Committee Business
The minutes from COR’s October 23, 2012 meeting were approved with minor changes.

Consultation with Executive Vice Chancellor (EVC) Alison Galloway
Chair Oliver presented to EVC Galloway the budget cuts that COR has sustained over the last five years as well as a summary of the positive impacts that COR grant programs have had at UCSC. EVC Galloway agreed that investment in COR grant programs is important and that the impact of these programs across campus is positive. She went on to say that the current budget reality, however, is that there is no extra money to be redistributed and tough choices have to be made regarding cuts.

Given the way the administration has highlighted research at UCSC during public events this year, COR asked how research ties into the current comprehensive campaign. EVC Galloway stated that all four of the campaign’s initiatives—sustainability, human health, the creation of an interactive art/science museum space, and interaction with Silicon Valley—all have heavy research components. COR cannot expect any money directly from the comprehensive campaign because it is difficult to raise money from donors for a general seed grant program. Donors prefer to give money to specific initiatives or programs on campus instead of giving money to an organization like COR that would grant the money out as it sees fit. COR asked about raising the gift tax in an effort to funnel some money from donors to research support. The current gift tax is 6% and that is as high as the university will go. Some donors stipulate that their gift will not incur the gift tax and the university will either negotiate a lower tax or waive the tax in.

The overarching focus of the comprehensive campaign is the undergraduate student experience. The committee asked if COR could be the vehicle through which undergraduate research fellowships are funded. EVC Galloway stated that Vice President and Dean of Undergraduate Education (VPDUE) Hughey is hoping to raise $500,000 annually for undergraduate student internships. Funding for graduate research will come through Rebenching. The money that UCSC received this year from Rebenching—around $1.9 million—is balanced by cuts that have to be made in June. EVC Galloway will speak with VPDUE Hughey regarding his plans for administering the undergraduate research internships. The COR chair will also follow up with VPDUE Hughey. COR is perhaps best equipped to evaluate the merit of student research proposals and administer an undergraduate research grant program.

The conversation turned to COR funding levels. EVC Galloway explained that the cuts facing the university are too serious for her to promise any restoration of funding. If the budget were stable, COR funding would be a priority. COR is uniquely positioned to help fund projects that
do not fall neatly into a divisional pocket and COR funding is able to overcome divisional politics. With the current state of the university budget, however, there is no extra money to go around. Any money that would be redistributed to COR would negatively affect another area that is already strapped for funds.

UCSC recently completed negotiation of the overhead rate with funding agencies and will receive a modest increase of 0.5% each year for the next five years. EVC Galloway explained that this increase was extremely lucky for the University, as it had appeared likely that the rate would decrease. The COR chair had warned various administration, task forces and working groups over the past several years, at both UCSC and UCOP, that the negotiated rate could in fact drop due to reduced research support and infrastructure. The same administration were saying over the same timeframe that the overhead rate should be comparable to that of top private institutions.

COR asked about the current distribution of overhead, which provides a small portion of available funds to COR. Under the current model, 36% of all indirect cost receipts (ICR) create the University Opportunity Fund (UOF). After a 6% tax to the UC Office of the President (UCOP), the University Opportunity Fund is divided amongst the academic divisions, the EVC’s central fund, the Vice Chancellor of Research (VCR), and COR. The current split is 40% to the academic divisions, 40% to the EVC’s central fund, 15% to the VCR, and 5% to COR. The Senate was never consulted on the rationale for this split, and the EVC agreed that increased transparency is needed in this area. COR asked whether this 40/40/15/5 split of the UOF can be reviewed given the university’s external review of the Office of Research and search for a new VCR. COR would like the 15/5 split (between the VCR and COR) to be presented as negotiable to the new VCR, who would work closely with COR and in an open manner to advance research at UCSC. EVC Galloway will consider this during the search for the new VCR.

COR asked about the nation-wide search for the new VCR. EVC Galloway explained that she is not excluding an internal candidate and that the position must be filled by someone who is able to make contacts with the community, industry, and donors. The new VCR must also understand UCSC’s special support of research in the Arts and Humanities. Also, the research funding and support that the VCR provides needs to be more transparent and more in cooperation with COR. EVC Galloway expressed her desire to have all candidates for VCR visit with COR during the interview process.

Consultation with Vice Provost and Dean of Graduate Studies (VPDGS) Tyrus Miller.
Chair Oliver welcomed VPDGS Miller and began by asking about the current goal of growing the number of graduate students at UCSC to 12% of the undergraduate population. Similar goals of graduate student growth have been put forward in the past and yet the rates of graduate enrollment have remained fairly steady during this time. VPDGS Miller explained that the focus of Rebenching and aspirational graduate growth is to increase the number of Ph.D. students in respect to undergraduate enrollments. Currently UCSC’s rate is around 7% and the target is 12%, based on average numbers from the other UC campuses (excluding Berkeley and LA). This translates into the need for at least 400-500 more doctoral students.
Only academic doctoral students count towards the index, but masters programs are a part of the larger picture of graduate education. It would be very difficult to get to higher Ph.D. levels without increased masters levels. COR notes that this is true only for some disciplines. Also, masters programs can contribute sources of income and even faculty FTE that can support Ph.D. programs or even bring in research dollars to the University. Aspirational graduate growth cannot occur in a vacuum.

COR asked about the levels of support given to doctoral students at UCSC. Faculty grants or TA-ships are needed to support these students. VPDGS Miller explained that the general philosophy of the administration regarding the additional funding provided by Rebenching will go to a couple of major purposes: refunding hollowed faculty FTE and TA resources. The job now becomes looking at programs and departments across campus to determine what investment would lead to the greatest graduate growth. There is no one-size-fits-all solution.

COR took issue with the concept of a “maxed out” group that was suggested by the VPDGS. The top research universities invariably have large numbers of graduate students in the STEM disciplines. These groups are typically well funded and have postdoctoral associates that help supervise the group and bring in further funding, including funding from UC and federal agencies for centers, which greatly increase resources. VPDGS answered that some departments are saying that they are maxed out on graduate students that they can properly advise and support. In investing Rebenching money, the administration has to look at new programs that could get to a steady state in a few years with a heavy investment now. Also, there may be areas where a modest injection of funding could help a lot.

COR pointed out that some fields are saturated and employment opportunities for graduating doctoral students are bleak. These are important factors to consider when looking to grow the graduate population. VPDGS Miller explained that this is mitigated by the fact that faculty admit graduate students, not the graduate division. The faculty will be the ultimate arbiters in this growth. UCSC is also subject to Systemwide policies such as non-resident tuition. Currently, foreign graduate students are expensive to support, but there are technical means on campus to help with this. The Non-Resident Tuition (NRT) Fellowships defray some of the costs but overall tuition continues to put too much pressure on faculty grants. UCSC also has relationships with international organizations to bring in graduate students with funding. One such program brings in students from Brazil for six to twelve month residencies for Ph.D. degrees that will be granted in Brazil. A survey went out to all faculty and 75-80 responded. The Graduate Division is now following up and identifying areas on campus for these students.

COR expressed that faculty face a difficult choice between graduate students and post docs and the overall cost to research grants are now comparable due to tuition increases. Ph.D. students do not contribute nearly as much to faculty research in their first three years as compared to postdocs since the latter are already trained and can focus on research immediately. VPDGS admitted that the levels of support available to graduate students at UCSC must change for graduate enrollment growth to be viable. In light of the UC goals of aspirational graduate growth, COR discussed the impact that graduate student interaction has on personnel reviews. Currently, the impact is miniscule. Given the Senate support for aspirational graduate growth, the Senate ought to consider incentivizing graduate student interaction in the personnel review.
COR also noted that the issue is not only the number of graduate students with which a faculty member interacts, but also the type and value of the interaction. The University needs a measure of accountability for meaningful graduate growth. VPDGS Miller agreed that the goal is not simply to increase warm bodies on campus. Aspirational graduate growth is about getting real contributors to the goals of the campus and graduate participation ought to be more than a footnote to the faculty role on campus. The default ought to be that faculty work with graduate students. COR will send a follow-up memo shortly to VPDGS Miller.

**Pre-consultation for Dean of Social Sciences Division Kamieniecki.**
In preparation for the upcoming consultation with Dean Kamieniecki, the committee discussed the amount of COR funding that has gone to the Social Sciences Division over the last five years as well as the various research centers and initiatives currently supported by the division.

**Consultation with VCR Margon**
VCR Margon shared with the committee the University’s plans to move to a composite fringe benefit rate for the next fiscal year. Currently, fringe benefit rates range from 8% to 110%. This wide range leads to many inaccurate estimations of fringe benefit rates and in turn surpluses or deficits on faculty grants. While surpluses are pleasant, deficits present difficulties for faculty and the Office of Research.

The new system will create composite rates for fringe benefits, currently estimated to be between 26% and 27%. This will make grant proposals much simpler for faculty, as they will propose the composite rate and be charged that rate without surplus or deficit. The University will likely have three to four composite rates based on different job levels (faculty, staff, etc.). These rates have to be approved by the federal government and the current plan is to have the rates effective July 1, 2013.

The VCR claimed the composite rates will ultimately be beneficial for faculty, but the delay in making these composite rates available (due to the need for federal approval) will create a difficult transition period. Existing grants will not be grandfathered in. Currently, there is no way for the University to reclaim a surplus on a faculty grant that is the result of a fringe benefit rate that was estimated too high. The VCR stated that this means that the University must come up with funds to cover deficits on faculty grants that result from fringe benefit rates that are estimated too low. The funds that the University can provide will not be enough to offset the deficit costs caused by the current system.

More complications arise with summary salary and sabbaticals. Currently, the charge for faculty fringe benefits on summer salary is 13%. The current proposal is that the new composite rates will be charged across the board, meaning that summer fringe benefits will also be up to 26% to 27%. The same is true for groups with postdoctoral researchers. COR pointed out that this will hurt the funds available from a grant for the research. Also, the current proposal may require that faculty cover their own fringe benefits during a sabbatical. There is a possibility that separate composite rates could be created for faculty summer salary and sabbaticals.

VCR Margon will visit a future COR meeting to discuss patent issues and financial conflict of interest.
The meeting adjourned at 4:10 pm