Office of the President

TO MEMBERS OF THE COMMITTEE ON FINANCE:

ACTION ITEM

For Meeting of July 22, 2015

FISCAL YEAR 2015-16 BUDGET FOR SYSTEMWIDE ACADEMIC AND PUBLIC SERVICE PROGRAMS, OFFICE OF THE PRESIDENT

EXECUTIVE SUMMARY

Per Regents Policy 5101, Policy Regarding Approval of Annual Budget for the Office of the President, the proposed budget for 2015-16 for the Office of the President (OP) is presented for approval by the Board. As noted in item F1, the budget is being presented as two items in order to clearly delineate the two important and distinct functions of the Office: Central and Administrative Services, and Systemwide Academic and Public Service Programs. The Systemwide Academic and Public Service Programs budget totals $339.8 million, including $172.3 million in unrestricted funds and $167.5 million in restricted funds which represents one percent of the $26 billion University of California budget. Of the $339.8 million budget, more than 60 percent of the funds flow through the OP budget to Agriculture and Natural Resources and the campuses. The Systemwide Academic and Public Service Programs budget supports the statewide delivery of programs in instruction, research, public service and academic support, including Agriculture and Natural Resources, the Education Abroad Program, breast cancer, tobacco and HIV/AIDS research, K-12 and community college transfer initiatives, California Digital Library and UC Press.

RECOMMENDATION

The President of the University recommends that the Committee on Finance recommend to the Regents that the University of California Office of the President fiscal year 2015-16 budget for Systemwide Academic and Public Service Programs be approved, as outlined in Table A below.
A significant component of the Office of the President budget is allocated for the University’s statewide delivery of programs in the areas of instruction, research, public service, and academic support as shown in Table A. These programs provide vital systemwide support in a number of areas:

- **Instruction**: Services such as the online Innovative Learning Technology Initiative, UC Washington Center, which brings nearly 900 students per term from all nine UC undergraduate campuses to Washington, D.C. for internships and courses, and the Education Abroad Program, now in its 50th year, which served 5,200 students in 2014-15 and will have students at 119 universities and programs in 41 countries in 2015-16.

- **Research**: Several systemwide research programs are administered and, in some cases, funded through the Office of the President. These programs include State-funded research programs: Tobacco-Related Disease Research and California Breast Cancer Research; multi-campus research programs, which awarded $6.4 million in grants for fiscal year 2014-15, as part of a four-year, $23 million grant program, supporting projects across the University that involve at least three campuses; and the Laboratory Fees Research Program, which enhances research partnerships between UC researchers and Laboratory scientists at Lawrence Livermore National Laboratory and Los Alamos National Laboratory.

- **Public Service**: These programs provide outreach to future students in areas such as preparation and access, high school and community college articulation, and educator professional development. UC’s public service efforts reach more than 200,000 individual K-12 and community college students annually at more than 2,000 K-12 schools and all California Community Colleges. This includes the Scout program, which served over 7,000 California students in 2014-15, providing online access to college preparatory and Advanced Placement courses.

- **Academic Support**: In addition to the work of the Academic Senate, this category includes UC Press, which is almost entirely self-supporting and is the first university...
press to launch born-digital products (products that originate in a digital form), and the California Digital Library, through which three million digitized books, 250,000 digital images and historical documents, and 85,000 scholarly publications authored by UC faculty and students are freely available to the world and whose content licensing initiatives alone saved $61.5 million in fiscal year 2013-14.

- **Agriculture and Natural Resources:** The fiscal year 2015-16 budget supports 200 locally based Cooperative Extension advisors and specialists, 60 local offices serving every county throughout California, 130 campus-based Cooperative Extension specialists, nine Research and Extension Centers and the Nutrition Policy and California Water Research Institutes, among other programs. Annually, hundreds of thousands of youths and adults in underserved communities are served and hundreds of research projects are carried out.

- **National Laboratories:** The 2015-16 budget includes contract administration and governance for the Lawrence Berkeley National Laboratory, and governance for the Lawrence Livermore National Laboratory and Los Alamos National Laboratory as a member of the LLC.

Overall, the Systemwide Academic and Public Service Programs budget is proposed to grow $13.4 million, or 4.1 percent. The drivers of this difference include:

- **Cost of living adjustment:** This is only the fourth increase for non-represented staff in eight years. The salary adjustment programs in three of the last eight years have helped to partially offset the increase in employee contributions to the UC Retirement Plan.
- **Funding for the multi-campus research programs and initiatives,** for which the past investments have yielded a 165% increase in federal grant funds.
- **A new proposed program** that aims to increase the enrollment of Latinos and American Indians/Alaska Natives in UC’s Ph.D. programs through a program similar to UC’s Historically Black Colleges and Universities (HBCU) initiative.
- **Expansion of the transcript evaluation program** to assist middle and high schools in ensuring student preparation for college, based on an in-depth analysis of individual transcripts. The increase is part of a three-year expansion, aimed at a goal of 1,500 schools, and 3 million transcripts.

**Office of the President Assessment**

Consistent with practice over the last three years, a portion of Central and Administrative Services and Systemwide Academic and Public Service Programs budgets are funded by campus assessment. After holding the assessment flat last year, the fiscal year 2015-16 budget includes a modest increase of 3.5 percent to the assessment; 2.3 percent of this increase is due to the three percent cost of living increase on staff salaries, and 1.2 percent is due to programmatic increases. Table B shows the annual campus assessment for the past three years.
Table B
($ millions)

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<th>FY2013-14</th>
<th>FY2014-15</th>
<th>FY2015-16</th>
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<tr>
<td>Campus Assessment</td>
<td>294.0</td>
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<tr>
<td>% change</td>
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The formula for allocating the assessment across campus locations will not change in 2015-16 and will be allocated based one-third on actual expenditures, one-third on total number of employees, and one-third on total number of students.