

Committee on Academic Planning and Resource Allocation (CAPRA)
Minutes of Meeting
November 24, 2020

Pursuant to call, the Committee on Academic Planning and Resource Allocation met at 9:00 am on November 24, 2020, via Zoom. Chair Patricia LiWang presiding.

- I. Chair's Report – *Patti LiWang*
 - A. November 13 Divisional Council meeting
A special meeting with Divisional Council, Medical Director Dr. Thelma Hurd, and SNS Dean Dumont will be held on Monday, November 30 to discuss the medical education program.
 - B. Curtailment
Yesterday, the campus received an email from UC President Drake regarding the proposed curtailment plan, asking each campus to meet a savings target for personnel costs by the end of June 2021. That email was followed by a communication from UCM Chancellor Munoz stating that by January 2021, UCM will consider a curtailment action or temporary salary reduction equivalent to a maximum of five days for the highest paid employees. Additional measures may be taken later, depending on the campus's financial situation.
 - C. November 18 Townhall on academic planning
A few faculty members advocated for a scaling back of the academic planning process due to the current, excessive workload burdens on faculty in the face of the pandemic.
 - D. Request from the Librarians Association of UC Merced (LAUC-M) for a representative to attend CAPRA meetings as a guest.
CAPRA agreed to invite a LAUC-M representative to a future CAPRA meeting so they can share with CAPRA the issues that interest the organization.
Action: the committee analyst will contact LAUC-M and invite a representative to a future CAPRA meeting.
- II. Senate Vice Chair's report – *LeRoy Westerling*
 - A. Updates from EVC/Provost
Senate leadership spoke with the EVC/Provost about the process, as well as the principles, of shared governance. This semester, there have been several proposals and initiatives undertaken by various campus stakeholders that did not include Senate faculty consultation. Recent examples include the medical education program and the proposed budgeting model for graduate TAs/ships. The GC chair and vice chair will meet with campus leadership about the latter, and it is anticipated that CAPRA will be consulted in the future about allocation.
- III. Consent Calendar
 - A. Today's agenda
 - B. Draft October 27 meeting minutes

C. Draft November 10 meeting minutes

Action: the Consent Calendar was approved as presented.

IV. Campus Review Items

A. Pre-Proposal to Establish the Gallo School of Management

CAPRA noted that the establishment of the Gallo School would require a significant investment of campus resources, approximately \$3.8 million over the next five years to fund various costs associated with the building of the School. CAPRA also acknowledged that the SNS and SSHA deans are opposed to the creation of the new School as presented – both deans instead suggest the creation of an institute. The SSHA dean also suggests the possibility of establishing a Gallo graduate school.

CAPRA discussed the resources that are being requested to establish the Gallo School and how those resource needs (including staffing) will impact other Schools and units on campus. The committee also wondered what would happen if the assumptions contained in the proposal (fundraising, new majors) are not met and how that would affect funding for the School. CAPRA members also agreed it would be helpful to understand the highest dollar amount and lowest dollar amount the campus would have to provide to establish the Gallo School.

CAPRA members discussed the revenue sources for the expenses associated with the Gallo School. As stated in the proposal, staff FTEs will be funded by the Gallo family endowment and future self-supporting programs while the costs of the future dean and faculty will be funded by a new State General funds request. CAPRA members discussed the possibility of the Gallo School utilizing funds from the Gallo family endowment to pay for the costs of the dean's office (and CIS salary adjustments if possible) and allow for the normal campus processes to generate staffing costs and future faculty FTEs. Under this structure, revenue from endowment funds provide by the Gallo family would be used to create the new School, which would then compete with the other three, existing Schools for resources through the typical campus process.

CAPRA members also noted the analysis by AVC for Financial Planning and Analysis Bianca Khanona that was contained in the proposal documents. Her analysis indicates that additional State General funds may be required to fund the cost of the proposed Gallo School's operations under various scenarios. She also stated that the proposed School's plan for growth in faculty numbers is only feasible if enrollment growth can support the new FTE. UC Merced will not have sufficient funding to support the School's growth without enrollment funding due to the campus's structural deficit. CAPRA members stated that the core team of the proposed Gallo School should provide a table that clearly indicates the minimum and maximum amount of funding the campus would have to provide if the assumptions made in the proposal are not met. This range of costs that the campus may incur would be helpful in determining the potential

impacts on the campus.

Action: the committee analyst will distribute a draft memo to CAPRA members for review and approval. CAPRA's comments are due by December 1.

- V. Consultation with Paul Maglio, Director, Division of Management & Information
Director Maglio and the Gallo School Initiative Core Planning Team/Executive
Committee attended today's meeting to answer questions from CAPRA members on the pre-proposal to create the Gallo School.

Director Maglio presented a series of slides regarding the future Gallo school's new programs and priorities, potential campus return on investment (new programs in Data Science and Analytics represent new potential revenue sources plus new endowment/gift revenues for the campus), resources and resource needs, and impacts on staffing.

CAPRA members discussed their various concerns with Director Maglio about the amount of funding the campus will be required to provide to help establish the new School and the impact of the staff shifts from SSHA to the new Gallo School. A CAPRA member asked whether the School will have sufficient funding through fundraising. Director Maglio answered that he is hopeful that once the campus begins to use the original Gallo family endowment money, this will create traction and lead to additional philanthropy.

- VI. Proposed distribution of Indirect Cost Recovery (F&A rate) on research grants

The lead reviewer presented his comments on the proposed IDCR distribution. First, it will treat fully burdened grants (with an IDC rate of 55%) and non-fully burdened grants equivalently, with the IDCR percentages applied equally in both cases. Second, it will increase the amount of IDC allocated by the administration to enhance research activities (the "Opportunity Fund") from 20% (the current level) to 25%. The extra 5% consists of an additional 2.5% going directly to the PI and 2.5% going to the PI's department. This will give the PI a total of 7.5% in IDCR and will give the newly formed departments much-needed funding. Finally, benchmarks are given for the allocation of greater percentages to the Opportunity Fund, although these benchmarks will likely not be achieved for many years. The allocation of 25% back to research puts UCM in the middle of our sister campuses, between UCB (0%) and UCI(5%) on the lower end and UCD(33%), UCR(40%), and UCLA(40%) on the upper end, based on a 2019 analysis.

While CAPRA generally supported the proposal, members noted that if a grant is supported by an Organized Research Unit (ORU), the IDCR will be equally split between the dean and the ORU. ORUs will therefore be receiving a lower percentage than they receive under the current IDCR formula.

CAPRA members agreed that the proposed IDCR distribution proposal be shared with the campus ORU directors so they have the opportunity to opine.

Action: the committee analyst will distribute a draft memo to members for review and approval. CAPRA's comments are due by December 3.

VII. Systemwide Review Items

A. Proposed Presidential Policy, Business and Finance Bulletin, IS-12 IT Recovery

The revised policy provides guidance to help UC locations plan for IT recovery and utilizes the IT recovery knowledge and experience that UC Health has been putting into practice.

Given UC's fiscal limitations both pre and post COVID, the revised policy allows locations to manage IT recovery in accordance with their budgetary priorities and provides for the following:

- Location ability to determine what units are in scope
- Location-governed exception process
- Iterative model for adoption and compliance
- Delayed effective date

The lead reviewer discussed his opinion of the policy. He noted that the proposed policy allows each campus to determine the scope and procedures for IT recovery. Each campus is to appoint a Cyber-risk Responsible Executive (CRE) who will be responsible for leading the effort to recover systems following an interruption. However, the policy is unclear on the following points: the allocation of funding to recovery efforts, who sets the funding priority for the campus, what happens when the CRE does not receive the necessary funds, and occurs if a campus is unable to recover its systems.

CAPRA agreed with the lead reviewer's comments and added that campus leadership should address how IT priorities are established at UC Merced.

Action: the committee analyst will distribute a draft memo to members for review and approval. CAPRA's comments are due by December 3.

B. Innovative Learning Technology Initiative (ILTI) Report Review

The review of ILTI was completed in 2018 by the systemwide Provost's Office, with the assistance of Huron Consulting, to gain a better understanding of its current state and determine the best options for ILTI's future.

Action: Due to time constraints, CAPRA will discuss the lead reviewer's comments at the December 15 CAPRA meeting. CAPRA's comments are due to the Senate Chair by 5:00 pm on Friday, January 8.

There being no further business, the meeting was adjourned at 10:45 am.

Attest: Patti LiWang, CAPRA chair