1. **Impact of possible proposal to increase medical student class size by about 50 people**

Tom Jackiewicz reviewed that, due to legislative interest, existing medical schools are considering increasing their class sizes by approximately 10%. An alternative possibility might be for the Legislature to establish a sixth UC Medical School, possibly at Riverside. Obviously, it would be most efficient to add resources to existing schools rather than create a new one.

The positives that could come from such an augmentation would be increased Medical School FTE (the formula is 18.7 students = one FTE) plus the fact that UCSD would be participating in addressing a State priority.

The negatives have to do with facilities costs, including teaching space, especially small group space and laboratories, added burden on clinical resources, including clinical faculty, clinical teaching space, and possibly shortage of some types of clinical case material, plus added administrative and infrastructure costs.

Mr. Jackiewicz noted that Dr. Savoia is developing an analysis. The HSFC Planning and Budget Committee will ask Dr. Savoia if she might brief us at our next meeting planned for March 6, 2006.

2. **Space**

Mr. Jackiewicz updated the Committee on possible availability of about 18,000 gross sq ft of laboratory space in the La Jolla Institute of Allergy and Immunology, which could be used to jump start the Clinical Investigation Institute (CII) on a lease basis.

Mr. Jackiewicz also noted that there is approximately 1.2 M sq ft available on Torrey Pines Mesa and some of this space might be leased by the University over the next 3-5 years to address needs of faculty recruitments in departments such as Reproductive Medicine, Surgery, and Pediatrics.

Mr. Jackiewicz also updated the Committee on discussions regarding the possible development of a building in the Science Park area of the East Campus. In order not to be limited by the University of California’s debt ceiling it may be possible to work with a third party developer to build a building and lease it back to the University for use of activities such as the CII, and possibly other faculty currently located in Hillcrest. While there are some advantages to such a scenario, there are some cautions as well, including the fact that the cost of capital is likely to be higher for a private developer, and costs to the University would be further increased through the developers need for some profit margin. Also, if for some reason the University was not able to rent the space, it is possible that a lessee that is not approved by the University might occupy it.

Mr. Jackiewicz will keep the Committee informed as these discussions continue. In general, it is likely Hillcrest space will gradually be freed up as faculty from Pediatrics move to the Children’s Hospital and other faculty move to new CII space. Building advisory committees that include faculty will be created as such plans develop. The HSFC Planning and Budget Committee asked to be kept in the loop on these developments, and will request an update from Dr. Olefsky at the 3/6/06 meeting.
3. UC Retirement discussions
The HSFC Planning and Budget Committee asked whether there were any further developments in some tentative proposals regarding changes in the Defined Benefit Plan. Mr. Jackiewicz indicated that there is nothing imminent, and in fact since this matter was originally raised by the Governor earlier this year the issue seems to have receded.

He noted that there are periodic questions about APUs, including whether they should be abolished or whether they are too broad in their categories. However, there are no changes that appear to be imminent.

4. Indirect cost recovery allocations
Mr. Jackiewicz updated the Committee on allocations of indirect costs from grants back to departments. These are provided in the Support Budget Table attached. In general, departments continued to be benefiting through this formula as they succeed with increasing their grant awards. For example, in FY04-05 approximately $4.4M was transferred to departments from the Dean’s office, and in FY05-06 this amount is expected to increase approximately to $5M, or an approximately $600,000 increase. It is up to faculty in individual departments to discuss uses of these research-related increases with their Chairs.

As happened with previous indirect cost recovery allocations, the HSFC Planning and Budget Committee requested that Mr. Jackiewicz post these distributions on the Faculty Council website, which he agreed to do.

5. Next meeting
The next meeting of the Planning and Budget will be on Monday, March 6, 2006 from 10:30 am – 11:30 pm in room 461 Pepper Canyon Hall (in Dean’s office complex area). Current agenda items include a follow-up of the discussion on medical student class size (Dr. Savoia to be invited), and more detailed review of plans for research space (Dr. Olefsky will join the meeting at 11:00 am).

Respectfully submitted,

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Chair, HSFC Planning and Budget Committee