Possible future work: see what's going on at Regents' "Commission on the Future"—there will be working groups but their members haven't been announced yet—may be a "smoke screen" to give the appearance of transparency.

I. Lack of Transparency of Instruction Costs in UC's Accounting Reporting System
- First document: Schedule 12 C (Current expenditures by fund source) from UC accounting report for 2007-8 = where money comes from
  - General funds = money from the state
  - To answer the question "How much of our money comes from the state" people often divide general funds by total
    - But, note "Sales and Services for Educational Activities"—this includes museums, daycare, and the outpatient clinical practice of medical professors at UC hospitals
    - Also note "sales and services of Medical centers"—this means revenue generated from (inpatient services) at UC hospitals
    - "auxiliary enterprises" = garages, stadiums, etc.
    - It is important to realize that much of UC's income comes from its hospitals, and to be careful when deciding how much income comes from the state.
- Second document: Schedule 12 B (Current expenditures by Uniform Category) = where money goes out to
  - "institutional support" = high administration (chancellor's people and up)
  - "academic support" = dean-level administration and libraries
  - Note that "instruction" and "academic support" categories are twice as big at UCLA than at Berkeley even though the campuses are of comparable size.
    - Why? Because money that goes to UC medical professors for their clinical expenses is included under "instruction"—it is categorized as though it were normal faculty salary. And clerical or staff expenses for these clinical practices are reported as "academic support."
      - In the case of UCLA, over half of the money reported in these two categories goes to doctors for their own clinical practice
      - Thus, expenditures on "instruction" seem much bigger than they are, if you understand instruction to mean education of students.
- If you look at IPEDS (Integrated Postsecondary Education Data System) which allows you to compare all kinds of data across many different universities, it is very difficult to compare expenditures on instruction because "instruction" doesn't mean "instruction."
- But, these accounting documents are organized differently from the budget. In the budget, health sciences funds are separated from general campus funds. Therefore the problem outlined above is not the central one, but it does show how numbers are tricky and how the University's finances are anything but transparent.

II. The Cost of "Instruction": The Role of Departmental Research
- More important problem from the point of view of undergraduate instruction: How is "instruction" defined according to the Uniform Classification used by all universities?
  - See UC Accounting Manual
    - "instruction" category includes not only expenses related to teaching, but also "departmental research not budgeted elsewhere"
    - Why? In order to be able to dump the whole of faculty salaries in a single category (in both the budget and in the accounting report. In the budget the category is "Instruction and Research," all together and undistinguished.)
      - This is standard practice across universities and can be traced at least as far back as 1930.
      - In the past, when both teaching and research were considered public goods and therefore paid for by the state (along with public service), this practice didn't make much difference. But now that students pay tuition, it is reasonable to ask where their money is going: how much of it is going to the actual cost of instruction and how much of it is going to research
that may or may not be related to their education.

- The question of how much research affects the quality of undergraduate education is open to debate, and hardly can be settled by the received wisdom that doing research makes you a good teacher for undergrads.

- Faculty are insecure about discussing this question because they believe in the value of their research, even if public entities don't understand it, and don't want to put its funding in jeopardy.

- Even so, it seems unfair to put 100% of "departmental research" as a cost of instruction -- because this cost is what determines undergraduate student tuition. While it can be argued that a certain percentage of the costs of research can reasonably be passed on to students because it enhances their education, it is unfair to make students pay for ALL of this research, some or most of which is certainly unrelated to them.