

April 21, 2023

From: Bruce Dunn, Interim Dean
To: FEC Chair, Yoram Cohen
Re: Proposed Resolution on Endowed Chairs

I am writing to request that the Samueli FEC consider and adopt a resolution in support of the School's approach to the administration of endowed chairs to ensure effective stewardship of chair donors and management of the associated funding for the benefits of the faculty and school overall. I would be happy to attend the next FEC meeting to discuss the proposal with the committee.

History of UCLA Samueli Endowed Chairs

Endowed Chairs are an important mechanism for recruiting, retaining and recognizing our outstanding faculty, and they provide unrestricted financial resources to encourage continued innovation. UCLA Samueli currently holds 43 endowed chairs, with a goal to significantly increase that number. Past chair donors are our best prospects for future chair endowments, but it is difficult to steward, and then solicit additional donations when existing funds are underused.

Historically the School's endowed chairs accounts have amassed millions of dollars in unspent balances. As of December 31, 2022, \$8.7M in accumulated funding was being held in 43 chair accounts. These funds represent lost opportunity for growth and innovation and a generally inefficient use of financial resources.

In 2017, then-Dean Murthy and Chancellor Block agreed to reorganize the administration of endowed chairs within UCLA Samueli, with the goal of directing a share of endowed funds toward school-wide, faculty-focused priorities such as start-up packages for expansion, lab upgrades, and specialized equipment. The key elements of that plan were to establish standard maximum annual scholarly allowances for term and permanent chair holders of \$25,000 and \$50,000, respectively, and to redirect scholarly allowance funding to school priorities if accumulated chair holder balances would exceed two times the annual allowance amount.

The Academic Senate must approve the establishment of new endowed chairs and over the past few years we have had some difficulty in getting their approval of the Murthy/Block agreement. We have developed new gift agreement language which we think will be acceptable to the Academic Senate. The new language enables Deans to increase the scholarly allowance amounts (e.g. to account for inflation) and to provide guidelines on accumulation. We believe it is important to have FEC approval of the gift agreement language. In addition to providing transparency, FEC endorsement will signal to the Academic Senate the support of the engineering faculty for the School to effectively administer endowed chairs.

Proposal

- Create a standardized payout amount: \$25,000 for term chairs and \$50,000 for permanent chairs. Deans will have the discretion to increase this amount.
- Encourage chair recipients to use their funds regularly and minimize accumulation.
- Authorize the Dean to establish limits on accumulation and to waive such limits in consultation with the chair holder.
- The chair holder is encouraged to plan payout strategies with the Dean.

Proposed Language for Endowed Chair Gift Agreements

This endowment will produce an “annual scholarly allowance” which will be used to support the work of the chair holder, including but not limited to faculty and post-doc salary, equipment, graduate student fellowships, travel and other related expenses as determined by the chair holder. At the discretion of the Dean, the amount of the annual scholarly allowance will be equal to the annual payout from the endowment or \$50,000 (permanent)/\$25,000 (term), whichever is less, but this minimum amount may be increased. To encourage and ensure timely utilization of the endowment payout, the Dean may establish limits on the amount of scholarly allowance a chair holder can accrue, in which case a portion or all of the payout may instead be transferred into the available balance of the Faculty Excellence Fund (#82467E).

Sincerely,



Bruce Dunn, Ph.D.
Interim Dean
UCLA Samueli School of Engineering