



320 STEPHENS HALL
UNIVERSITY OF CALIFORNIA

June 3, 2013

CHANCELLOR NICHOLAS DIRKS
EXECUTIVE VICE CHANCELLOR AND PROVOST GEORGE BRESLAUER

*Subject: Committee on Academic Planning and Resource Allocation recommendations on
campus budget priorities for 2013-14*

I am forwarding for your consideration the budget recommendations that the Committee on Academic Planning and Resource Allocation (CAPRA) has formulated based on its discussions with Vice Chancellors and Vice Provosts. Although, due to time constraints, Divisional Council did not take a formal vote to endorse them, we reviewed and provided feedback on the final recommendations.

As has become customary, we would appreciate receiving a written response from you concerning the final choices made with respect to these recommendations no later than September 13, 2013.

Sincerely,

Christina Maslach

Christina Maslach
Chair, Berkeley Division of the Academic Senate
Professor of Psychology

Encl.

Cc: Alexis Bell and Panos Papadopoulos, Co-chairs, Committee on Academic Planning and Resource Allocation
Diane Sprouse, Senate Analyst, Committee on Academic Planning and Resource Allocation

May 30, 2013

TO: CHRISTINA MASLACH, CHAIR
BERKELEY DIVISION OF THE ACADEMIC SENATE

RE: CAPRA BUDGET-RELATED RECOMMENDATIONS FOR 2013-14

The Committee on Academic Planning and Resource Allocation (CAPRA) offers the following recommendations for campus budget-related priorities for the coming fiscal year. Our recommendations include new issues that were identified this year in discussions with senior administrators, and priorities that we continue to believe are critical to the future sustainability of this campus and to maintaining Berkeley's excellence.

The Committee hopes that DIVCO will endorse these recommendations and that you will forward this letter, along with the endorsement of DIVCO, to Chancellor Birgeneau and to Executive Vice Chancellor and Provost Breslauer. We request that you ask that the Chancellor and EVC&P Breslauer provide a written response to the Senate detailing the extent to which our recommendations were adopted by no later than September 27.

SUMMARY OF CAPRA RECOMMENDATIONS

1) Real estate management

At most of our peer institutions, all real estate operations and development report to a single authority, typically the equivalent of Berkeley's Vice Chancellor for Administration and Finance (VCAF). This is not the case on the Berkeley campus, where real estate management is highly decentralized, with different administrative units frequently having overlapping management roles over the same property. A single project may have major decisions being made by numerous staff reporting to three or more different Vice Chancellors, each of whom reports directly to the Chancellor without the direct involvement of the VCAF on matters related to financial management, leasing, or the issuance of debt. This results in lack of financial accountability and promotes dysfunction in the execution of major real-estate projects and inefficiencies in the managements of existing real-estate resources.

CAPRA recommends that the incoming Chancellor consider re-organizing the administrative authority for the management, financing and construction of all real estate on campus. A comprehensive reorganization of real estate management is essential to protect the campus from unwarranted financial liabilities and to streamline the process by which major projects are analyzed, financed, and executed. Such reorganization should lead to efficiency gains, reduced operational risk, and potentially significant increases in the revenue generated by existing real estate assets and from planned future assets, such as the Richmond Bay campus. Assuming that such a reorganization results in the centralization of real-estate planning in one office, we further recommend that the head campus administrator of that office articulate and share with CAPRA a comprehensive

strategy to achieve the needed management controls over campus revenue-generating real estate and to develop benchmarking metrics to assess the on-going performance of the Berkeley campus real estate assets under the new centralized management system.

2) The undergraduate experience

Attention to the undergraduate experience at Berkeley becomes increasingly important as the cost of a UC education rises. In addition, the undergraduate experience is strongly correlated with the willingness of graduates to become donors and advocates for the university. Accordingly, CAPRA recommends that the administration conduct a review of all areas of the campus activities that affect our undergraduate students. These include: advising (especially for L&S undeclared students), access to and quality of “common good” and other high-impact courses, residential life, IT access, library access and spaces to study and collaborate, and the myriad systems with which students must contend. There is a need, as well, to reduce the cost of student housing and to delineate the responsibilities of Student Services and academic units with regards to academic advising. CAPRA also believes that the campus needs to address the high student-to-faculty ratio, which is a significant metric of the quality of the undergraduate experience.

Overall, while recognizing the recent investments in common good courses, innovative engagement methods (Berkeley Connect) and IT infrastructure, CAPRA is increasingly concerned that the quality of the undergraduate experience has not kept pace with rising tuition and that this could affect the desirability of Berkeley in the eyes of prospective undergraduate students and their parents. For this reason, CAPRA is asking the Administration to outline tangible measures that will be taken in 2013-14 to address this important issue.

3) Organized Research Units (ORUs)

The UC Office of the President has established policies and procedures for the review of ORUs. (<http://www.ucop.edu/ucophome/coordrev/policy/12-07-99att.pdf>). CAPRA (and the Committee on Research) believes that both the 15 year reviews and the five year reviews are necessary to encourage and support a dynamic research environment on campus, as well as to assure that decisions involving resource allocations on the research front are being exercised effectively, an issue that is particularly important in this time of limited resources. However, the review process at Berkeley has become virtually non-existent. A process to review ORUs, as set forth by UCOP policy, should be established on campus with Senate involvement in the process. ORUs are expected to facilitate research and research collaborations; disseminate research results through conferences, meetings and other activities; offer students training opportunities and access to facilities; seek extramural research funding; and carry out university and public service programs related to the ORU’s expertise. Reviews should assess the accomplishments of the ORU in these areas. The review may uncover new directions for the ORU and, in certain cases, identify problems or challenges that the ORU may be experiencing, or determine that an ORU is no longer attracting significant faculty participation and thus might be recommended for discontinuation or merger with another unit. In short, an effective review should provide the basis for adjusting resource allocation to the various ORUs, should provide information and assessment on which

ORU directors are reviewed, and give faculty and administrators an opportunity to influence the activities of the ORU.

CAPRA (and COR) believes that reviews can be accomplished in a participatory fashion without undue time and cost burdens on the administration. A regular schedule of reviews is recommended to manage the workload, allow for faculty involvement in this important aspect of the academic enterprise, and assure that resources are allocated appropriately. CAPRA is additionally concerned with the recent decision of the Vice-Chancellor for Research to release ORUs from the requirement to submit annual reports. It is reemphasized that the campus is not in compliance with UCOP policy on three separate grounds: the requirement for 5 year reviews of each ORU, the requirement for an annual report from each ORU, and the involvement of the senate in reviewing ORUs. In the latter category, CAPRA is concerned with what it perceives to be an uncooperative stance from the office of the Vice-Chancellor for Research. CAPRA is still awaiting promised information on the ORUs (including annual budget, number of faculty and staff, year of establishment, assigned square footage, etc.), as well as copies of (the very few) recent ORU reviews.

CAPRA asks that annual reports be reinstated for all ORUs and that 5-year reviews initiated, per the UCOP regulations. The scope of the 5-year reviews should be defined according to the needs and challenges of each ORU and should limit the administrative burden. Still, since the reviews entail more work for various constituencies (including the office of the Vice-Chancellor for Research), CAPRA urges the Administration to provide the necessary resources.

4) Campus Shared Services

The Campus Shared Services (CSS) initiative, which has recently entered the implementation phase, is unprecedented in scope among our peers and has the potential of introducing significant savings and other operational efficiencies. However, at least in this early stage, it has generated consternation among many campus constituencies. The basic premise of the initiative (that is, the consolidation of a large part of services in a central off-campus facility that will ultimately lead to increased efficiency) is, in itself, unconvincing: indeed, it is not unreasonable to fear that the uniform level of off-campus CSS service will be of lower quality than what some well-run units now enjoy on campus. An additional concern with CSS is the lack of *substantive* consultation with all the stakeholders (including the Senate) in reaching major decisions on the implementation of CSS and its business model. Rather, CAPRA views many of the Senate's interactions with CSS to be largely without practical consequence. CAPRA recommends that attention be given to the most compelling concerns of faculty including: competent and responsive research grant administration; timeliness and accuracy of financial reporting, purchasing and reimbursements; timely appointments of GSRs and postdocs, and other HR transactions; and, tracking the demands on faculty time that are likely to occur to handle basic administrative functions. On the research side of CSS, CAPRA recommends that the Faculty Advisory Committee be retained and be charged with auditing and monitoring the quality of services in the short term (this responsibility should ultimately revert to the Senate.). CAPRA also recommends that the Academic

Senate should be involved in reconstituting the Faculty Advisory Committee (and this committee should help to develop the plan for assessing the impact of CSS) at the outset.

Another area of particular concern for CAPRA is the recently stipulated 2% service charge on academic units. While the proposed 2-year implementation period affords some time for assessing the practicality and fairness of this charge, it is already abundantly clear that the shareable services provided to units are not always proportional to the total unit expenses. While the proposed charge is very simple to implement, CAPRA is concerned that simplicity may infringe here on fairness, and would prefer a somewhat more nuanced formula for assigning shareable costs to units.

5) Campus buildings and infrastructure

It is expected that the State will no longer provide funding for construction of new buildings and other facilities, or even provide funding for seismic upgrading of existing buildings. Accordingly, the campus should develop a strategic plan for both construction and maintenance of buildings. CAPRA is heartened by the establishment of a Capital Renewal Program for 2013-17, including provisions for Strategic Renewal and Urgent Repairs. Still, the campus needs to rationalize its future building development by not only budgeting for construction costs but also including provisions for an endowment that will generate sufficient revenue to cover maintenance and repair. By virtue of its mission, CAPRA should review campus capital planning and proposed expenditures annually. In this regard, CAPRA is concerned with the limited scope of the consultation on major building projects and would prefer a more collaborative approach in which the Administration discusses building priorities with CAPRA and the Senate before decisions are made by the Administration to pursue specific projects.

CAPRA has long been concerned about deferred maintenance, and has emphasized this issue in its recommendations over the past few years. The backlog has ballooned as funding has been severely curtailed to tackle the problem. As a result, there are major deficiencies in physical plant across campus. As continuously observed (sometimes in extraordinary terms) when departments undergo academic program reviews, this has a deleterious effect on the research and teaching activities of faculty. More glaringly, over the past few years the campus has gained the dubious distinction of being ranked last among the 13 major California universities (10 UCs, CalTech, Stanford, and USC) in funds allocated per gross square-foot for routine servicing of campus facilities. Consequently, the campus often presents an unflattering picture to its residents (students, staff, faculty) and its visitors.

CAPRA recommends that the campus urgently increase its investment in both deferred maintenance and servicing of its infrastructure and develop clear guidelines for prioritizing the areas that will benefit from this increased investment. CAPRA also recommends that the campus develop a financial plan for the replacement or major overhaul of existing buildings in light of the state's disinvestment in the university. Finally, it is recommended that the campus administration seek Senate input into long-range space planning activities. This could be done effectively by having a Co-Chair of CAPRA serve as a member of the ECPC and CPC.

6) Proposal to modernize university governance

Last year, Chancellor Birgeneau, EVCP Breslauer, CSHE Director Judson King, VC Wilton and VC Yeary authored the paper, “Modernizing Governance at the University of California: A Proposal that the Regents Create and Delegate Some Responsibilities to Campus Boards.” This document was intended to stimulate discussion on the changes that have occurred over the past 50 years of the California Master Plan. These leaders have recommended a new governance model to respond to the shifting dynamics and challenges that have and continue to fundamentally impact UC and Berkeley. To remain financially sustainable, accessible, and academically excellent they propose that the Regents create and delegate appropriate responsibilities to locally-based governing boards that will enhance the ability of each campus to make decisions that leverage their own unique opportunities and build on their strengths. The Regents would continue to retain their oversight of and authority over those responsibilities that are university-wide. CAPRA recommends that the campus administration engage in a dialog with the next UC President in order to assess the possibility of moving forward with the vision contained in the proposal.

7) Library

CAPRA endorsed the establishment of the Commission on the Future of the Berkeley Library and believes that the university will greatly benefit from preserving the excellence of its library system. With the Commission nearing the conclusion of its work, it is apparent that a significant reinvestment in the Library will be necessary to reverse the effects of several years of underinvestment in both acquisitions and staffing. CAPRA urges the EVCP and the incoming Chancellor to place the Library reinvestment high in their list of priorities.

8) Intercollegiate Athletics

The Senate (and CAPRA, in particular) continues to monitor the financial health of Intercollegiate Athletics (IA) to ensure that it stays within its annual operating budget and is able to meet its debt-servicing obligations. The Senate recently established an Advisory Group on Intercollegiate Athletics that is charged with advising the Academic Senate on all matters of faculty concern related to IA, with particular reference to the academic and personal well-being of student athletes, the financial performance of IA, and the accountability of IA to the educational values and goals of the Berkeley campus.

With the Senate's consent, CAPRA intends to continue monitoring the financial performance of Intercollegiate Athletics, both in servicing the loan obligations at Memorial Stadium and the Simpson Center and in bringing its annual operating expenses in line with its revenues. CAPRA asks the Administration to renew its commitment to providing access to the financial data that would allow for this task to be performed.