

# UCSF Faculty Association

*An Independent Membership Organization  
of Faculty at the University of California, San Francisco*

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April 8, 2013

Chancellor Susan Desmond-Hellmann  
UCSF Box 0402

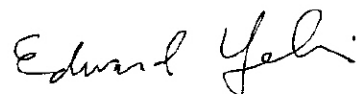
Dear Chancellor Desmond-Hellmann,

I write on behalf of the Board of the Faculty Association to apprise you of changes in long-term established practices for managing faculty discretionary accounts. As you know, many senior faculty members have accumulated discretionary accounts as a result of surpluses in completed clinical trials, consulting earnings deposited with departmental comp plans, or sales and services contracts. However, several Faculty Association members have written to us indicating that their departments are considering "taxing" the balances in these discretionary accounts, a substantial change from precedents that have existed for several decades. Note that we are not talking about established taxes or overhead charges that are applied when the funds are *deposited* in the accounts in accordance with <http://policies.ucsf.edu/policy/300-19>. Rather, we are talking about *new* taxes on already taxed balances. These discretionary funds are often used to backstop junior faculty members' salary and research needs and to sustain a rainy day fund for short-term deficits in our own or staff salaries. Clearly, a move to solve short-term budgetary problems by implementing a second tax on discretionary fund balances would penalize those who have been prudent in the past and saved for a rainy day.

We are very concerned that implementation of such additional taxation would undermine morale as well as penalize those who have been both successful in generating resources placed in discretionary accounts and prudent in saving for needs that may arise, including their own salary support. We urge you to prevent such additional taxation of discretionary funds by departments, both because it would undermine faculty well-being and because it would break a trust under which faculty members have built up reserves to reduce the probability that they will have to draw on centralized sources within their departments.

We would appreciate hearing your thoughts on the matter.

Sincerely,



Edward Yelin, PhD

Professor (In-Residence) of Medicine and Health Policy  
Chair, Faculty Association