To the Irvine Divisional Senate Assembly:
The Council on Planning and Budget (CPB) respectfully submits its report of activities for the academic year 2011-12.

A. COUNCIL OPERATIONS
   The Council confers with and advises the Chancellor, the Executive Vice Chancellor & Provost, and campus administrative units on matters of planning, budget, and resource allocation on both short and long-term bases. The Council also initiates studies in planning and budget matters and, if necessary to accomplish such studies, authorizes establishment of ad hoc committees to carry out investigations and make reports. Its duties and membership are described in Irvine Bylaw 115.

William Molzon (Physics & Astronomy) chaired the Council in 2011-12. The Council met 15 times this year. Attending regular CPB meetings were ten appointed members, the Divisional Senate Chair Elect-Secretary (ex officio), the representative for the Librarians Association of the University of California, Irvine (LAUC-I), the Budget Office consultant, the undergraduate student representative, and the graduate student representative. The Council appointed several members to serve on various committees during the year:

   Academic Planning Group: William Molzon, Donald Senear
   Budget Work Group: William Molzon, Lyman Porter, Donald Senear
   Campus Physical and Environmental Committee: Julia Gelfand
   Design Review Team: Dean Baker
   Enrollment Council: Jutta Heckhausen
   Small Capital Improvement Program Advisory Committee: George Farkas
   Space Planning Team: Stephen Ritchie
   University Committee on Planning and Budget (UCPB): Donald Senear

B. ACADEMIC PLANNING GROUP (APG)
   At the beginning of the academic year, CPB Chair Molzon and Vice Chair & UCPB Representative Senear were invited to join the Academic Planning Group (APG). They served as members of the APG that is considering recommendations for academic unit support in the face of another year of decreasing state support for the University. The current inclusion of CPB was re-established thanks to the efforts of the Senate leadership. Furthermore, CPB has been provided with the materials given to and generated by APG. The access of information allows the Council to satisfy its responsibility to consult with and advise the campus Administration.

C. PROPOSALS FOR DEPARTMENTS/PROGRAMS/SCHOOLS/ORUS
   1. Establishment of a Department of European Languages & Studies
      (Meeting date: 11/9/11 – Memo date: 11/30/11)
      The Council endorsed the revised proposal to establish a Department of European Languages and Studies despite a number of concerns regarding long-range programmatic planning issues with respect to the new department and its constituents and with respect to the School of Humanities. The proposal was originally presented to the Senate in May 2011.
2. Establishment of a School of Education  
   (Meeting date: 1/25/12 – Memo date: 2/6/12)  
   The Council endorsed the proposal of the Department of Education to establish a School of  
   Education and recommended that measures of productivity be included to strengthen the proposal  
   in future review. A similar proposal was not supported in 2009 due to a number of planning and  
   budgetary issues.

3. Departmental Name Change from Department of Studio Art to Department of Art  
   (Meeting date: 6/13/12 – Memo date: 6/19/12)  
   The Council voted unanimously to endorse the proposed departmental name change on the  
   assumption that there are no objections from other departments in the Claire Trevor School of the  
   Arts and other art-related departments such as the Department of Art History in the School of  
   Humanities.

D. PROPOSALS FOR DEGREE PROGRAMS

1. Modification of Ph.D. in Pharmacology and Toxicology  
   (Meeting date: 12/14/11 – Memo date: 12/21/11)  
   The Council endorsed the proposed modification of the graduate degree program in  
   Pharmacology and Toxicology. No new faculty and administrative resources are required to  
   implement the proposal.

2. M.A. in Philosophy, Political Science, and Economics  
   (Meeting date: 1/11/12 – Memo date: 1/24/12)  
   The proposal to establish a joint M.A. degree program in Philosophy, Political Science, and  
   Economics that would be located in the School of Social Sciences and administered by the  
   Department of Logic and Philosophy of Science raised a number of concerns. CPB has asked to  
   review the revised proposal requested by the Graduate Council along with letters of support from  
   the M.A. in Public Policy, the program in Demographic and Social Analysis, and the School of  
   Law. No information has been provided at this time.

3. M.A. in Accounting  
   (Meeting dates: 1/11/12 & 2/8/12 – Memo dates: 1/31/12 & 2/17/12)  
   After seeking clarification of the requirements to be a self-supporting program and of the cost  
   analysis template, the Council voted unanimously to endorse the proposed M.A. in Accounting.  
   The degree program will charge market-rate fees to cover the costs of the program and the  
   campus, and to generate net revenue.

4. M.S. in BioEngineering, Innovation, and Technology  
   (Meeting date: 4/6/12 – Memo date: 4/24/12)  
   The Council found that the proposal overall does not demonstrate that it will be a financially  
   viable program. It requested additional information to complete its analysis with regards to the  
   cost analysis in the form provided by the UCOP template, a loan repayment plan, better  
   justification for the expected number of students, a plan to accommodate the students, the impact  
   on the required teaching resources, the possible impact of the additional teaching load, and the  
   costs of supporting line faculty. No information has been provided at this time.

5. Ph.D. in Public Health  
   (Meeting date: 6/28/12 – Memo date: 7/16/12)  
   The Council endorsed the revised proposal originally submitted in April 2012. The Council  
   expressed concerns about the required resources in regards to funding and faculty time needed for  
   mentoring students and teaching the graduate courses.
E. ENDOWED CHAIRS

1. John S. and Marilyn Long Chair in U.S. – China Institute for Business and Law  
   (Meeting date: 12/14/11 – Memo date: 12/16/11)  
   The proposed endowment will be used to support the Chair’s teaching, research, and service activities related to the goals of the UCI U.S. – China Institute for Business and Law. The Council voted unanimously to endorse the proposed John S. and Marilyn Long Chair in U.S. – China Institute for Business and Law, contingent upon it being modified to clarify that the Chair need not be the Director.

2. Suzanne Dykema Endowed Chair in Pancreatic Cancer  
   (Meeting date: 12/14/11 – Memo date: 12/19/11)  
   The proposed Chair in the School of Medicine will be used to recruit externally, or appoint from existing faculty, an outstanding scholar whose presence in the school will significantly enhance its academic reputation. The Council voted unanimously to endorse the proposed Suzanne Dykema Endowed Chair in Pancreatic Cancer, contingent on the Chair not being appointed until a plan for using the fund income during the time before the full endowment is received has been agreed upon.

3. Hana and Francisco Ayala Dean’s Chair  
   (Meeting date: 2/22/12 – Memo date: 2/27/12)  
   The proposed administrative endowed chair will be held by the Dean of the School of Biological Sciences and used to support special initiatives and school operations. The Council voted unanimously to endorse the proposed Hana and Francisco Ayala Dean’s Chair.

4. Raymond Pryke Endowed Chair in First Amendment Law  
   (Meeting date: 4/6/12 – Memo date: 4/12/12)  
   The proposed endowment will support the establishment of a new endowed chair in the School of Law specializing in First Amendment Law. The Council voted unanimously to support the proposed Raymond Pryke Endowed Chair in First Amendment Law.

5. Endowed Chair in Gastrointestinal Endoscopic Oncology  
   (Meeting date: 6/13/12 – Memo date: 6/19/12)  
   The proposed endowed chair will be located in the Chao Comprehensive Digestive Disease Center, a unit of the Division of Gastroenterology in the Department of Medicine in the School of Medicine. The Council voted to support the proposed Endowed Chair in Gastrointestinal Endoscopic Oncology by a strong majority, and noted that there was no indication that the faculty in the Department of Medicine were consulted and that the designation of the chair in gastrointestinal endoscopic oncology seems somewhat narrowly specified.

F. DIVISIONAL ISSUES/POLICIES

1. 2011 Calit2 Academic Review Report  
   (Meeting date: 2/22/12 – Memo date: 2/28/12)  
   The Council was impressed and encouraged by the generally positive tone of the report and the successes of Calit2 at UCI and UCSD. However, it found the report to be lacking in information and documentation that would allow CPB to provide meaningful recommendations to the campus and Calit2 program.
2. **Review Guidelines of Self-Supporting Programs**  
*Meeting dates: 4/6/12 & 4/25/12 – Memo date: N/A*

The Divisional Senate is in the process of establishing guidelines for the review of self-supporting programs. CPB and Graduate Council (GC) have been asked to review the guidelines from UCLA Graduate Council which are being considered for implementation by other campuses. A subcommittee was formed with CPB and GC representatives, and Chair Elect Gilly to establish guidelines for the campus. The process is ongoing at this time.

**G. SYSTEMWIDE ISSUES/POLICIES**

1. **APM 668 – Negotiated Salary Plan**  
*Meeting date: 10/26/11 – Memo date: 11/15/11*

The plan proposes to allow incremental salary to be paid from a variety of sources (grants, endowment, revenue from teaching in self-supporting programs), subject to some constraints. The Council opposed the plan with strong majority based on the following:
- The plan undermines the UC merit system and increases salary inequity.
- The plan takes pressure off increasing the step salary scale to match market salaries, to the detriment of the majority of the faculty.
- The plan violates the intent of federal research grant funding.
- The plan is, in part, counter-productive to reaching its goals.

2. **APM 670 – Health Sciences Compensation Plan**  
*Meeting dates: 10/26/11 & 11/9/11 – Memo date: 11/15/11*

The Council supports the proposed revisions by a strong majority, but believes the policy needs clarification on some provisions and requires technical corrections. While the proposed revisions do simplify and clarify parts of the policy, the revised policy fails to indicate how the plan would address its objectives in detail.

3. **UC Observatories**  
*Meeting date: 2/22/12 – Memo date: 3/2/12*

The Council endorsed the general sense of the comments by the University Committee on Research Policy on the review of the UC Observatories (UCO) with the following observations:
- UCO needs to express a fiscally responsible prioritization of how funds will be spent should they continue to be available.
- No projection of future potential costs needed to support the Lick and Keck Observatories in addition to the Thirty Meter Telescope was provided.
- The issue of management and oversight of UCO needs to be addressed with more emphasis on external critical review.
- There should be a competitive review and justification for continued support by UCORP for UCO and its management.

4. **UC Taskforce on Faculty Salaries Report**  
*Meeting date: 3/14/12 – Memo date: 3/29/12*

The Council strongly endorsed the taskforce’s recommendations. CPB agreed with both the principal observations of the taskforce regarding lagging faculty salaries and the general intent to eliminate the difference in faculty salaries between UC and the 8 comparison institutions. CPB made additional recommendations to strengthen the taskforce’s recommendations.

**H. OTHER ISSUES**

As part of its charge of advising on matters of planning, budget, and resource allocations, the Council has continued its review of statistical information relating to budget trends. CPB member Jordan conducted a study of the campus general fund expenditures and presented initial results to the
Council. CPB agreed to assume a proactive role by initiating studies in the areas of undergraduate education, budget priorities, resources allocations, and possible efficiencies.

I. CARRY-FORWARD ITEMS FOR 2012-13 – None

J. GUESTS
CPB invited two guests to discuss the campus’ strategic vision for budget adjustments and to discuss how CPB can effectively provide input to the Administration with regard to resource allocation, and to present the proposed Department of European Languages and Studies respectively:
- Michael Gottfredson, Executive Vice Chancellor/Provost – 11/9/11
- Vicki Ruiz, Dean, School of Humanities – 11/9/11

K. COUNCIL ON PLANNING AND BUDGET MEMBERSHIP

Members:
William Molzon, Chair
Dean Baker
George Farkas
Jutta Heckhausen
Scott Jordan
Dale Poirier
Lyman Porter
Rajagopalan Radhakrishnan
Stephen Ritchie
Donald Senear, Vice Chair and UCPB rep.

Ex-Officio:
Mary Gilly,
Divisional Senate Chair Elect-Secretary

Consultant:
Richard Lynch,
Associate Vice Chancellor for Budget

Library Representative:
Julia Gelfand, LAUC-I

Student Representatives:
Summer Ko,
Undergraduate Student Representative

Council Analyst:
Thao Nguyen