diversify the BC composition, both with respect to gender and to under-represented minorities. While we have had some success, the challenge continues, not in the least part because many potential women and minority candidates are already overly committed to other service assignments, both within the University and externally. These individuals are thus often reluctant to take on yet another, burdensome service obligation. We cannot overly emphasize, however, that as COMS approaches and discusses potential BC service with any faculty, service on the Budget Committee is one of the most rewarding experiences a Berkeley faculty member can have. In spite of the heavy workload required, every former BC member we know has been glad he or she accepted the invitation to serve the Senate and the University in this manner.

The BC could not carry out its heavy workload without a dedicated and professional staff. During the 2006-07 year one staff member (Leori Gill) resigned to take another position, creating an additional burden on the remaining staff while a search was conducted to fill the vacant position. Fortunately, the search was successful with the appointment of Warren Long. The BC would like to express its deep appreciation for the tireless efforts of Jean Fitz, BC Staff Manager; Aimee Larsen; Jan Green; Leori Gill; and Warren Long.

Respectfully submitted,

Patrick V. Kirch, Chair, 2006-07

Timothy Hampton

Carla Hesse

James Hunt

Christopher McKee

Carl Shapiro

Nilabh Shastri

Linda Williams

David Zilberman

**BUDGET COMMITTEE ANNUAL REPORT:
2006-07 STATISTICS**

TABLES IA & IB: SUMMARY OF LADDER-RANK CASES

IA: Non-Tenured Cases

Case Type	No. of Cases in 2006-07
Appointments	72
Regularizations	1
Merit Increases / Reappointments	73
Salary Increases	10
Mid-Career Appraisals	40
Promotions	58
Final Appraisals / Terminal Appraisals	23
Change Department; Percent; Status	4
Endowed Chairs	7
TOTAL	288

IB: Tenured Cases

Case Type	No. of Cases in 2006-07
Appointments	66
Merit Increases	359
Salary Increases	50
Promotions	41
Change Department; Percent; Status	11
Endowed Chairs	47
Post-Retirement Appointments / Reappointments	47
TOTAL	621

TOTAL LADDER RANK CASES IN 2006-07:	909
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**BUDGET COMMITTEE ANNUAL REPORT:
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TABLE II: SUMMARY OF NONLADDER-RANK CASES

Case Type	No. of Cases in 2006-07
Appointments	58
Merit Increases / Reappointments	84
Salary Increases	9
Excellence Reviews/Continuing Appointments	25
TOTAL	176

TABLE III: MISCELLANEOUS

Case Type	No. of Cases in 2006-07
Urgent Cases	155
Reconsiderations	135
Administrative Overrules	

TOTAL CASES IN 2006-07:	1,085
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