### Meeting of the Legislative Assembly

**ORDER OF BUSINESS**

**Thursday, April 4, 2019, 2:00 - 4:00 p.m.**

**California Room, Faculty Center**

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<tr>
<th>I.</th>
<th>2:00-2:05</th>
<th>Approval of Draft Minutes of November 29, 2018</th>
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<td><em>In Memoriam – Professor Emeritus Linda B. Bourque, Fielding School of Public Health</em></td>
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<tr>
<td>II.</td>
<td>2:05-2:10</td>
<td>Welcome &amp; Brief Announcements – Joseph Bristow, Chair, Academic Senate</td>
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<td>Announcements by Chancellor Gene Block – NONE</td>
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<td>IV.</td>
<td>2:10-2:55</td>
<td>Presentation:</td>
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<td>Open Access, Elsevier, and Re-licensing with Scholarly Publishers</td>
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<td>University Librarian Virginia Steel, Alison Scott, Rikke Ogawa</td>
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<td>Consent Calendar – NONE</td>
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<td>VI.</td>
<td>2:55-3:20</td>
<td>Special Orders –</td>
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<td>• Memorial to the Regents: Petition to Divest the University’s Endowment Portfolio of all Investments in the 200 Publicly Traded Fossil Fuel Companies</td>
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<td>Professor Malcolm Gordon, Department of Ecology &amp; Evolutionary Biology</td>
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<td>VII.</td>
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<td>Reports of Special Committees – NONE</td>
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<td>VIII.</td>
<td>3:20-3:30</td>
<td>Reports of Standing Committees and Faculties:</td>
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<td>3:30-3:45</td>
<td>A. Labor Studies Undergraduate IDP proposal</td>
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<td>Undergraduate Council – Rob Gould, Chair</td>
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<td>B. Proposal for a Dual Master of Financial Engineering (MFE) - Asia Pacific with the Guanghua School of Management at Peking University - Master of Finance (M.Fin)</td>
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<td>Graduate Council – Willeke Wendrich, Chair</td>
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<td>IX.</td>
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<td>Petitions of Students – NONE</td>
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<td>X.</td>
<td></td>
<td>Unfinished Business – NONE</td>
</tr>
<tr>
<td>XI.</td>
<td>3:45-3:55</td>
<td>Updates on UC and Campus Issues – Joseph Bristow, Chair, Academic Senate</td>
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<td></td>
<td>• UCPATH: Who to Contact</td>
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<tr>
<td>XII.</td>
<td>3:55-4:00</td>
<td>New Business</td>
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</tbody>
</table>

*Tim Malloy, Secretary – April 4, 2019*

Agenda items for the Legislative Assembly deemed non-controversial by the Chair, in consultation with the Secretary and the chairs of the committees concerned, may be placed on the Consent Calendar. Approval of all Consent Calendar items requires a single unanimous vote at the Assembly meeting; however, at the request of any Assembly member, any Consent Calendar item must be withdrawn and considered in its regular order on the agenda [from Bylaw 140(a)(2)].
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**LEGISLATIVE ASSEMBLY**

**MINUTES**  
FEBRUARY 28, 2019  
2:00 P.M. – 4:00 P.M.  
CALIFORNIA ROOM  
UCLA FACULTY CENTER

<table>
<thead>
<tr>
<th>WITH A QUORUM PRESENT</th>
<th>MEETING CALLED BY TYPE OF MEETING</th>
<th>GUESTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph Bristow, Academic Senate Chair, at 2:00 pm</td>
<td>Legislative Assembly</td>
<td>CFO Gregg Goldman, AVC Allison Baird-James, Ascend Project Manager Abigail Ginn, University Librarian Virginia Steel.</td>
</tr>
</tbody>
</table>

**I. Approval of Minutes and Consent Calendar**  
Chair Joseph Bristow

**MEETING CALLED TO ORDER AT 2:05 P.M.**

The November 29, 2018 Minutes were approved as written.

The Consent Calendar was approved with no objections (see Section V and VI.)

**II. Welcome and Brief Announcements**  
Chair Joseph Bristow

Chair Joseph Bristow welcomed Legislative Assembly Members. Chair Bristow outlined the meeting agenda and provided a brief description of presentations.

**III. Announcements by the Chancellor**

NONE

**IV. Other Announcements / Presentations**  
CFO Gregg Goldman; AVC Baird-James

Ascend Project (New Financial System)

The Ascend project, a UCLA initiative, is a financial system that will replace UCLA’s 30-year-old financial management system. Corporate Financial Systems and Academic Planning & Budget are working with the Huron Consulting Group with the goal of updating the financial system and decrease the number of shadow systems that many departments use. Many systems currently do not speak to each other; Ascend is expected to resolve this issue. The expected go live is July 2020. The Ascend Project will impact expense reimbursement, chart of accounts (replacing FAUs), and procurement. The Ascend Team is seeking feedback from Senate faculty on needs, implementation, etc.

Chief Financial Officer Gregg Goldman provided a brief update on the budget process.

**V. Consent Calendar**  
Chair Joseph Bristow

A. 2018-19 Committee on Committees Slate Updates  
B. Proposed Bylaw Revisions: Radiation Oncology  
C. 2017-18 Annual Reports  
D. Review & Reapportion the Voting Constituencies of Committee on Committees
VI. Special Orders - Annual Reports

Chair Joseph Bristow

2017-18 Annual Reports

• Council on Academic Personnel
• Committee on Academic Freedom

VII. Reports on Special Committees

Chair Joseph Bristow

NONE

VIII. Reports of Standing Committees and Faculties

Graduate Council Chair

With no objections by LgA voting members, the following were voted on by a show of hands.

A. Proposal to Revise UCLA Academic Senate Bylaws 155 and 140
Vice Chair Michael Meranze presented the proposed revisions, which will reduce the time between the presentation to the LgA and the effective date. The motion to approve the bylaw revisions was approved.

B. Proposed B.A. in Music Composition and B.M. in Music Performance
Faculty Executive Committee Chair Lily Chen-Hafteck presented the proposal on behalf of the Undergraduate Council. After a brief presentation, the motion to approve the proposed B.A. and B.M was approved. The B.M. in Music Performance is a new designation and will, therefore, be transmitted to Systemwide for final approval.

C. Proposal for a Master of Applied Geospatial Information Systems and Technologies (Online) Graduate Program
Faculty Executive Committee Chair Aaron Tornell presented the proposal on behalf of the Graduate Council. After a brief presentation, Professor Michael Shin answered questions regarding the proposed program. The motion to approve the proposed program was approved by a majority vote.

IX. Petitions of Students

NONE

X. Unfinished Business

NONE

XI. University and Faculty Welfare

Chair Joseph Bristow

Updates on UC and Campus Issues
Open Access – Chair Bristow and University Librarian Virginia Steel
Chair Bristow briefed members on the UC negotiations with Elsevier and the expectation of UCs withdrawal. Librarian Virginia Steel provided additional remarks regarding the status, including information on the current contract and the rate increase should the UC remain with Elsevier.
LgA members expressed both pros and cons and the options that the UC is left with should the contract with Elsevier terminate. Several faculty suggested the UC Library system move away from publishers and publish within our own system. Many faculty expressed their disappointment and asked that the Senate continue discussion on the matter.

## I. NEW BUSINESS

No new business was discussed.

The meeting was adjourned at 4:00 pm.
April 3, 2019

Dear Academic Senate Members,

I am writing to provide you the information you will need to participate in the upcoming elections of the Academic Senate. As in past years, all nominations and most voting will take place online. Everything you will need to nominate colleagues or yourself and to vote can be found at: https://dms.senate.ucla.edu/nominations. We will be electing the next Vice-Chair/Chair-Elect of the Senate, 10 members of the Committee on Committees (ConC), 4 At-Large members of the Executive Board and numerous members of the Legislative Assembly (LgA).

The following timeline will be followed:

**Monday, April 1st, 2019 12:00 pm**
Notices emailed to departments regarding election of their LgA representatives.

**Wednesday, April 3rd, 2019, 12:00 pm**
This Notice of Elections sent to all Senate members, April 3, 2019, 12:00 pm via BruinPost.
Nominations will open April 3, 2019, 12:00 pm.

**Wednesday, April 24th, 2019 12:00 pm**
Nominations due for Senate Vice-Chair/Chair-Elect (who will be subsequent year’s Chair), four members of the Executive Board, and ten member of the Committee on Committees (ConC).

**Wednesday, May 1st, 2019 12:00 pm**
Voting open for Senate Vice-Chair/Chair-Elect and ConC via the Academic Senate Data Management System (DMS).

**Friday, May 17th, 2019 12:00 pm**
Close of elections for Senate Vice-Chair/Chair-Elect and ConC.
Results of LgA elections transmitted to the Academic Senate Office.

**Thursday, May 23rd, 2019**
Notice of LgA meeting sent out with election results for Senate Vice-Chair/Chair-Elect and ConC, along with the slate of nominees for Executive Board.

**Thursday, May 30th, 2019 2:00 pm – 4:00 pm**
LgA meeting, California Room, Faculty Center.
Election of Executive Board members by LgA members.

To begin a nomination and to access instructions, visit the following web address:
https://dms.senate.ucla.edu/nominations/

**Nominations for Vice-Chair/Chair-Elect**
Any Senate faculty member may run for this office who does not hold an administrative post of department chair or above (Bylaw IV, Section 3, Paragraph 45.E.2). All Academic Senate members, including Emeritus members, are entitled to vote. This election will be held online.

**Nominations for Executive Board**
Any Senate Faculty member may run for this Board who does not hold an administrative post of department chair or above (Bylaw IV, Section 3, Paragraph 45.E.2). All Legislative Assembly representatives (or duly appointed alternates) are entitled to vote. The election will take place at the May LgA meeting. Four new members of the Executive Board shall be elected to 2-year terms, 2019-2021. Senate bylaws state that “At all times, at least four of
the eleven elected members shall hold appointments in the College of Letters and Science” (SB V.4.2.60.A). This requirement is already met for 2019-2020 by the continuing members.

**Nominations for LgA**  
Legislative Assembly members are elected by and from the Academic Senate members of each department, according to its own bylaws. Results are due in the Academic Senate office by **May 17, 2019**.

**Nominations for ConC**  
Committee on Committees members are Academic Senate members elected At-Large or from constituencies defined by the committee on Rules and Jurisdiction. Within each constituency, every member may run and vote. This election will be held online. Each of the following constituencies has one seat to fill this year:

- **Seat 2: Physical/Earth Science** – Atmospheric & Ocean Sciences; Earth Planetary & Space Sciences; Physics & Astronomy; Institute for Society and Genetics; Institute of Environment & Sustainability
- **Seat 3: Humanities** – Chicano/-a Studies Department; English; History; Philosophy; African American Studies; Asian American Studies; Gender Studies
- **Seat 4: Social Sciences** – Anthropology; Geography; Political Science; Sociology; Communication
- **Seat 5: Languages/Literature** – Asian Languages & Cultures; Classics; Comparative Literature; French and Francophone Studies; Germanic Languages; Italian; Linguistics; Near Eastern Languages & Cultures; Scandinavian Section; Slavic East European and; Eurasian Language; Spanish & Portuguese
- **Seat 6: Mathematical Sciences/Chemistry** – Chemistry and Biochemistry; Mathematics; Statistics
- **Seat 7: The Arts** – Architecture & Urban Design; Art; Art History; Design | Media Arts; Ethnomusicology; Film, Television, & Digital Media; Music; Musicology; Theatre; World Arts & Cultures
- **Seat 9: Management/Economics** – Administrative Officers; Emeriti w/o Home Department; Anderson School of Management; Economics
- **Seat 12: Basic Biomedical Sciences** – Biological Chemistry; Biomathematics; Human Genetic; Microbiology, Immunology, & Molecular Genetics (MIMG); Molecular and Medical Pharmacology; Neurobiology; Physiology
- **Seat 15: Primary/Family Care Medicine** – Emergency Medicine; Family Medicine; Obstetrics/Gynecology; Pathology/Lab Medicine; Pediatrics; Urology
- **Seat 16: Department of Medicine** – Department of Medicine

Sincerely,

*Timothy Malloy*  
Secretary  
Academic Senate
Elsevier Update for UCLA Legislative Assembly

Rikke Ogawa
Alison Scott
Ginny Steel
April 4, 2019
Graph 4


***Trend line was extended with data from two new variables: Ongoing and One-Time Resource Expenditures.
UC’s OA Timeline

2003: UC Santa Cruz Academic Senate resolution on "Cutting Ties with Elsevier"

2007: Draft 1 of UC OA policy

2012: UCSF passes OA policy

2015: UC Presidential Policy implemented, covers all employees

2017: UC’s Statement on Commitment to Free and Open Information, Scholarship, and Knowledge Exchange

2018: UC/AAUP Declaration of Rights and Principles to Transform Scholarly Communication

2018-19: UC negotiates with Elsevier, negotiations end Feb 28, 2019

2003: Two UCSF faculty members urge a boycott of 6 Elsevier journals (Cancer Cell, Cell, Developmental Cell, Immunity, Molecular Cell, and Neuron)

2010: Potential boycott of the Nature Publishing Group

2013: UC Academic Council passes OA policy covering faculty

2016: Pay It Forward study completed

2018: Pathways to Open Access published

2018: Negotiating Journal Agreements at UC: A Call to Action
Why Elsevier?

• UC spends 25% of its $40M systemwide journals budget on Elsevier journals.
• In addition to journals, UC spends millions more annually on other Elsevier products, such as e-books, major reference works, and databases.
• Elsevier’s profit margin is consistently close to 40%.
• Elsevier publishes 17% of peer-reviewed journal articles worldwide - the highest share of any publisher - including many top-tier research journals.
Elsevier is double dipping:

- Elsevier is promoting “hybrid” subscription journals in which authors can opt to pay an article processing charge (APC) to publish their article as OA.
- Elsevier does not reduce its subscription fees to account for this OA content.
- Thus, on top of the > $10M subscription payment from the UC libraries, UC authors pay > $1M annually in OA publishing fees, and that figure is growing each year.
How were UC’s negotiation goals developed?

• Goals were developed in consultation with various stakeholders, including the Council of University Librarians (CoUL), University Committee on Library and Scholarly Communication (UCOLASC), and the Provost’s Systemwide Library and Scholarly Information Advisory Committee (SLASIAC).

• Goals reflect the SLASIAC Call to Action, which champions change in journal negotiations, written in partnership with CoUL and UCOLASC.

• Goals extend the decade-long UC commitment to OA (e.g., Senate and Presidential OA policies; UCOLASC Declaration of Rights and Principles for Transforming Scholarly Communication).

• Goals extend components of the CoUL Pathways to OA.

• Goals follow the OA2020 EOI that seven UC campuses have signed thus far.
What does UC’s proposed OA model look like?

• Stops double payment; reading (i.e., subscription) and OA publishing fees instead offset one another.

• UC’s negotiated discount for APCs will lower the cost to publish OA.

• APCs will also either be further lowered or free for UC authors because of the library contributions.
In the mean time …

- Open Access through repositories & tools
  - PMC, arXiv, bioRxiv, CogPrints, Social Science Research Network, etc.
  - Browser extension: Open Access Button & UnPayWall

- ILL Requests for articles to which our community want access.
  - Just-in-case clicks => ~10% turning into ILL requests.
  - UC’s are prepared for this

- Considering the true value of information
  - Value of published article to the reader ≠ specific monetary price of delivering that article to the reader
  - Critical reading & scholarly dialogue determines value
Looking for an article? Get it now!

Instant access to articles even when UCLA doesn’t have a subscription!

Wednesday: 4/3/2019
12:00 PM - 12:30 PM
Biomedical Library Classroom

Friday: 4/5/2019
10:00 AM - 10:30 AM
5628 Mathematical Sciences Building
Current status: negotiations ended, access continues
## Success Stories

<table>
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<th>Resource</th>
<th>18/19 Reductions (Negotiated)</th>
<th>Savings from Negotiation</th>
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<tbody>
<tr>
<td>T&amp;F Journals</td>
<td>-1.66%</td>
<td>$35,824</td>
</tr>
<tr>
<td>Web of Science, JCR, Biosis</td>
<td>-5%</td>
<td>$101,724</td>
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<tr>
<td>Cambridge eBooks</td>
<td>-6.07%</td>
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<td>INSPEC</td>
<td>-9.23%</td>
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<td>Karger Journals</td>
<td>-40.36%</td>
<td>$166,923</td>
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<tr>
<td><strong>Subtotal, Price Reductions</strong></td>
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<td><strong>$353,146</strong></td>
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*Elsevier’s final offer:* UC spend would increase by 80% (~$18M) + possible $$ for perpetual access + possible author $$ for first year of availability.
Thank you!

Questions?
Open Access, Elsevier, and Re-licensing with Scholarly Publishers

Legislative Assembly Meeting, April 4, 2019
On behalf of Senate Chair May, please find attached a Statement concerning the University’s negotiations with Elsevier Publishing from the members of the UC Academic Council, and co-signed by the chairs of the other non-Council systemwide Academic Senate committees. Chair May requests your assistance in circulating the Statement broadly to faculty on your campus.
University of California Academic Council Statement on the University’s Negotiations with Elsevier Publishing

The Academic Council of the Academic Senate of the University of California (UC), hereby signals its collective and resolute commitment to support UC’s negotiating position with Elsevier in order to advance UC’s mission as a public institution, make the products of our research and scholarship as freely and widely available as possible, and ensure that UC spends taxpayer money in the most ethically, morally, and socially-responsible way when entering into agreements with commercial publishers.

Background
The University of California has been negotiating with Elsevier, the largest commercial publisher of scholarly journals. As part of the current negotiations, UC has been seeking sustainable cost controls as well as a novel transformative agreement in which our Elsevier authors would retain their copyrights, their articles would become completely and immediately open access, and the payments for open access publishing would offset our Elsevier subscription expenditures. By design, such a transformative agreement would be transitional and accelerate a shift to full open access for all our Elsevier authors within a very few years. Most significantly, a successful agreement would align closely with the mission of the University to provide “long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge.”

At the present time, UC and Elsevier have reached an impasse in their negotiations and our contract has lapsed. Nonetheless, the Academic Council of the Academic Senate stands firm in its conviction that a comprehensive transformative agreement that covers all Elsevier titles is required to achieve the aspirations embodied in the Academic Senate’s Open Access Policy, and articulated by the University Committee on Library and Scholarly Communication (UCOLASC) in its Declaration of Rights and Principles, and by the Systemwide Library and Scholarly Information Committee (SLASIAC) in its Call to Action. We support the unified strategies of the UC libraries to ameliorate the negative effects of the impasse on faculty, researchers, and students, and applaud their efforts to closely monitor alternative access along with the impacts it may have on research and teaching.

We ask all publishers to work with UC in good faith to meet our short- and long-term goals for transforming scholarly communication, and we encourage our faculty to weigh these goals when deciding where to send their work for publication, when agreeing to review manuscripts, or when performing editorial duties. Moreover, we urge all UC authors to utilize our open access policies to make their final pre-publication manuscripts publicly and immediately accessible in our institutional repository.
Members of the 2018-19 Academic Council

Robert C. May, Chair  
Academic Council

Kum-Kum Bhavnani, Vice Chair  
Academic Council

Barbara Spackman, Chair  
UC Berkeley Academic Senate

Kristin Lagattuta, Chair  
UC Davis Academic Senate

Linda Cohen, Chair  
UC Irvine Academic Senate

Joseph Bristow, Chair  
UC Los Angeles Academic Senate

Kurt Schnier, Chair  
UC Merced Academic Senate

Dylan Rodriguez, Chair  
UC Riverside Academic Senate

Robert Horwitz, Chair  
UC San Diego Academic Senate

David Teitel, Chair  
UC San Francisco Academic Senate

Henning Bohn, Chair  
UC Santa Barbara Academic Senate

Kimberly Lau, Chair  
UC Santa Cruz Academic Senate

Eddie Comeaux, Chair  
Board of Admissions and Relations with Schools

Onyebuchi A. Arah, Chair  
Coordinating Committee on Graduate Affairs

Lok Siu, Chair  
University Committee on Affirmative Action, Diversity, and Equity

Daniel Farber, Chair  
University Committee on Academic Personnel

Anne Zanzucchi, Chair  
University Committee on Educational Policy

Sean Malloy, Chair  
University Committee on Faculty Welfare

Andrew Baird, Chair  
University Committee on Research Policy

James Steintrager, Chair  
University Committee on Planning and Budget

Chairs of Other Systemwide Academic Senate Committees

Richard Schneider, Chair  
University Committee on Library and Scholarly Communication

Maryann Martone, Chair  
University Committee on Academic Computing and Communications

Kevin Plaxco, Chair  
University Committee on Committees
Darlene Francis, Chair
University Committee on
Preparatory Education

Adebisi Agboola, Chair
University Committee on
Privilege and Tenure

Eric Rauchway, Chair
University Committee on
Academic Freedom

Michael Lazzara, Chair
University Committee on
International Education

Jonathan Glater, Chair
University Committee on
Rules and Jurisdiction

Margaret Chowning, Chair
Editorial Committee

Michael Todd, Chair
Special Committee on Lab
Issues
Note: I am resending the Memorial transmittal, with the highlighted version of Bylaw 90, which I’ve just received from Academic Council. Thank you.

Academic Senate Divisional Chairs:

On behalf of the Chair of the San Francisco Division of the Academic Senate, David Teitel, I am sending you the proposed Memorial on Fossil Fuel Divestment, which would petition the Regents to divest the University’s endowment portfolio of all investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves.

On February 15, 2019, the San Francisco Division of the UC Academic Senate initiated and voted to approve this Memorial to the Regents pursuant to Senate Bylaw 90 and Regents Bylaw 40.1. Chair Teitel’s attached cover letter includes a count of UCSF’s Divisional votes. Enclosed, please find the Memorial to the Regents, a brief account of its history, an explanation of its provisions, and a succinct statement of the arguments for and against it.

We respectfully ask that all Divisions vote on the Memorial within the ninety calendar day time period specified by the process outlined in Bylaw 90. At the request of Academic Council, I have attached a PDF of the systemwide Senate Bylaw 90, which can also be found at: https://senate.universityofcalifornia.edu/bylaws-regulations/bylaws/blpart1.html#bl90.

If you have any questions, please let me know.

Sincerely,

Todd Giedt
Executive Director
UCSF Academic Senate
415-476-1307
todd.giedt@ucsf.edu
http://senate.ucsf.edu/
February 27, 2019

DIVISIONAL ACADEMIC SENATE CHAIRS

Re: Memorial to the Regents – Fossil Fuel Divestment

Dear Divisional Academic Senate Chairs:

On February 15, 2019, the San Francisco Division of the UC Academic Senate initiated and voted to approve a Memorial to the Regents pursuant to Senate Bylaw 90 and Regents Bylaw 40.1.

The Memorial petitions the Regents to divest the University’s endowment portfolio of all investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves.

**Count of votes**

<table>
<thead>
<tr>
<th>Vote</th>
<th>Count</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Approved</td>
<td>238</td>
<td>78.81%</td>
</tr>
<tr>
<td>Rejected</td>
<td>58</td>
<td>19.21%</td>
</tr>
<tr>
<td>Abstained</td>
<td>6</td>
<td>1.99%</td>
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<td>Total</td>
<td>302</td>
<td>100%</td>
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Enclosed, please find the Memorial to the Regents, a brief account of its history, an explanation of its provisions, and a succinct statement of the arguments for and against it.

We are including Bylaw 90 with the Memorial packet. Most relevant to you at this time is **Bylaw 90.D.**, which provides:

- Each Division shall have ninety calendar days from receipt of the Memorial to vote upon it.
- [A] Division may vote to approve, to disapprove, or to decline to act, but may not amend the proposal as submitted.
- The Chair of the division shall within seven calendar days forward to the Chair of the Assembly and to the Chairs of all other Division the results of the Divisional vote on the proposed Memorial.
- If at least three Divisions representing at least thirty-five percent of the membership of the Academic Senate have notified the Chair of the Assembly that the Memorial has been approved by their Divisions, the proposed Memorial shall be voted upon in accordance with the procedure set forth in Article E of this Bylaw.

Thank you for your consideration of this Memorial to the Regents.

Sincerely,

David Teitel, MD, 2017-19 Chair
UCSF Academic Senate

Encl.
From:  U.C. Academic Senate
To:  President of the University of California, for transmission to the Regents
Re:  Memorial to the Regents

The U.C. Academic Senate petitions the Regents to divest the University’s endowment portfolio of all investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves.
History of the Memorial to the Regents

On January 17, 2019 the UCSF Academic Senate Ad-hoc Committee on Sustainability held a vote to approve the Memorial to the Regents. The Memorial was approved.

On January 24, 2019 the UCSF Academic Senate Executive Council held a vote to approve the Memorial. The vote passed.

On February 15, 2019 the UCSF Academic Senate voted to approve the Memorial. 238 voted to approve, 58 voted to reject, and 6 abstained. The Memorial was approved.
Explanation of the Provisions of the Memorial to the Regents

The Memorial states: “The U.C. Academic Senate petitions the Regents to divest the University’s endowment portfolio of all investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves.”

The Carbon Underground 200 list identifies the largest owners of carbon reserves. Fossil Free Indexes identifies the top 100 coal and the top 100 oil and gas publicly-traded reserve holders worldwide.

The Memorial petitions the Regents to divest UC’s endowment portfolio of all investments in companies on the Carbon Underground 200 list. UC currently owns shares in companies on the Carbon Underground 200 list. UC’s holdings of securities in oil and gas drilling and refining firms is approximately three percent of UC’s public equity holdings. In contrast, oil and gas drilling and refining firms represent six to seven percent of the global economy. The Memorial would have the Regents divest entirely from all companies currently on that list.
Ensuring that our planet does not undergo catastrophic climate change requires that fossil fuels be phased out in the near future. Thus, being co-owners of corporations devoted to producing fossil fuels is both morally and financially unwise.

Global warming will have catastrophic consequences. If current trends continue, major cities will be destroyed, and trillions of dollars in assets will be lost due to sea level rise and extreme weather events. Droughts, floods, and climate changes will cause crops to fail resulting in mass starvation. Ecosystems will be devastated, which combined with other anthropogenic disruptions, will drive millions of species extinct.

Prudence requires that we secure ‘planet insurance’. A rapid evolution to a largely carbon-free energy system is essential within the next 15 to 30 years. This is technically possible and affordable.

The greatest impact of climate change will be on those least responsible for it, and with the least power to affect it. The effects of climate change will be greatest on the youth, and future generations for hundreds of years; on poorer countries who contributed the least atmospheric pollution; and on other species. We who benefited most from the last 300 years of cheap energy, and who control the most resources, must act for them as well as ourselves.

Fossil fuel companies are a primary cause for insufficient action countering global warming. Fossil fuel companies continue to spend billions of dollars to extract fossil fuels that should never be burned based on a business model assuming continued high fossil fuel use. They have hidden their research predicting global warming due to atmospheric carbon dioxide for decades. They have donated millions of dollars to think tanks which spread misinformation. Their direct and indirect support has helped elect climate denying senators, representatives, governors and presidents.

Fossil fuel stocks will experience volatility if international agreements such as the Paris Agreement are followed. In the Paris Agreement, 197 countries committed to taking the action necessary to limit global temperature rise this century to <2°C, and aim for a rise of <1.5°C. This requires that <20% of existing fossil fuel reserves can be burned. However, the value of fossil fuel companies is heavily dependent on the value of these proven reserves. If these reserves cannot be burned then those companies may undergo significant devaluation. Increased volatility of fossil fuel investments means we cannot assume that the historic returns from fossil fuel stocks will continue into the future.

\[\text{Current scientific consensus regarding global warming from the US gov., IPCC and World Bank}
\]

https://science2017.globalchange.gov/
Sustainable energy is economically and technically viable

https://link.springer.com/chapter/10.1007/978-3-319-38919-6_12
https://link.springer.com/chapter/10.1007/978-3-319-38919-6_11

The Paris Agreement:
http://unfccc.int/paris_agreement/items/9485.php
Arguments in Opposition to the Memorial to the Regents

The University of California is taking meaningful steps to minimize the risk and reduce the impact of climate change. While the UC Office of Chief Investment Officer has adopted a Framework for Sustainable Investing, it must also fulfill its fiduciary duty to current and former employees. The Memorial would impose an extreme and one-sided solution to a complex problem while simultaneously threatening the financial health of UC’s investments portfolio.

**Solutions to global warming will require a variety of strategies and tactics if they are not to drastically disrupt global economic systems.**
While climate change threatens widespread catastrophe to cities and ecosystems, the solutions to address climate change must not threaten to upend economic systems upon which communities depend. Fossil fuels are still a viable source of energy on which economies rely. Thus, solutions to global warming must utilize a variety of strategies and tactics including but not limited to investment in carbon reducing technologies and carbon alternatives. However, until those technologies and alternatives are fully developed and sufficient substitutes to fossil fuel, we cannot completely abandon the use of fossil fuel.

**University of California has already taken action against climate change.**
UC has made a commitment to be carbon neutral by 2025 on its ten campuses, five medical centers, and three national labs. UC joined Mission Innovation, a global initiative, to increase investment in energy research and development. UC entered into an agreement to purchase 80 megawatts of solar power.

**The UC Office of Chief Investment Officer has a fiduciary duty to over 500,000 current and former employees.**
The UC Office of Chief Investment Officer has a fiduciary duty to protect and increase UC’s investment assets. Maintaining the financial health of UC’s endowment is a moral and legal responsibility of UC.

**UC currently considers the impact of climate change when making investment decisions.**
Based on feedback from the UC Board of Regents, UC students, faculty, staff, and stakeholders, UC established a Framework for Sustainable Investing. The Framework for Sustainable Investing sets out a process for evaluating environmental sustainability, social responsibility, and governance into investment decisions.

**Divestment from fossil fuel companies would result in a forfeiture of UC’s influence over those companies as an institutional investor.**
UC currently can exercise its rights as a shareholder of fossil fuel companies to advocate for solutions to global climate change including investments in alternatives to fossil fuel. Divestment would mean forfeiting UC’s right to influence corporate governance of those fossil fuel companies.
90. Memorials (Am 13 May 97; Am 12 May 2004)

A. Definitions

1. The term "Memorial to the Regents" means a declaration or petition addressed to the President for transmission to The Regents, as provided for in Standing Order of the Regents 105.2.e.
2. The term "Memorial to the President" means a declaration or petition to the President not intended for transmission to The Regents.
3. Memorials are not legislation within the meaning of Bylaw 311.A.

B. Memorials to the Regents on matters of Universitywide concern to be submitted to The Regents through the President may be initiated by the Assembly or by a Division. Written arguments in favor of and against a proposed Memorial to the Regents shall be submitted to the Assembly or the Division at least seven calendar days prior to the time that either body votes on the proposal.

C. Memorials to the Regents that have been approved by the Assembly shall be voted upon in accordance with the procedure set forth in Article E of this Bylaw.

D. Memorials to the Regents that have been approved by a Division shall be submitted within thirty calendar days to the Chair of the Assembly and the Chairs of all other Divisions.

1. The Memorial shall be accompanied by the count of votes, a brief account of its history, an explanation of its provisions, and a succinct statement of the arguments for and against it specified in Article B of this Bylaw.
2. Each Division shall have ninety calendar days from receipt of the Memorial to vote upon it. The time required to submit the proposal to a mail ballot, if such balloting is required, shall be included within ninety days.
3. Upon receipt of the Memorial the Chair of the Division shall promptly submit it to a vote of the division. The Division may vote to approve, to disapprove, or to decline to act, but may not amend the proposal as submitted. The vote may proceed according to any method authorized by the Bylaws of the Division, including town meetings, representative assembly, or mail ballot. Except as may otherwise be provided in the Divisional Bylaws, the choice of the method of voting shall be determined by the Chair of the Division, in the light of the circumstances, and of advice from any duly constituted advisory bodies the Chair may consult. In no event shall the Chair submit the Memorial at a time that is too late for the division to comply with the ninety-day limitation set forth in paragraph 2 of this Article.
4. The Chair of the division shall within seven calendar days forward to the Chair of the Assembly and to the Chairs of all other Division the results of the Divisional vote on the proposed Memorial.
5. As soon as the ninety-day period set forth in Paragraph 2 of this Article has ended, or as soon as all Divisions have reported the results of their divisional votes, whichever comes first, the Chair of the Assembly shall notify all Divisions...
of the results. **If at least three Divisions representing at least thirty-five percent of the membership of the Academic Senate** have notified the Chair of the Assembly that the Memorial has been approved by their Divisions, the **proposed Memorial shall be voted upon** in accordance with the procedure set forth in Article E of this Bylaw.

6. **A Division that has voted upon a proposed Memorial in accordance with the provisions of Paragraph 3 of the Article, may subsequently vote to reconsider its action, provided that any such reconsideration must be completed within the ninety calendar days specified in Paragraph 2 of this Article.**

7. **If the number of approvals received within the time prescribed by Article D.2 of this Bylaw does not satisfy the requirement set forth in Article D.5 of this Bylaw, the proposed Memorial shall be deemed disapproved and no further action can be taken upon it.**

E. **Memorials that have been approved in accordance with either Articles C or D of this Bylaw shall, within sixty calendar days of such approval, be submitted by the Secretary/Parliamentarian of the Senate to mail ballot of all voting member of the Senate.**

1. The ballot shall be accompanied by a brief account of its history, an explanation of its provisions, and a succinct statement of the arguments in its favor and against it. The materials shall be compiled by the Chair of the Assembly, who may rely in whole or in part upon the materials originally submitted by the initiating Division.

2. The Chair of the Assembly may appoint an ad hoc committee of Senate members who support the proposed Memorial and an ad hoc committee of Senate members who oppose it to draft arguments for and against the proposal, respectively. Arguments drafted by such committees shall be based on the materials specified in Article B of this Bylaw. Each set of arguments shall consist of no more than 1,000 words. The Chair of the Assembly may direct each ad hoc committee to draft rebuttals to the arguments of its counterpart committee; such rebuttals shall consist of no more than 500 words. Arguments and rebuttals drafted by ad hoc committees shall be submitted to the Chair of the Assembly within 45 calendar days following approval of the proposed Memorial as provided in Article C or in Paragraph 5 of Article D of this Bylaw.

3. The Chair of the Assembly, with the concurrence of the Academic Council, shall retain final authority to make judgments as to the appropriateness of arguments and rebuttals and to revise them accordingly. (Am 5 May 88)

F. **A Memorial that has received a majority of the valid ballots cast in the election described in Article E of this Bylaw shall be sent by the Chair of the Assembly to the President for submission to The Regents.** A tabulation of the votes cast in this election shall accompany the Memorial. (Am 9 May 84)

G. Either the Assembly or any division may submit Memorials not intended for transmission to the Regents directly to the President.
March 15, 2019

To: Joseph Bristow  
Chair, Academic Senate

Re: Proposed BA and IDP in Labor Studies

Dear Chair Bristow,

At its meeting on March 15, 2019, the Undergraduate Council reviewed a proposal to establish an IDP and BA in Labor Studies. The Undergraduate Council approved this proposal (14 Approve, 0 Deny, 0 Abstaining) with an effective date of Fall 2019.

The Curriculum Committee initially expressed concerns about the level of faculty participation. However, members of the Council were impressed by the response from the faculty of the proposed IDP. The willingness of Professors Higbie and Valenzuela to transfer 50% of their lines, along with the revised letter of support from the Dean, and a pledge of support from the Director of the Institute for Research, Labor, and Employment, assured members that the proposed program was sustainable.

By way of this memorandum, the Council is hereby submitting this proposal to the Executive Board and requests that bylaws for the proposed IDP be placed on the agenda for a future meeting of the Legislative Assembly.

If you have any questions or concerns, please do not hesitate to contact me or Eric Wells, the Undergraduate Council Analyst (ewells@senate.ucla.edu).

Sincerely,

Robert Gould  
Chair, Undergraduate Council

cc: Aaron Tornell, Chair, College FEC  
Sandra Graham, Immediate Past Chair, Academic Senate  
Claire McCluskey, Associate Registrar, Registrar’s Office  
Michael Meranze, Chair Elect, Academic Senate  
Linda Mohr, Chief Administrative Officer, Academic Senate  
Frank Wada, University Registrar  
Eric Wells, Committee Analyst, Academic Senate
March 11, 2019

To: Professor Robert Gould, Chair
   Undergraduate Council
From: Darnell Hunt, Dean
   Division of Social Sciences
Re: Proposed Major in Labor Studies

Dear Professor Gould:

Due to international travel, I am regrettably unable to attend the March 15 meeting to discuss the Institute for Research on Labor and Employment’s proposed new undergraduate major in Labor Studies. In lieu of my presence for the meeting, I am writing to the Undergraduate Council to reiterate my strong support for this proposal and to hopefully address any remaining concerns you may have about it.

The proposed new major is aimed at undergraduates interested in better understanding how inequality limits life chances in our society so that they can apply this knowledge in efforts to bring about positive change. A “bottom-up” focus on civic engagement and social movements undergirds the multidisciplinary curricula of the proposed major, which is poised to draw on the strengths of the Division of Social Science’s offerings in communication, gender and ethnic studies, and the traditional social science disciplines. To be sure, the new interdepartmental program closely aligns with the Division’s renewed commitment to engaging with community partners in order to address issues of inequality and social justice that are particularly relevant in the Los Angeles region. For this reason, I see it becoming a signature program within the portfolio of quality majors and minors housed in our Division.

I understand that the Undergraduate Council has expressed concerns about whether the proposed interdepartmental program would be adequately resourced. I hope to lay these concerns to rest by recounting the resources that have already been committed to the proposed new IDP and identifying new commitments I am happy to make.

First, please recall that the Office of Academic Planning and Budget has reviewed the proposed budget for the new program and recommends identifying ways to manage delivery of the necessary courses within the Division’s foreseeable allocation of UAIF funding. I believe this can be achieved with careful planning, and I am committed to working with Division and IDP staff to ensure that the new program is established on a firm footing. It is important to note that the IDP’s core courses would build on those currently offered in the longstanding, popular Labor and Workplace Studies minor, while student electives would be largely comprised of dozens of courses already offered across several
departments in the Division. In other words, the bulk of the curriculum would be sustainable over the long run with existing resources.

But I am also committed to supporting efforts to grow the number of faculty affiliated with the proposed Labor Studies IDP to ensure its buoyancy. Professors Tobias Higbie and Abel Valenzuela have already pledged to move a portion of their faculty lines to the new IDP, and I will support these moves. Other ladder faculty at UCLA also have expressed an interest in affiliating with the program, such as Professor Noah Zatz in Law, who has agreed to teach one course per year in the IDP over the next three years. I will work with IDP leadership to facilitate these and other future affiliations. I will also authorize the IDP to seek target of opportunity faculty hires in partnership with other departments in the Division. I will allocate 1 faculty FTE to these efforts, which would result in two new faculty hires split between the IDP and collaborating departments. Additionally, I will support the IDP’s efforts to recruit a UC President’s Postdoctoral Fellow to be split between the IDP and another unit in the Division, in order to take advantage of the program’s faculty hiring incentive and defer the Division’s absorption of the line for five years.

Finally, it is also important to consider that existing non-Senate faculty are a valuable asset for the Division and the College and have contributed enormously to the Labor and Workplace Studies program over the years. These faculty will also play an important role in the new IDP, and I will work to make their positions sustainable by encouraging excellence reviews for Unit 18 lecturers so that they may achieve continuing status. Similarly, I will continue to support the important role of current Labor Center academic administrators who teach for the program and bring invaluable real-world experiences to the classroom.

In short, I reiterate my belief that the proposed Labor Studies IDP would provide our students with a unique opportunity to gain the analytical and communication skills necessary for effectively engaging with the social world around them. I am committed to ensuring that the IDP has the resources necessary to be successful.

Sincerely,

Darnell Hunt
Dean, Division of Social Sciences
February 13, 2019

To: Robert Gould, Chair, Undergraduate Council

From: Chris Niemann, Chair
Rules & Jurisdiction Committee

Re: Proposed bylaws for Labor Studies IDP; final submission on February 13, 2019

Rules & Jurisdiction has reviewed the final Labor Studies IDP bylaws as submitted on February 13, 2019. Rules & Jurisdiction has worked with the IDP since last year and all suggested bylaw revisions have been made. In addition to defining membership for purposes of voting on substantial questions, the bylaws appropriately include personnel voting bylaws.

R&J finds the bylaws consistent with the Code of the Academic Senate and appropriately approved by a minimum of a 2/3 of their Faculty voting body. This letter along with the proposed revisions can be sent to the Executive Board for review and placement on the Legislative Assembly Consent Calendar.

cc: Tobias Higbie, Labor Studies Chair
Kumar Rajaram, Committee on Rules & Jurisdiction
Alfreda Iglehart, Committee on Rules & Jurisdiction
Eric Wells, Undergraduate Council Analyst
Linda Mohr, Executive Director/CAO, Academic Senate
Marian Olivas, Committee Analyst, Rules & Jurisdiction
To: Chris Niemann, Chair Rules & Jurisdiction
c/o Marian Olivas

I am pleased to submit the bylaws developed for the proposed Labor Studies IDP. Affiliated with the Institute for Research on Labor and Employment (IRLE), Labor Studies was first a specialization and then became a minor in 2003. After operating for over 15 years as a minor, and successfully enrolling roughly 200 students in recent years, participating faculty agreed that an IDP was an important next step for the program.

As per the recommendation of the 2017-2018 Rules & Jurisdiction Chair, we used Global Jazz Studies IDP bylaws as the model, making adjustments particular to the needs of our IDP.

The IDP will launch with 8 Core Faculty with a minimum of a 0% Joint appointment commitment. Affiliate faculty includes Senate and non-Senate Faculty as well as Academic Administrator Instructors with specialized expertise in labor and social movements.

As the voting body for the IDP, the Core Faculty reviewed and approved these bylaws by a vote of 8 yes; 0 no; 0 abstain; 0 not voting/absent. The vote was completed on 2/13/2019.

I look forward to discussing the bylaws with members of the Committee on Rules and Jurisdiction as appropriate.

Elizabeth Espinoza
For: Toby Higbie, Labor Studies Chair

---
Elizabeth Espinoza
Student Programming Manager and Academic Personnel Coordinator
Labor Studies
Institute for Research on Labor and Employment
UCLA Labor Center
espinoza@irle.ucla.edu | 310-206-4336

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Sign Up for Email Updates | Support Our Work
February 13, 2019

Christoph Niemann
Chair, Committee on Rules & Jurisdiction
c/o Marian McKenna Olivas

Dear Dr. Niemann,

I am pleased to submit the bylaws developed for the proposed Labor Studies IDP. Affiliated with the Institute for Research on Labor and Employment (IRLE), Labor Studies was first a specialization and then became a minor in 2003. After operating for over 15 years as a minor, and successfully enrolling roughly 200 students in recent years, participating faculty agreed that an IDP was an important next step for the program.

As per the recommendation of the 2017-2018 Rules & Jurisdiction Chair, we used Global Jazz Studies IDP bylaws as the model, making adjustments particular to the needs of our IDP.

The IDP will launch with 8 Core Faculty with a minimum of a 0% Joint appointment commitment. Affiliate faculty include Senate and non-Senate Faculty as well as Academic Administrator Instructors with specialized expertise in labor and social movements.

As the voting body for the IDP, the Core Faculty reviewed and approved these bylaws by a vote of 8 yes; 0 no; 0 abstain; 0 not voting/absent. The vote was completed on 2/13/2019.

I look forward to discussing the bylaws with members of the Committee on Rules and Jurisdiction as appropriate.

Sincerely,

[Signature]

Tobias Higbie
Professor, UCLA History Department
Chair, Labor & Workplace Studies IDP
Associate Director, Institute for Research on Labor & Employment
Preamble: The Labor Studies IDP is home to scholars and students with interests in the study of the social, economic, legal, and political forces that shape the lives of working people, labor markets, employment policies, and social movements seeking greater economic and social equality for workers and their communities. Building on traditions of scholarship in a variety of disciplines, we interpret “work” and “labor” in the broadest terms, embrace methodological diversity, and welcome novel approaches to our shared field of inquiry.

Article I: Introduction
A. Bylaws: These Bylaws contain the core principles governing the Labor Studies Interdepartmental Program (LS-IDP).
C. Goals and Objectives: The primary goal of the LS-IDP is to provide for the education of students enrolled in Labor Studies. The objectives of the Labor Studies Interdepartmental Program are to:
   1. Manage the educational and administrative responsibilities of the program;
   2. Maintain a list of core and affiliated faculty members;
   3. Undertake curricular matters and administrative responsibilities as assigned to the administrative head (Chair) and the core and Faculty Advisory Committee (FAC) of the program;
   4. Promote the appointment and advancement of faculty of all ranks who teach and advise undergraduate students in the program.

Article II: Membership
A. Membership: The Labor Studies IDP welcomes participation by faculty and instructors who share our goals regardless of their scholarly specialty or home department. We distinguish between Core Ladder Faculty and Affiliated Faculty members of the IDP. Each year, the FAC will review the rank and participation of core and affiliate faculty in the program of the IDP, review applications for affiliation, and adjust membership accordingly.
   1. Core Ladder Faculty are Academic Senate members who hold either a split or joint appointment in the LS-IDP and who have committed to teach at least one course a year. The Core Faculty constitute the principal voting body of the LS-IDP. The Faculty Advisory Committee (FAC), the governing body of the LS-IDP, is made up of Core Faculty.
   2. Affiliate Ladder Faculty are those Senate Faculty who do not meet the definition of Core Faculty, but who have commitments to be part of the IDP’s community scholars by agreeing to regularly teach courses listed as program requirements or electives. Regular teaching is defined as at least three courses in any two-year period. Affiliate Ladder Faculty also may serve as advisors to the faculty or...
students in the program based on their relevant knowledge or expertise.

3. **Affiliate Non-Senate Faculty and Instructors** such as Unit 18 Lecturers and Academic Administrators who regularly teach required or elective courses in the IDP. Regular teaching is defined as at least three courses in any two-year period, including the capstone courses that require field work with organizations. Non-Senate Faculty may also attend General Faculty Meetings by invitation of the FAC.

**Article III. Voting Rights**

A. Core ladder faculty may vote on all substantial issues and decisions of the IDP. As voting members, Core Faculty must reach a 2/3 vote in accordance with Senate Bylaw 55 in order to extend advisory voting rights to non-Senate affiliated Faculty. Any such extension should be added to these bylaws.

B. Academic Personnel Actions

1. Joint and Split Appointments
   a. As an IDP, Labor Studies has joint appointments and split appointments. Labor Studies will serve as the secondary academic unit for all personnel actions (UCLA CALL. Appendix 15§II)
   b. Joint appointees may exercise their right to request a waiver of their personnel actions in the IDP. Senate faculty in the IDP should vote whether to accept the waiver. (UCLA CALL. Appendix 15§I.E.1)
   c. Labor Studies follows the procedures outlined in the UCLA CALL, Appendix 15 “Joint and Split Appointments” for all joint and split academic personnel actions.
   d. As the secondary department, Core Faculty who have split appointments and faculty who have joint appointments without a waiver will vote on personnel actions as follows:
      1. Appointments. Full and Associate Professors will vote on all Senate appointments to the IDP.
      2. Promotions & Merits. Full Professors will vote on all promotion to Full Professor and all Full Professor merits. Full and Associate Professors will vote on all promotion to Associate (tenure) as well as all merits for Associate and Assistant Professors.

2. Academic Personnel Actions, Non-Senate. The Labor Studies IDP Core Faculty will provide input to the Chair on all non-Senate Academic Personnel actions.

3. Extension of Voting Rights. When voting rights are extended following Bylaw 55 guidelines, those extensions will be recorded in these bylaws.

**Article IV. Administration: Committees**

A. **Committee to Administer the IDP (Faculty Advisory Committee).** The Chair of the Labor Studies IDP shall chair the Committee to Administer the IDP (CAIDP, as specified in the “Policies and Procedures for Administering Interdepartmental Degree Programs at UCLA”). For the purposes of these by-laws, the CAIDP is hereafter known as the “Faculty Advisory Committee of the IDP,” or simply the “FAC.”

1. **Appointment.** The FAC of the IDP is appointed by the Faculty Executive Committee of the College of Letters and Science, in consultation with the Dean
2. **Membership and Term of Office.** The FAC of the Labor Studies IDP will include five Core Faculty including the Chair. Members serve for two-year terms and may be reappointed. Members may have their home department outside of the College of Letters and Science.

3. **Responsibilities.** The FAC is responsible for supervising the degree program(s) of the IDP, including review of curriculum, recommending new courses and retiring existing courses (if necessary), and fostering a hospitable and equitable learning environment within the IDP. Members of the FAC should work together in a constructive spirit to maintain a strong and vibrant program, and serve as advocates for the IDP in other areas of the university and beyond.

4. **Meetings.** The FAC shall meet, at minimum once per quarter. 50% plus one shall constitute a quorum. Participation in meetings may be by means of electronic communication such as telephone, video conference, or similar means.

5. Agenda items may be submitted by individual faculty or by the chair. Only items on the agenda shall be considered at meetings unless there is unanimous consent by the faculty present at the meeting.

6. **Voting Procedures.** Any FAC member may request a secret ballot for any vote that comes before the committee. Matters that come before the committee are approved by majority vote. Voting may be by electronic means such as email, or other technology appropriate to the type of vote (secret or open vote).

7. The FAC will provide Core Faculty an opportunity to approve matters of substance affecting the IDP, particularly curricular matters and decisions concerning undergraduate admissions.

B. **Program Committee.** The Chair of the IDP will appoint a Program Committee to oversee day-to-day management of the IDP’s academic program, and will serve as Chair of the Program Committee. Membership of this committee will include a faculty member, Labor Center Academic Administrators who teach in the IDP, student services staff, and a student representative. The Program Committee will make quarterly reports to the Executive Committee.

**Article V. Faculty Meetings**

A. The Chair of the IDP shall convene a meeting of the full membership of the IDP at least once a year. Core faculty may call a faculty meeting on their own through a petition signed by no less than 30% of the core faculty.

**Article VI. Appointment of the Administrative Head (Chair) of the IDP**

B. The Chair of the IDP shall be appointed by the Dean of the Social Sciences division on the recommendation of the Director of the IRLE. The Chair shall serve for a renewable three-year term.

**Article VII. Responsibilities of the Administrative Head (Chair)**

A. After consultation with colleagues, the administrative head is responsible for the expenditure of resources and for the recruitment, selection, and evaluation of temporary faculty, TAs, and/or staff personnel assigned to the program. Appointments
of temporary faculty are subject to approval by the Dean.
B. In consultation with colleagues, the administrative head prepares an annual report to the Dean on the use of resources allocated to the IDP and the status of the program. The annual report may also request additional resources for the program. A copy of the annual report is also sent to the Undergraduate Council or Faculty Executive Committee, as appropriate.
C. In consultation with colleagues, the administrative head prepares a letter for submission to the relevant department chair regarding the assessment of an associated faculty member in the personnel process.
D. When ladder faculty are recruited to be a joint or split appointee in the LS-IDP, the administrative head participates in the recruitment of such core members as described above and in the policy document.
E. The administrative head should be receptive to, and take appropriate action on, suggestions, questions, and complaints from members of the committee to supervise the IDP, other faculty who participate in the program, staff personnel, and students.
F. The administrative head has a special responsibility for gaining the participation of faculty and cooperation of departments, without which there obviously could be no interdepartmental effort. The administrative head also works closely with the Dean or Deans responsible for the support of both the IDP and related departments and thus for arbitrating any disputes that might arise among them.
G. In performing these duties, the administrative head is expected to seek the advice of faculty colleagues in a systematic way. The administrative head will seek advice from all teaching staff, regardless of their appointment status. The administrative head is also expected to seek student advice on matters of concern to students enrolled in the IDP.
H. The Chair of the IDP shall serve as the Chair of faculty meetings, and shall communicate the agenda for faculty meetings at least 3 business days prior to the meeting.
I. Academic Personnel Review. In compliance with the LS-IDP Bylaws, the Chair is responsible for overseeing all academic reviews of ladder faculty with split appointments, as well as the academic review of the Affiliated non-Ladder Faculty. The Chair also coordinates with the home department for all academic reviews of 0% Ladder Faculty appointments who have not waived their rights.

Article VIII. Amendment of Rules
A. These By-laws may be amended by a 2/3 majority of the core faculty in the IDP voting either in a meeting or by electronic means, as long as there has been an opportunity to discuss the proposed revisions.
B. These bylaws become part of the Code of the Academic Senate. Significant amendments and revisions (non-editorial) will be submitted to Rules & Jurisdiction for review and approval by the Legislative Assembly.
February 22, 2019

To: Tobias Higbie  
Chair, Labor and Workplace Studies Interdepartmental Degree Program Ad Hoc Committee

Re: Proposed B.A. in Labor and Workplace Studies

Dear Professor Higbie,

First, let us start by thanking you for joining us at the Curriculum Committee on January 10th to discuss the proposed BA in Labor and Workplace Studies. Our members were impressed by the intellectual rigor of the curriculum and the effort put into creating this well-crafted proposal. The proposed program seems both timely and relevant to today’s society, and members believe that it would be a valuable addition to UCLA’s undergraduate curriculum. We are also happy to report that, on February 13, 2019, the Committee on Rules and Jurisdiction ruled that your proposed bylaws conform to the code of the Academic Senate and do not need to undergo further review. However, we would like you to address a few concerns members expressed before forwarding the proposal to the Undergraduate Council for the next step in the proposal review process.

Members expressed particular concern about the lack of ladder faculty teaching commitment, especially as much of the support for this program comes from the Institute for Research on Labor and Employment and not the Dean of Social Sciences. All academic programs, but particularly capstone programs, rely on ladder faculty teaching participation. While the proposed program boasts a distinguished Faculty Advisory Committee (FAC), it appears that only 3 members of the FAC have committed to teaching in this program. To help strengthen the proposal and ensure sustainability, the committee recommends you explore the following options:

1. Secure teaching commitments from the members of the FAC beyond that which has already been secured. It seems vital that the members of the FAC are actively working with the students in the program in order to adequately assess and shape the curriculum.

2. In addition to yourself, Professors Valenzuela and Zatz have expressed interest in transferring a percentage of their FTE line into this program. Please work with the relevant Deans and Chairs to:
   a. Determine what percentage of their FTE line each faculty member is willing to transfer and quantify exactly how this translates into instructional activity.
   b. Obtain formal letters of commitment from the deans, chairs, and faculty agreeing to transfer their line once the IDP has been formed.

3. For faculty seeking 0% appointments in the IDP, how does this translate into instructional activity and participation in the program? It was noted that, for many other IDPs, faculty with 0% appointments are not active participants in the teaching and administration of their academic programs. Securing formal teaching commitments from these faculty would help to strengthen the proposal.

4. Attempt to integrate courses from academic departments to provide a more stable curricular structure. Many of the courses offered by departments in the Anderson School of Management, Department of Economics, and the Luskin School of Public Affairs may
strengthen the proposal by not only adding breadth, but by also adding increased regular course offerings that do not rely on Academic Administrators and temporary lecturers.

Again, we would like to state our members’ enthusiasm for the proposed program. We believe that exploring some of the options above will help to ensure that the proposed BA offers a robust and sustainable program for our undergraduate population.

If you have any questions or concerns, please do not hesitate to contact us or Eric Wells, the Undergraduate Council Analyst (ewells@senate.ucla.edu).

Sincerely,

Robert M’Closkey
Co-Chair, Curriculum Committee

Torquil Duthie
Co-Chair, Curriculum Committee
Dear Darnell,

I write to communicate my support for the proposed move of a portion of the FTE of History faculty member Toby Higbie into the Labor Studies IDP. With the proposal for a new major in that IDP before the Senate, the Labor Studies will need faculty with a commitment to teach these new majors. Toby is an excellent teacher with strong enrollments in a range of courses, and History will be sorry to lose his full teaching services. In keeping with a long-standing departmental committee to grant our faculty the freedom to pursue their interest in supporting Centers and IDPs, however, I am ready to support the move of up to 50% of his appointment into the Labor Studies IDP. His teaching there is entirely commiserate with and will complement the teaching he does for us in the Department of History.

Toby assures me of his continued commitment to History, of which I have no doubt. Indeed, his interest in using the IDP and the new major as an opportunity to promote historical study and a historical perspective to a wider student audience is entirely in keeping with History’s larger mission.

Sincerely,

Carla Pestana
Department Chair
Professor and Joyce Appleby Endowed Chair
March 11, 2019

Robert M’Closkey
Torquil Duthie
Co-Chairs, Curriculum Committee
Undergraduate Council
UCLA Academic Senate

Dear Professors M’Closky and Duthie,

I am writing in response to your letter of February 22nd outlining the concerns of the Curriculum Committee with our proposal for a new major in Labor Studies. On behalf of the faculty affiliated with this proposal, I wish to thank the committee for its thoughtful engagement with our proposal. This letter will provide detailed responses to your suggestions.

The Curriculum Committee’s letter suggests a number of ways to foster a more sustainable teaching staff for the new IDP. We concur with the committee’s concern that the long-term success of the proposed IDP requires commitments of ladder faculty to teaching and support for the program and its students. The proposed IDP major and minor in Labor Studies is based on the existing free-standing minor in Labor and Workplace Studies. This program currently has over 200 declared minors, and will graduate at least 90 students this spring. Many of the resources currently allocated to the minor will also serve the new major, but we also plan to deploy new teaching resources as the major grows.

In a separate letter to the committee, Dean Darnell Hunt reiterates his support for the proposed IDP and commits significant resources to increasing ladder faculty affiliation with the IDP, including new faculty hires in coordination with other departments in the division. Hunt’s commitment is for up to 1.5 total new ladder faculty FTEs split over three individual hires. These new hires will put the IDP on a solid foundation for future growth.

The sustainability of the new major, however, is not based on the pledge of future hires. It is based on currently existing class offerings and teaching commitments. The remainder of this letter specifies concrete ways the IDP will sustain ample class offerings within existing staffing through ladder faculty split appointments, course buy-outs, and the normal teaching of affiliated and non-affiliated ladder faculty. In addition, the IDP benefits from the regular teaching of academic administrators based in the UCLA Labor Center. These instructors are long-term employees who support both the teaching and administration of the IDP.

**Moving Existing Faculty FTEs into the IDP**

We have taken concrete steps toward splitting existing ladder faculty FTEs into the new IDP, and Dean Hunt has pledged to support these efforts. Professor Higbie has secured support for splitting up to 50% of his FTE from the History Department (see letter from department chair Carla Pestana). Professor Valenzuela will initiate the process of splitting his line when the IDP is approved. Professor Noah Zatz has also expressed interest in moving part of his line at some time in the future. Because Zatz is based in the School of Law, we expect this process to take place sometime in the future. In the interim, we plan to support his teaching in the IDP through a three-year course buy-out arrangement.
Course Buy-Out Arrangements with Ladder Faculty

As we work through the procedures for splitting faculty lines into the new IDP, we will cover faculty teaching commitments through course buy-out arrangements with affiliated faculty and their home departments. Whenever possible these will be structured as renewable three-year commitments. Funds for these buy-outs will come from the IRLE, from summer revenue generated by Labor Studies courses, and from the College of Letters and Sciences (for GE Clusters).

<table>
<thead>
<tr>
<th>Ladder Faculty</th>
<th>Labor Studies Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Erickson, Management</td>
<td>Management 197: Negotiations (beginning 2020-21)</td>
</tr>
</tbody>
</table>

In addition to these ladder faculty, we have an arrangement with retired Professor in Political Science, Raymond Rocco, to teach two courses a year on recall. We expect this arrangement to continue through 2022.

Approved Elective Courses

In addition to these course buy-outs, majors and minors in the Labor Studies IDP will be able to choose from a wide array of approved elective courses regularly taught by ladder faculty. The new IDP is based on the currently existing Labor and Workplace Studies minor, which has successfully utilized these courses for many years.

Core and Affiliated Ladder Faculty

In addition to these course buy-outs, many of the faculty affiliated with the Labor Studies IDP regularly teach courses that count as electives for the Labor Studies major and minor. The table below lists courses and ladder faculty in this category.

<table>
<thead>
<tr>
<th>Course Department and Number</th>
<th>Ladder Faculty Instructor</th>
<th>Last Quarter Taught</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course Code</td>
<td>Course Title</td>
<td>Instructor(s)</td>
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<tr>
<td>-------------</td>
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</tr>
<tr>
<td>Anthropology 133</td>
<td>Anthropology of Food</td>
<td>Akhil Gupta, Anthropology</td>
</tr>
<tr>
<td>Anthropology 147</td>
<td>Development Anthropology</td>
<td>Akhil Gupta, Anthropology</td>
</tr>
<tr>
<td>Chicano 10B</td>
<td>Introduction to Chicana/o Studies</td>
<td>Maylei Blackwell, Chicana/o Studies &amp; Gender Studies</td>
</tr>
<tr>
<td>Chicano CM147</td>
<td>Transnational Women's Organizing in Americas</td>
<td>Maylei Blackwell, Chicana/o Studies &amp; Gender Studies</td>
</tr>
<tr>
<td>History 146B</td>
<td>American Working-Class Movements</td>
<td>Tobias Higbie, History</td>
</tr>
<tr>
<td>History 146C</td>
<td>Migrant Nation</td>
<td>Tobias Higbie, History</td>
</tr>
<tr>
<td>Sociology 133</td>
<td>Collective Behavior</td>
<td>Edward T. Walker, Sociology</td>
</tr>
<tr>
<td>Sociology 151</td>
<td>Comparative Immigration</td>
<td>Roger Waldinger, Sociology</td>
</tr>
<tr>
<td>Sociology 152</td>
<td>Comparative Acculturation and Assimilation</td>
<td>Ruben Hernandez-Leon, Sociology</td>
</tr>
<tr>
<td>Sociology 173</td>
<td>Economy and Society</td>
<td>Gabriel Rossman, Sociology</td>
</tr>
<tr>
<td>Sociology 181A</td>
<td>Sociology of Contemporary China</td>
<td>Ching Kwan Lee, Sociology</td>
</tr>
</tbody>
</table>
Non-Affiliated Ladder Faculty
As detailed in our proposal, students may choose from a number of existing classes across several different departments to fulfil the elective requirements of the major and minor. We have identified the following additional courses as part of our list of “approved” courses.

<table>
<thead>
<tr>
<th>Course Department and Number</th>
<th>Ladder Faculty Instructor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economics 150: Labor Economics</td>
<td>Olivia Irene Osei Twumasi, Economics</td>
</tr>
<tr>
<td>Economics 151: Topics in Labor Economics</td>
<td>Edward Chih Yuen Kung &amp; Adriana Lleras-Muney, Economics</td>
</tr>
<tr>
<td>Education 130: Race, Class, and Education Inequality in U.S.</td>
<td>Tyrone C. Howard, Education</td>
</tr>
<tr>
<td>Education 164: Race and Education: Access, Equity, and Achievement</td>
<td>Walter R. Allen, Education &amp; African American Studies</td>
</tr>
<tr>
<td>Public Affairs 10A: Introduction to Public Policy</td>
<td>Michael A. Stoll, Public Policy</td>
</tr>
<tr>
<td>Public Affairs 30: Comparative Analysis of Wealth, Policy, and Power</td>
<td>Darin E. Christensen, Public Policy</td>
</tr>
<tr>
<td>Public Affairs 114: People, Organizations, and Systems</td>
<td>Jorja Jean Manos Leap, Social Welfare</td>
</tr>
<tr>
<td>Public Policy 10B: California Policy Issues</td>
<td>Daniel J. B. Mitchell, Management &amp; Public Policy</td>
</tr>
<tr>
<td>Public Policy M120: Race, Inequality, and Public Policy</td>
<td>Walter R. Allen, Education &amp; African American Studies</td>
</tr>
</tbody>
</table>

Academic Administrators Teaching
Finally, in addition to ladder faculty teaching commitments, we have a stable roster of instructors who hold academic administrator positions within the UCLA Labor Center. These well-qualified and seasoned scholar-practitioners are a central feature of our program, connecting students to on-going community research projects and internships. Dean Hunt has pledged to support the continued role of these valued staff members in the IDP.
In summary, we believe existing arrangements and new commitments put the proposed Labor Studies IDP on a firm basis. Students in the new major, like those in the existing minor, will have an extensive menu of classes from which to choose. They will have ample opportunity to interact with ladder faculty, and with the scholar-practitioners who work in the Labor Center. Students in the major will complete their capstone classes with ladder faculty. As the major grows, we will shift ladder faculty teaching from regular classes into the capstone.

Please do not hesitate to ask for clarification or additional documentation. We look forward to answering the committee’s questions on March 15.

Sincerely,
February 24, 2019

To: Abel Valenzuela, Director, Institute for Research on Labor and Employment

ADDENDUM  RE: Commitment Letter for the Labor Studies IDP

My faculty appointment is in the Anderson School, where I primarily teach graduate students. However, in the past I have taught an undergraduate course on negotiations, Mgmnt. 197, which was counted toward the Labor and Workplace Studies program, most recently in winter quarter 2000. I would be interested in doing so again in the future, with the permission of my home department and if there is a fit with the teaching needs of the Labor Studies IDP. Given my current teaching commitments and administrative responsibilities, the next time I expect that this will be possible will be AY 2020-2021.

Sincerely,

Christopher L. Erickson
Professor, UCLA Anderson School of Management
Senior Associate Vice Provost & Director, UCLA International Institute
December 14, 2018

Robert Gould, Chair
Undergraduate Council

Re: Proposal for a Labor and Workplace Studies IDP

Dear Professor Gould,

Thank you for providing the Council on Planning and Budget (CPB) with an opportunity to review and comment on the proposal to establish an IDP in Labor and Workplace Studies. At its meeting on November 26th, the Council discussed the proposal with Professor Tobias Higbie.

CPB members focused the discussion on the sustainability of the program and identified areas that would benefit from additional explanation, outlined below.

1) The Council would like to see a letter from the Dean of Social Sciences stating that the proposed plan for the major will be feasible.
2) The ratio of ladder faculty to lecturers is problematic. There are serious dangers with a lecturer-heavy model, specifically in terms of sustainability of the program. If there were an economic downturn, it would be difficult for the program to endure.
3) Space is a serious concern. Where would this program grow? Are there contingency plans for the potential growth of the program? As it stands, there is not enough space for teaching faculty to meet with students.
4) Given that this would be a major in Labor and Workplace Studies, Council members did not understand why there is no collaboration with the Economics Department. Why is there no Economics and/or Management component in the program? These disciplines are a main component of labor relations.
5) What are the job prospects for students graduating with this major? We encourage the proposal to provide a more specific plan and explain why they envision a demand for this program.
6) How will this program differ from the new major in Public Affairs?

If you have any questions for us, please do not hesitate to contact me at palsberg@ucla.edu or via the Council on Planning and Budget’s analyst, Elizabeth Feller, at efeller@senate.ucla.edu or x62470.

Sincerely,

Jens Palsberg
Jens Palsberg, Chair
Council on Planning and Budget

cc:

Elizabeth Feller, Committee Analyst, Council on Planning and Budget
Tobias Higbie, Professor, History
Eric Wells, Committee Analyst, Undergraduate Council
Members of the Council on Planning and Budget
MEMORANDUM

FACULTY EXECUTIVE COMMITTEE
College of Letters and Science

To: Frank Tobias Higbie, Chair, Labor and Workplace Studies Interdepartmental Program
Fr: Aaron Tornell, Chair, College Faculty Executive Committee
Date: October 24, 2018

Final approval terminates with the Academic Senate

On behalf of the College Faculty Executive Committee (FEC), I want to thank you for presenting your committee’s request at our meeting on October 19, 2018. I am pleased to inform you that the FEC approved your proposal to (1) change the name of the IDP, major, and minor to Labor Studies, (2) revise the learning outcomes for the Labor Studies BA, and (3) designate the Labor Studies BA as a Capstone Major (11 approve, 0 oppose, 0 abstain).

I believe the Capstone experience that the Labor Studies BA will provide students is of great importance. Having a research or field/internship experience is fundamental for undergraduate students. I applaud your commitment and that of your colleagues to this endeavor.

By way of this letter, we are forwarding your proposal to the Undergraduate Council for review. The Council will inform you about the next steps in the approval process. You are welcome to contact me at tornell@econ.ucla.edu with questions. Mitsue Yokota, Academic Administrator, is also available to assist you and she can be reached at (310) 794-5665 or myokota@college.ucla.edu.

cc: Kim Alexander, Articulation Officer, Undergraduate Admissions and Relations with Schools
Lucy Blackmar, Assistant Vice Provost, Undergraduate Education Initiatives
Elizabeth Espinoza, Student Affairs Officer, Labor and Workplace Studies Interdepartmental Program
Robert Gould, Chair, Undergraduate Council
Corey Hollis, Assistant Vice Provost, Undergraduate Academic Support
Darnell Hunt, Dean, Division of Social Sciences
Claire McCluskey, Associate Registrar, Registrar’s Office
Donny Morada, Manager, Business Analyst Group, Registrar’s Office
Caleb “Q” Na, Assistant Dean, Division of Social Sciences
Abel Valenzuela, Director, Institute of Research on Labor & Employment
Eric Wells, Committee Analyst, Undergraduate Council

Attachment: Proposal
Applying for UCLA Capstone Certification

Faculty who are interested in having one or more of their baccalaureate degree-granting programs certified by Undergraduate Council as a Capstone Major or Program should begin by familiarizing themselves with the UCLA Capstone Model, described here. The capstone at UCLA serves as a project-based culmination to a curriculum (a meaningful, shaped collection of courses typical of a major or minor), bringing together in a coherent way key elements of that curriculum, and also drawing, as appropriate, on other curricula and experiences such as general education, writing classes, lower-division seminars, and community-based projects. The acquisition of knowledge should lead to a specialized topic explored in a paper or project.

Capstones at UCLA range from a single seminar to a yearlong sequence and from a term paper to an honors thesis. They include either individual or team-based projects. The capstone pyramid, illustrated below, shows options that have comparatively greater degrees of engagement and agency at progressively higher levels. In some majors, there may be a “capstone” requirement that all students complete; these will be designated as “Capstone Majors”. Other majors may establish “Capstone Programs” that provide at least 60% of students with capstone opportunities.

The capstone major or program application comprises:

1. a **Cover Letter** from the department/IDP chair that details faculty involvement in reviewing and endorsing the application, including the vote to pursue certification.

   2. a completed **UCLA Capstone Information Form** (attached);

Mitsue Yokota, Director of Curricular Initiatives, ([myokota@college.ucla.edu](mailto:myokota@college.ucla.edu)) is available to answer questions and consult with department/IDP faculty throughout the application process. Examples of successful applications are available on request.
UCLA Capstone Information Form

The UCLA Capstone Information Form provides Faculty Executive Committee and Undergraduate Council members with the information needed to review proposed capstone experiences and certify baccalaureate-degree granting programs as UCLA Capstone Majors or Capstone Programs. To facilitate the certification process, please ensure that your responses offer sufficient detail and relevant context for those who may not be intimately familiar with your undergraduate curriculum.

Department/IDP: Labor Studies

Degree Name(s): Labor Studies

A. Overview

1. **Departmental or Interdepartmental Program Description:**

   Labor Studies is an interdisciplinary engagement with the world of work, and the intersections between the work, inequality, and social change. Embracing the insights of critical race, ethnic, and gender studies, Labor Studies scholars approach work as an intersectional and multi-dimensional site of study. Labor Studies students develop a nuanced understanding of work and social justice based in social scientific and humanistic research, and ethical social practice. They explore the social, historical, cultural, legal and economic contexts of employment practices and social movements seeking greater economic and social equity for workers, their families, and their communities. Students in Labor Studies will also have many opportunities for civic engagement and experiential learning through field research and community internships. UCLA graduates with a bachelor’s degree in Labor Studies will be prepared for careers in nonprofit advocacy, public service, research and technical assistance, labor and social movements broadly defined. With ample opportunities to develop and apply a variety of research modalities through coursework, students will also be prepared to succeed in graduate and professional school programs in a wide variety of fields such as law, education, planning, social work and social sciences.

2. **Degrees Granted** (Gathered from APB [website](#))

   New IPD and major to begin in fall of 2019.
B. Capstone Experience

1. Brief Description of Capstone Requirement:
   Seniors seeking the Labor Studies major culminate their program with capstone courses that may be research-intensive, a service learning/internship experience, or a combination of both. Students may fulfill the requirement by taking two capstone courses (8 units) selected from: Labor Studies 100SL, 191, 194A/B, 195A/B, 199, an approved internship through the Center for Community Learning.

2. Preparing Students for Successful Capstone Completion:
   Please discuss the skills needed for successful capstone completion and note the preparatory courses in which these skills are addressed most directly. Please also review the course description (see 3. Capstone Course(s) below) to be certain that relevant prerequisite courses are included in the description.

   Students in the Labor Studies IDP are prepared for their capstone experience through introductory and elective upper division courses. Our curriculum is organized around four broad learning outcomes. Although many courses cover several of these learning outcomes, we group exemplary courses below with their corresponding learning outcome.

3. Capstone Course(s):
   Please identify the specific course(s) for the capstone and provide course description(s). Indicate as well whether they are current or proposed.
Proposed:

100SL. Work and Service Learning: Civil Society and Community Organizations
Units: 4
Lecture, two hours; field work, eight hours. Students examine inequality in contemporary civil society through structured and reflective engagement with a community-based organization in Los Angeles. Each student will work directly with an organization currently addressing issues such as labor market access, immigrant rights, workplace rights, and community development. Lectures, classroom discussions, and reading supplement and frame the service learning experience. Grading based on participation in service learning assignment, class discussion, and written assessments.

Current:

191. Research Seminar in Labor & Workplace Studies (title to be changed to Research Seminar in Labor Studies)
Units: 4
Seminar, three hours. Research seminar on selected topics. Reading, discussion, and development of culminating project. P/NP or letter grading.

194A. Research Group Seminars: Labor Summer Research Internship Program
Units: 4
Seminar, three hours. Enforced co-requisite: course 195A. Designed for undergraduate students who are part of Labor Summer Research Internship program. Discussion of qualitative applied research methods used by union researchers and scholars engaged in labor relations and workplace studies. Through combination of lectures, key readings, and active participation in hands-on research internship with local unions and organizations, development of understanding of critical debates regarding role of research and socioeconomic contexts that impact low-wage workers and their families. May be repeated for credit. Offered in summer only. P/NP or letter grading.

194B. Research Group Seminars: Labor and Workplace Studies (title to be changed to Research Group Seminars: Labor Studies)
Units: 4
Seminar, three hours. Designed for undergraduate students who are part of research group. Discussion of research methods and current literature in field of labor studies or of research of faculty members and/or students. May be repeated for credit. P/NP or letter grading.

195A. Community or Corporate Internships in Labor and Workplace Studies (title to be changed to Community or Corporate Internships in Labor Studies)
Units: 4
Tutorial, one hour; fieldwork, 15 hours. Enforced co-requisite: course 194A. Limited to juniors/seniors. Internship in supervised setting in community agency, labor union, or other organization concerned with work and employment issues. Placements to be arranged by instructor. Students meet on regular basis with instructor and provide periodic written reports on their experience. May be repeated for credit. Individual contract with supervising faculty member required. Offered in summer only. P/NP or letter grading.

195B. Community or Corporate Internships in Labor and Workplace Studies  
(title to be changed to Community or Corporate Internships in Labor Studies)  
Units: 2 to 5  
Tutorial, to be arranged; internship, up to 15 hours. Limited to juniors/seniors. Internship in supervised setting in community agency, labor union, or other organization concerned with work and employment issues. Placements to be arranged by instructor. Students meet on regular basis with instructor and provide periodic written reports on their experience. May be repeated for credit. Individual contract with supervising faculty member required. P/NP or letter grading.

199. Directed Research in Labor and Workplace Studies (title to be changed to Directed Research in Labor Studies)  
Units: 2 to 4  
Tutorial, one hour. Limited to juniors/seniors. Supervised individual research under guidance of faculty mentor. Culminating paper or project required. May be repeated for credit. Individual contract required. P/NP or letter grading.

4. What are the Program Learning Outcomes for the degree?
Theoretical approaches to Labor Studies Research
Demonstrated familiarity and competence in a range of interdisciplinary methodologies and approaches.
Preparatory courses include: LABOR 101 (Intro to Labor Studies); LABOR 181 (Los Angeles Labor and Social Science Research); LABOR 182A/B (Oral History Research); among others.

Perspectives on Work and Society
Demonstrated knowledge of the field of Labor Studies acquired through coursework.
Preparatory courses: LABOR 126 (Farmworkers Transnational Struggle); LABOR 140 (Women, Work, and Family); LABOR 152 (Work, Social Justice, and the Arts); LABOR M166A-C (Immigrant Rights and Higher Education), and several others.

Social Movement Leadership
Demonstrated familiarity with dynamics of social movements through study and/or experience.
Preparatory courses: LABOR 100SL (Work and Service Learning); LABOR M116 (Asian American Social Movements); LABOR M173 (Nonviolence and Social Movements); LABOR 177 (Spirituality, Mindfulness, Self-care, and Social Justice), and others.

Applied Research
Demonstrated ability to conceive and execute an original research project, either individually or in a research group.
Preparatory courses: LABOR M166C (Immigrant Students in Higher Education); LABOR M136 (Working Families and Educational Inequalities in Urban Schools); LABOR 182B (Oral History and Collective Memory), and others.

Scholarly Communication
Demonstrated ability to communicate research findings to academic and non-academic audiences.
Preparatory courses: LABOR 127 (Farmworker Movements, Social Justices, and United Farm Workers); LABOR M136 (Working Families and Educational Inequalities in Urban Schools); LABOR 140 (Working It: Women, Work, and Family); LABOR M167 (Worker Center Movement: Next Wave Organizing for Justice for Immigrant Workers); among others.

5. Which of the Program Learning Outcomes are demonstrated in the capstone experience?
Students who take our capstone courses, Labor Studies 100SL; 191; 194A/B; 195A/B; and 199, will fulfill all five program learning outcomes for the degree:

- Demonstrated familiarity and competence in a range of interdisciplinary methodologies and approaches.
- Demonstrated knowledge of the field of Labor Studies acquired through coursework.
- Demonstrated familiarity with dynamics of social movements through study and/or experience.
- Demonstrated ability to conceive and execute an original research project, either individually or in a research group.
- Demonstrated ability to communicate research findings to academic and non-academic audiences.

C. UCLA Capstone Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>How your capstone meets each criterion</th>
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<tbody>
<tr>
<td>The project must require that the student engage in a creative, inquiry-based learning experience that deepens the student’s knowledge and integration of the discipline.</td>
<td>Students devise and execute an individual project grounded in the insights of social scientific or humanistic research. The project may be a traditional research paper, a multi-media engagement with a significant research question, a report based on the student’s community engagement project, or a combination of each.</td>
</tr>
<tr>
<td>The project may be completed individually or by a group of peers, provided each student is given agency; each student’s contribution must be significant, identifiable, and graded.</td>
<td>In capstones that involve group research, faculty will ensure that each student is responsible for a discrete element of the work, will evaluate the work of each student separately, and provide a separate grade for each student.</td>
</tr>
<tr>
<td>The project must culminate in a tangible product that can be archived (including film, video, etc.) for at least three years by the responsible unit (department or program).</td>
<td>Before receiving a final grade, students must deposit their work product with staff of the Labor Studies IDP. The IDP will post a list of acceptable file formats for student projects. The IDP will retain these files for at least three years on the password-protected UCLA Box system. With a student’s written permission, some final products will be distributed via the IDP’s website.</td>
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<td>The project must be part of an upper-division course or courses totaling at least four units, usually within the curriculum established for the student’s major or minor. Whenever possible, capstone courses and projects should be taught and mentored by ladder faculty.</td>
<td>Capstone courses include: Labor Studies 100SL (Proposed), Labor Studies 191, Labor Studies 194A/B, Labor Studies 195A/B, and Labor Studies 199. Students complete a combination of any two of these courses to comply with the capstone requirement. Initial commitment from core faculty will support capstone during first 3 years. Teaching commitments from affiliated faculty will be secured if enrollment exceeds expectations.</td>
</tr>
<tr>
<td>Opportunities must be available or developed for students to share their capstone products (paper, performance, or project) publicly. Examples might be a presentation to a peer audience such as a class, a departmental mini-conference, or a research group meeting; a poster at a department or campus venue or professional meeting; campus music, dance, theater, or art event; or a competition that is judged by the professional community in the discipline.</td>
<td>The Student Program Manager and Student Affairs Officer will work with Labor Studies instructors to arrange opportunities for public presentations of student work. Typically, these presentations will take place in the context of specific courses, but where time permits, the IDP will organize culminating events that feature student presentations. The Labor Studies team will also share opportunities and mentor students to present their capstone products at campus-organized events, like the Research Poster Day organized by the Undergraduate Research Center.</td>
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<tr>
<td>Course Number</td>
<td>Course Title</td>
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<tr>
<td>199</td>
<td>Directed Research in Labor Studies</td>
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<td>126</td>
<td>Farmworker Transnational Struggle</td>
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<td>182A</td>
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**Instructors**

- Abel Valenzuela
- Toby Higbie
- Labor Studies Core Faculty
- Abel Valenzuela and Kent Wong
- Gaspar Rivera-Salgado
- Janna Shadduck-Hernandez
- Victor Narro
- Kent Wong and Reverend James Lawson
- Loretta Gaffney
- Maria Ignacia Kmec Rodriguez
- Tia Koonse
- Chris Newman
- Trevor Griffey
- Caroline Luce
- Saba Waheed
- Raymond Rocco

**Faculty Emeriti**

- Raymond Rocco

**University Faculty**

- Abel Valenzuela
- Toby Higbie
- Labor Studies Core Faculty
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October 5, 2018

Aaron Tornell
Chair, Faculty Executive Committee
College of Letters and Science
University of California, Los Angeles

Dear Professor Tornell,

On June 1, 2018 the College FEC approved our proposal to establish a new IDP in Labor and Social Justice Studies with a major and minor of the same name. In consultation with Senate staff, our ad hoc committee members, the leadership of the IRLE, and Dean Darnell Hunt, we made minor changes to our proposal, which we want to communicate to the committee. Specifically, the following:

- Name of the IDP, major, and minor changed to: Labor Studies
- Reduced the number of learning outcomes in order to facilitate evaluation
- Added a proposal to make the new program a Capstone Major
- Updated course list
- Added additional departmental and faculty support letters
- Fixed typographical errors

In all other features, the proposal is the same as approved by the FEC on June 1, 2018. I submit with this letter an updated copy of our proposal package.

I would be pleased to answer any questions the FEC may have about our proposal.

Sincerely,

Tobias Higbie
Professor of History
Chair, Labor & Workplace Studies IDP
Associate Director, Institute for Research on Labor & Employment
On behalf of the College Faculty Executive Committee (FEC), I want to thank you, Dean Hunt, and Professor Valenzuela for presenting your proposal on June 1, 2018. I am pleased to inform you that the FEC approved (7 approve, 0 oppose, 0 abstain) the following:

- To create a new Interdepartmental Program (Labor and Social Justice Studies) housed in the Division of Social Sciences
- To rename the current subject area “Labor and Workplace Studies” to “Labor and Social Justice Studies”
- To create a new undergraduate major (Labor Studies BA) to be housed in the IDP
- To rename the current free-standing minor (Labor and Workplace Studies Minor) to the Labor Studies Minor
- Move the current free-standing minor to the newly formed IDP.

By way of this letter, we are forwarding your proposal to the Undergraduate Council for review. The Council will inform you about the next steps. The effective date of your proposal will be determined at the conclusion of the approval process. You are welcome to contact me at tornell@econ.ucla.edu with questions. Mitsue Yokota, Academic Administrator, is also available to assist you and she can be reached at (310) 794-5665 or myokota@college.ucla.edu.
Attachment: Proposal
Proposal for an Interdepartmental Degree Program
Major (BA) and Minor in Labor Studies

UCLA College of Letters and Science, Division of Social Sciences
Submitted by Tobias Higbie, Chair
Date Submitted: 27 April 2018

Proposed effective date: Winter 2019

Ad hoc committee: Tobias Higbie (History, chair); Gaye Theresa Johnson (Chicana and Chicano Studies); Kelly Lytle-Hernandez (History and African American Studies); Christopher Erickson (Management); and Abel Valenzuela Jr. (Chicana and Chicano Studies and Urban Planning, ex-officio).

Section 1: Labor Studies at UCLA: Rationale
Section 2: Program Requirements
Section 3: Resource Requirements and Enrollment Plan
Section 4: Summary of IDP Courses
Section 5: Current Course Descriptions
Section 6: Summary of Participating IDP Faculty
Section 7: Recommendations for Initial Administrative Committee
Section 8: Changes in Senate Regulations
Section 9: Library Support
Section 10: Letters of Commitment from Supporting Departments
Section 11: Letters of Commitment from Dean/Vice Provost

Enclosures:
Letter of Support from UCLA Social Sciences Division
Resource Analysis Letter from Academic Planning and Budget
Letter of Support from the Institute for Research on Labor and Employment
Letter of Commitment from Faculty
Letter of Support from History, Chicana and Chicano Studies, and Sociology
UCLA Senior Survey 2017 – Labor and Workplace Studies Students’ Satisfaction with Minor Course Description and Syllabus for new course: Labor Studies 100SL

Section 1: Labor Studies at UCLA

Rationale

Aims, objectives, and distinctive features

We propose a new undergraduate Interdepartmental Degree Program with a major and minor in Labor Studies based in the Division of Social Sciences, and closely aligned with the UCLA Institute for Research on Labor and Employment (IRLE). Expanding on the program of the
current undergraduate minor in Labor and Workplace Studies, which enrolls approximately 200 students each year and offers over two dozen classes, the new major will offer UCLA students an interdisciplinary course of study with varied opportunities for community-based research and internships. Along with the creation of a new degree program known as Labor Studies, we propose to modify the name of the current minor in Labor and Workplace Studies to match the major. We also propose to modify the current subject area, Labor and Workplace Studies (LBR&WS) to Labor Studies (LABOR).

The multifaceted challenge of inequality looms large over our global society, and Labor Studies will prepare students who want to work towards pragmatic and fact-based solutions that strengthen civil society and democratic culture. Drawing on a variety of academic disciplines, Labor Studies explores the social, historical, cultural, legal, and economic contexts of labor markets, employment practices, human rights and social movements seeking greater economic equity for workers, their families and their communities. Labor Studies embraces the insights of critical race, ethnic, working-class, and gender studies in order to understand inequality as a multidimensional site of study. Work is a central structure of inequality and opportunity in modern societies, and Labor Studies will train students to understand the complex intersections of work with race, gender, sexuality, both historically and in the present day. Labor Studies will prepare students to understand the dynamics of grassroots social movements in modern societies, and to see themselves as potential transformational leaders. Students in Labor Studies will gain a strong background in historical and social scientific analysis and applied research, as well as having many opportunities for civic engagement. UCLA graduates with a bachelor’s degree in Labor Studies will be prepared for careers in nonprofit advocacy, public service, research and technical assistance, labor and social movements broadly defined. With ample opportunities to develop and apply a variety of research modalities through coursework, students will also be prepared to succeed in graduate and professional school programs in a wide variety of fields such as law, education, policy and planning, social work and social sciences.

Although Labor Studies at UCLA will be the first of its kind in the UC system, several North American universities have undergraduate bachelor degree programs similar to the one we propose. A number of U.S. and Canadian universities have long-standing programs focusing on industrial relations and human resource management (e.g., Cornell, Rutgers, City University of New York, Pennsylvania State, and Michigan State Universities). Cornell University’s Industrial and Labor Relations School is the oldest and most fully developed of these programs, encompassing six social science departments (Economics; Human Resource Studies; International and Comparative Labor; Labor Relations, Law History; Organizational Behavior; and Social Statistics) supporting a single major in Industrial and Labor Relations. Law school is a particularly popular destination among Cornell ILR graduates, many of whom have gone on to become influential members of the state government and other important institutions in New York and beyond. Other programs are housed in social science departments, typically Sociology (University of North Carolina Chapel Hill, University of Massachusetts, York University), or are free-standing departments within liberal arts colleges (SUNY Empire State campus, McMaster and Brock Universities in Canada). These programs offer different mixes of courses focusing on industrial relations, institutional economics, and social scientific perspectives on work, inequality, and working-class social movements. Cornell, the University of
Massachusetts Amherst, and Penn State offer hybrid bachelor of science and master of science degree programs in which undergraduates take graduate courses in their senior year, followed by an intensive year-long course of study culminating in a graduate degree. Many of these degree programs and schools are also associated with extension offices that carry out research and community-based education. Similar to UCLA’s Labor Center, these extension programs facilitate undergraduate internships with unions, employers, and community organizations.

The institutional and urban context at UCLA differs from most of these older programs, creating unique pedagogical opportunities and access to interdisciplinary scholars. Labor Studies at UCLA will be a free-standing major within the Division of Social Sciences. It will have a close working relationship with the Institute for Research on Labor and Employment (IRLE) and its community engagement program (the Labor Center with offices in downtown Los Angeles and on campus). UCLA’s proximity to working-class and immigrant communities in Los Angeles makes our Labor Studies program uniquely situated to bring academics, students, and practitioners into dialog around the challenges facing contemporary society. We will provide undergraduate students with a rigorous education based on scholarly insights, while allowing students to test academic learning through internships and applied field research beyond the boundaries of the campus. Through a process of critical reflection on their research and community engagement experiences, students develop a deeper understanding of the relationships between the university and society at large, and how they as college graduates, will straddle and link the university and the community. As a result, students will be prepared for a variety of careers, including those in labor relations, human resource management, law, domestic and international government work, teaching, labor union and community organizing, strategic research, social welfare and nonprofit administration. Indeed, our program is already doing an impressive job placing Labor and Workplace Studies minor students in jobs and internships, furthering our reputation in this regard.

The proposed major in Labor Studies aligns with UCLA’s Academic Plan by expanding an existing program recognized for instructional excellence, supporting a diverse student population, and expanding opportunities for civic engagement. The existing Labor and Workplace Studies student body is majority transfer student, and roughly 70% female. We draw many students from Chicana and Chicano Studies and other programs that attract diversity. Building on existing relationships between the UCLA Labor Center and the Dolores Huerta Labor Institute in the Los Angeles Community College system, and fostering a relationship with the Associate of Arts in Social Justice Studies for Transfer (AA-T) Degree programs in the California Community Colleges, we will develop an applicant pool with roots in the diverse neighborhoods of the Los Angeles region. We have developed introductory courses to be mindful of the needs of first-generation college students, linking students with campus resources to support their successful completion of a degree. Because we expect transfer students to remain a central component of our enrolled majors and minors, we will work with the Transfer Student Center and the Center for Community College Partnerships to build in wrap-around support services and to adjust our outreach and work as necessary. The proposed major also supports the Academic Plan through the elaboration of problem-based teaching and research opportunities, and rich engagement with Los Angeles communities and civic institutions through field research and internship experiences.
Historical Development of the Field

Labor Studies will be a new major, but it has deep roots in American social science and at UCLA. Early 20th century sociologists like W.E.B. Du Bois, economists like John R. Commons, and historians like Caroline Ware turned their attention to the yawning social divides created by industrialization, urbanization, and systemic and structural racism. Studies of urban and rural inequality—like those of UC Berkeley’s Paul Taylor—pointed to the intersection of labor systems with racial, ethnic, and gendered inequalities. A second group of scholars, mainly labor economists and lawyers who served as arbitrators in industrial disputes, pioneered studies of industrial structure and social welfare policy. Engaged in both rigorous academic research and deep dialog with the social movements of their day, these scholars pioneered the field of “Industrial Relations” as an applied discipline focused on understanding and mediating conflicts between organized workers and employers. Labor economists Gordon Watkins and Paul Dodd brought this field to UCLA in the mid-1920s. In 1946, the California legislature established Institutes of Industrial Relations at UCLA and UC Berkeley as free standing units with a mandate to conduct research and offer courses both on campus and for the extension program. Economists Paul Dodd and Clark Kerr were named as founding directors of the IIRs at UCLA and Berkeley, respectively. In the 1960s, the UC established Centers for Labor Research and Education (commonly known as the Labor Centers) at UCLA and UCB, with a mandate to work directly with labor unions and working-class communities. Likewise, UCLA social science faculty--too numerous to mention--have long been recognized as national and international leaders in the study of social inequality, social movements, and policy.

Labor Studies builds on the foundation created by the Labor and Workplace Studies IDP. An undergraduate specialization, not to be confused with a minor, in Labor and Workplace Studies was established in 1991-92 at a time of rising interest in social inequality and unionization, especially in Los Angeles. Enrollment in the program during the 1990s was modest, hovering between 20 and 40 students a year. In 2002-03, faculty associated with the IIR and the undergraduate specialization including the current IRLE Director, Abel Valenzuela (Chicano/a Studies and Urban Planning), began teaching a General Education Cluster (M24A-C), “Work, Labor, and Social Justice.” This three-quarter sequence introduced students to historical and contemporary features of Labor Studies, and culminated in a spring seminar. Increased student interest in our courses led to the approval of an undergraduate interdepartmental minor in Labor and Workplace Studies in the spring of 2003 with Chris Erickson (Management) as chair. The following year M24A-C was cross-listed with the new minor and became the gateway course for the program increasing our enrollments and student interest greatly. Taught by a rotating team of faculty from Sociology, History, Chicana and Chicano Studies and the UCLA Labor Center, the course stimulated student interest in upper division Labor and Workplace Studies courses, resulting in a growing participation in the minor. By 2006, enrollment in the program justified the expense of a Student Affairs Officer. In 2009, Frank Tobias (Toby) Higbie (History) became the chair of the minor, and has remained chair except for 2013-14 when Janice Reiff (History and Statistics) chaired. Enrollment in the minor has grown steadily since 2010 thanks to strong course offerings, student support services, stability and staff attention to the administration of our program.
The Eight-Year Review for the Labor and Workplace Studies minor, conducted during 2011-12 was an opportunity to take stock in an increasingly popular program. By the spring of 2011, the program had over 100 enrolled students (about 40 graduated that term). During the following year, a robust program of service learning and field research made over 250 placements with over 25 community organizations and unions. Many students began their engagement with our upper division introductory course, Labor and Social Movements in Los Angeles, followed up with Applied Research Methods, and capped off their experience with a specialized topical course or the Labor Summer Research Internship Program. A particularly popular and impactful development was a course with guest lecturers like the Rev. James Lawson, a prominent civil rights leader and theorist of nonviolence. Since 2012, the minor has been able to offer a wider range of courses. These courses have been taught by ladder faculty associated with the IRLE (and cross-listed with the minor and their home department), by academic administrators based in the Labor Center, and by lecturers.

As a result, by the end of 2016-17, the minor reached 192 enrolled students for the first time. Over the past three years, as can be seen in the graph below, interest in the labor studies program has been increasing in numbers.

A distinctive and popular feature of the Labor and Workplace Studies specialization and minor has been the opportunity for students to learn in off-campus internships based in community organizations and labor unions and undertake applied research. Faculty in the program include a number of academic administrators at the UCLA Labor Center who facilitate student-community connections. Academic-year courses provide students with more limited off-campus engagements, usually between 10 and 40 hours over the 10-week quarter. Summer internship programs provide for much more intensive, experiential learning including original data.
collection and analysis. The summer internship model later evolved into an intensive summer research program (known as the Labor Summer Research Internship Program, or LSRIP). Student interest in field research experiences led to the development of an academic year course, known as Applied Research Methods (Labor and Workplace Studies 181), that provides students with methodological training to undertake more complex projects. Students have participated in survey research projects focusing on young workers, street vendors, car wash workers and ride-hailing service drivers (e.g., Uber and Lyft). Others have participated in community archiving and oral history projects that have resulted in donations of important historical collections to UCLA's Department of Special Collections.

Student-driven publications are another important feature of the Labor Studies program. Working with faculty and Labor Center staff, students have produced reports and books such as *Underground Undergrads: UCLA Undocumented Immigrant Students Speak Out* (2008), *I Am a Young Worker* (2015), and *Nonviolence and Social Movements: The Teachings of Rev. James M. Lawson Jr.* (2016). Gaining experience with research, editing, and print design allows students to integrate traditional and experiential learning and results in an actual publication to showcase. Like the field research and archiving projects, these publication projects provide students with transferable career skills in project management, publishing, journalism, and cultural heritage.

**Course Sequencing for Proposed Major**

The Labor Studies major will provide students with both structure and variety in course offerings with the aim of delivering a well-rounded educational program that prepares students for careers and professional school. Labor Studies 10 (Introduction to Labor Studies) serves as a one-quarter introduction to the field for first- and second-year students. Juniors and seniors begin with Labor Studies 101, which develops students' knowledge of social science theoretical perspectives and the terrain of contemporary work. Students then take nine elective courses. At least four of the elective courses must be based in the Labor Studies IDP, while up to five of the remaining elective courses may be chosen from a list of approved courses based in other departments and degree programs. Students will then complete their degree program with capstone courses that may be research-intensive, a service learning/internship experience, or a combination of both, chosen from Labor Studies 100SL, 191, 194A/B, 195A/B, 199 or an approved internship through the Center for Community Learning.

In their final year at UCLA, students in the Labor Studies major will have a concentrated research experience and/or experiential learning experience resulting in a substantial research-based essay, project, or portfolio of research-based or service learning work. With the current program in the minor directing many students to capstone-like research experiences such as the Labor Summer Research Internship Program and other project-based courses, students will have multiple pathways toward their capstone experience including a research seminar, intensive field research experience, community internship or participation in a publication project. Capstone Major Certification was submitted for approval in late September of 2018.

**Labor Studies Learning Outcomes and Related Courses**
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<th>Learning Outcomes</th>
<th>Related Courses</th>
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| Theoretical Approaches to Labor Studies Research | • Demonstrated familiarity and competence in a range of interdisciplinary methodologies and approaches.                                                                                                          | LABOR 100SL  
LABOR 101  
LABOR M114C  
LABOR M125  
LABOR M128  
LABOR M134SL  
LABOR 179A  
LABOR M180  
LABOR 181  
LABOR 182A/B  
LABOR 191  
LABOR 194A/B  
LABOR 195A/B  
LABOR 199 |
| Perspectives on Work and Society               | • Demonstrated knowledge of the field of Labor Studies acquired through coursework.                                                                                                                                  | LABOR M1A/C  
LABOR 10  
LABOR 100SL  
LABOR M119  
LABOR M121  
LABOR M122  
LABOR M123  
LABOR 126  
LABOR M134SL  
LABOR M136  
LABOR 140  
LABOR M144  
LABOR M149  
LABOR 152  
LABOR M165  
LABOR M166A  
LABOR 168  
LABOR M171  
LABOR M172  
LABOR 174  
LABOR M180  
LABOR 187  
LABOR 188  
LABOR 191  
LABOR 194A/B  
LABOR 195A/B |
| Social Movement Leadership | • Demonstrated familiarity with dynamics of social movements through study and/or experience. | LABOR 100SL, LABOR M116, LABOR M117, LABOR M127, LABOR M134SL, LABOR M166B, LABOR M167, LABOR M170, LABOR M173, LABOR M175, LABOR M176, LABOR M177, LABOR 179B, LABOR 187, LABOR 188, LABOR 191, LABOR 194A/B, LABOR 195A/B, LABOR 199 |
| Applied Research | • Demonstrated ability to conceive and execute an original research project, either individually or in a research group. | LABOR 100SL, LABOR M166C, LABOR M134SL, LABOR M136, LABOR M149, LABOR 182B, LABOR 191, LABOR 194A/B, LABOR 195A/B, LABOR 199 |
| Scholarly Communication | LABOR 100SL  
| | LABOR 127  
| | LABOR M134SL  
| | LABOR M136  
| | LABOR 140  
| | LABOR M149  
| | LABOR M167  
| | LABOR 191  
| | LABOR 194A/B  
| | LABOR 195A/B  
| | LABOR 199 |

**Timetable for development and evaluation of the program**

The proposed major in Labor Studies draws on classes currently offered by the Labor and Workplace Studies minor. During the fall of 2017, Labor and Workplace Studies 10 enrolled 152 students and Labor and Workplace Studies 101 enrolled 92, suggesting robust interest in the topic and potential for growing numbers of minors and majors. Growth of the major is limited by the number of sections of Labor Studies 191 and 195 in which we are able to staff with ladder faculty. In the first two years of the new major, we expect to draw students largely from the pool of those currently enrolled in the minor. Some portion of this group will likely double major in Labor Studies and their current home department. We will track the first cohorts of majors carefully, and survey them at the close of each academic year and upon graduation in order to evaluate the strengths and weaknesses of the new program.

**Relationship of the proposed program to existing programs**

The proposed major in Labor Studies complements existing programs in the Division of Social Sciences, the College, and Graduate and Professional Schools (Humanities, Master of Social Science, Luskin School of Public Affairs, Institute of the Environment & Sustainability, Fielding School of Public Health, School of Law, and the Graduate School of Education and Information Studies) with an interdisciplinary program of study and unique opportunities for applied research in the communities of the Los Angeles region. Labor Studies draws on faculty expertise from departments in the Division of Social Sciences as well as professional programs in Law, Public Policy, Management, Education and Information Studies, and Public Health. Labor Studies complements the course offerings of existing departments, such as Chicana and Chicano Studies, Political Science, History, Economics, and Gender Studies by providing focused topical courses and a wide array of opportunities for experiential learning and field research. Over the years, as can be seen in the table below, Labor Studies has also been able to provide additional enrollment opportunities for students in other majors and minors, enhancing the interdisciplinary study between labor studies and other disciplines. By the end of the academic year, 2016-2017, the program was able to offer over 800 seats to undergraduate students in Labor and Workplace Studies. 674 students took courses in Labor & Workplace Studies, an 87% increase from the year before.
Detailed opportunities for placement of graduates

The Labor Studies program prepares undergraduates for a wide range of careers including but not limited to labor relations, human resource management, human rights and labor organizing, business, law, domestic and international government work, nonprofit management, organizational leadership, economic forecasting, education, social work and social welfare, etc. Graduates of the Labor and Workplace Studies program, totaling 89 from 2016-2017, have been accepted and graduated from various prestigious law schools, including social science doctoral programs, schools of social work and social welfare, business schools, schools for public health, and schools for urban planning and public policy.
Graduates have also found careers as lawyers, arbitrators, occupational analysts, labor and community organizers, union staff representatives, researchers, professors, teachers, social workers, planners, directors of nonprofits, and human resource managers.

**Interdisciplinary Contribution**

Labor Studies is interdisciplinary by its nature, drawing on a variety of fields for instructors and researchers. Students enrolled in the Labor Studies major and minor will become part of an existing interdisciplinary research community with very strong ties to researchers and teachers in the social sciences and professional schools.
Section 2: Program Requirements/Catalog Copy

Labor Studies IDP

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<th>UCLA General Catalog 2017-18 strikethrough to be deleted</th>
<th>Proposed changes to the text in the next catalog underlined to be added</th>
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<tbody>
<tr>
<td>Faculty Committee</td>
<td>Faculty Committee</td>
</tr>
<tr>
<td>Maylei S. Blackwell, PhD (Chicana and Chicano Studies)</td>
<td>Maylei S. Blackwell, PhD (Chicana and Chicano Studies)</td>
</tr>
<tr>
<td>Frank T. Higbie, PhD (History)</td>
<td>Chris Erickson, PhD (School of Anderson)</td>
</tr>
<tr>
<td>Janice L. Reiff, PhD (History, Statistics)</td>
<td>Frank T. Higbie, PhD (History)</td>
</tr>
<tr>
<td>Abel Valenzuela, Jr., PhD (Chicana and Chicano Studies, Urban Planning)</td>
<td>Gaye Theresa Johnson PhD (Chicana and Chicano Studies)</td>
</tr>
<tr>
<td>Noah D. Zatz, JD, MA (Law)</td>
<td>Kelly Lytle-Hernandez (History and African American Studies)</td>
</tr>
<tr>
<td></td>
<td>Janice L. Reiff, PhD (History, Statistics)</td>
</tr>
<tr>
<td></td>
<td>Sarah T. Roberts, PhD (Information Studies)</td>
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<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>Noah D. Zatz, JD, MA (Law)</td>
</tr>
</tbody>
</table>
### Scope and Objectives

**Labor and Workplace Studies minor** offers an opportunity to learn about the workplace and the social, political, and economic forces that influence it. The program emphasizes the institutions of the labor market, public policy, employment relations, unions, and working-class movements. It also explores issues of race, class, and gender in the workplace. The interdisciplinary approach gives students exposure to disciplines in addition to their own majors; students should plan to take courses from multiple departments, as disciplinary breadth is encouraged.

The program is intended for students who wish to gain an in-depth understanding of the broad array of issues related to labor and the workplace. Students are encouraged to plan, with the faculty adviser and minor coordinator, either a coherent integration of courses according to a thematic or subtopical investigation or, alternatively, a comprehensive survey of the main issues involved in the study of labor and the workplace.

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**Labor Studies** is an interdisciplinary field of scholarship that encompasses historical and contemporary study of the sociocultural, economic, legal policy, and political forces that shape the lives of working people, labor markets, employment practices, and social movements seeking greater economic equity for workers and their communities. Labor Studies also embraces the insights of critical race, ethnic, working class, and gender studies in order to understand work and social movements as a multidimensional site of study. Students in Labor Studies will gain a strong background in social scientific analysis and applied research, and have many opportunities for civic engagement.

The program is intended for students who wish to gain an in-depth understanding of the broad array of issues related to labor, work, and social movements. Students are strongly encouraged to meet with a faculty and student coordinator, to create a pathway to graduation and to create a curriculum guide that consists of either a coherent integration of courses according to a thematic or topical investigation or, alternatively, a comprehensive survey of the main issues involved in the study of labor and social change.

UCLA graduates with a bachelor’s degree in Labor Studies will be prepared for careers in nonprofit advocacy, public service, and labor and social movements broadly defined. With ample opportunities to develop and apply a variety of research modalities through coursework, students will also be prepared to succeed in graduate and professional school programs in a wide variety of fields.
<table>
<thead>
<tr>
<th>Undergraduate Study</th>
<th>Undergraduate Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Studies is interdisciplinary by its nature, drawing on a variety of fields for instructors and researchers. Students enrolled in the Labor Studies major and minor will become part of an existing interdisciplinary research community with strong ties to researchers and teachers in the social sciences and professional schools. The Labor Studies major is a designated capstone major. Undergraduate students in their senior year will fulfill a research-intensive capstone course or service learning experience.</td>
<td></td>
</tr>
</tbody>
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**Labor Studies BA Capstone Major**

The Labor Studies major offers an interdisciplinary approach to the study of inequality at work and in the community. The program prepares undergraduates for a wide range of careers including but not limited to labor relations; human resource management; human rights, labor and community organizing; business; law; domestic and international government work; nonprofit management; organizational leadership; economic forecasting; education; social work; and social welfare.

To be admitted to the Labor Studies major, students must have a minimum grade point average of 2.5 and must have completed all non-language Labor and Studies preparatory courses. Students must complete an application process, and file a petition to be admitted for the major at the program’s office.
<table>
<thead>
<tr>
<th>Preparation for the Major</th>
<th>Preparation for the Major</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required lower-division courses: Labor Studies 10 plus 2 lower division courses, selected from African American Studies 1, M5/Sociology M5, Asian American Studies 10, 20, 40, 50, Chicana and Chicano Studies 10B, Gender Studies 10, Geography 4, History 2B, 8B, 12A, 12B, 12C, Honors 82, Political Science 60, Public Policy 10A, 10B, Sociology M5, 51, Spanish 44. Students may petition, prior to enrollment in the course, to apply other lower division topical courses with substantial labor-related content. Alternatively, students may complete M24A-C (GE Cluster on Work, Labor, and Social Justice) to complete all their preparation requirements for the major.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Transfer Students</th>
<th>Transfer Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer applicants to the Labor Studies major with 90 or more units must complete as many of the following introductory courses as possible prior to admission to UCLA: one interdisciplinary labor history or one social structure and contemporary conditions course related to labor and/or social movements. Refer to the <a href="#">UCLA Transfer Admission Guide</a> for up-to-date information regarding transfer selection for admission.</td>
<td></td>
</tr>
</tbody>
</table>
The Major

**The Major (48 units)**

**Required Core Courses (4 units):** All Labor Studies majors must complete Labor Studies 101.

**Elective Courses (36 units):** Students will also complete an additional 36 upper-division units of elective courses (9 courses). At least 16 units (4 courses) of electives must be within the Labor Studies IDP. The remaining 20 units (5 courses) may be selected from the following: African American Studies CM113, M173, Asian American Studies 113, M116, Chicana and Chicano Studies M125, M127, M128, 129, Economics 150, 151, Gender Studies 102, M137E, M163, History 141B, 146A, 146B, 146C, M150C, Labor Studies 100SL, M114C, M116, M117, M119, M121, M122, M123, M125, 126, M127 M128, M134SL, M136, 140, M144, M149, 152, M165, M166A, M166B, M166C, M167, 168, M170 through 177, 179A, 179B, M180, 181, 182A, 182B, 187, 188, 189, 189HC, 191, 194A, 194B, 195A, 195B, 199, Political Science 116A, M180A, Public Policy 141, 145, Sociology 157, M163, 171, 173. Students may petition, prior to enrollment in the course, to apply other topical courses with substantial labor-related studies content.

**Capstone Research and/or Service Learning/Internship Experience (8 units):** Seniors in the Labor Studies major culminate their major with capstone research-intensive courses, service learning/internship experiences, or a combination of both. Students may fulfill the requirement by taking two capstone applied research projects, community-based internships or experiential learning courses (8 units) selected from: Labor 100SL, 191, 194A/B, 195A/B, 199, approved internship through the Center for
Community Learning.

Each major course must be taken for a letter grade, and students must have an overall grade-point average of 2.0 or better.
Labor and Workplace Studies Minor

The Labor and Workplace Studies minor augments study in a traditional field. Students are required to complete both a departmental major and this minor. The faculty adviser certifies completion of the program.

To enter the minor, students must be in good academic standing (2.0 grade-point average or better), have completed 45 units, and file a petition and meet with the faculty adviser and minor coordinator in 9244 Bunche Hall, 310-206-0812, lsmminor@irle.ucla.edu. Students are encouraged to meet early with the academic adviser to declare the minor and design a coherent program of coursework.

Required Courses (28 units minimum):
Seven courses, with no more than two lower-division courses (8 units), selected from African American Studies M173, Asian American Studies 113, Chicana and Chicano Studies M125, M127, M128, 129, Economics 150, 151, Gender Studies M137E, M163, History 141B, 146A, 146B, Labor and Workplace Studies M1A, M1B, M1CW, 10, 494, M114C, M16, M117, M119, M121, M122, M123, M125, 126, M127 M128, M136, M144, M149, M165, M166A, M166B, M167, M170 through M176, 177, M180, 181, 182A, 182B, 187, 188, 194A, 194B, 195A, 195B, 199, Political Science 116A, Public Policy 141, 145, Sociology 157, M163, 171, 173. Students may petition, prior to enrollment in the course, to apply other topical courses with substantial labor and workplace content.

A minimum of 20 units applied toward the minor requirements must be in addition to units applied toward major requirements or

Labor Studies Minor

The Labor Studies minor augments study in a traditional field. Students are required to complete both a departmental major and this minor. The faculty adviser certifies completion of the program.

To enter the minor, students must be in good academic standing (2.5 grade-point average or better), have completed 45 units, and file a petition and meet with the faculty adviser and minor coordinator in 9244 Bunche Hall, 310-206-0812, laborstudies@irle.ucla.edu. Students are encouraged to meet early with the academic adviser to declare the minor and design a coherent program of coursework.


A minimum of 20 units applied toward the minor requirements must be in addition to units applied toward major requirements or
another minor.

Each minor course must be taken for a letter grade, and students must have a minimum grade of C (2.0) in each and an overall grade-point average of 2.0 or better. Successful completion of the minor is indicated on the transcript and diploma.

another minor.

Each minor course must be taken for a letter grade, and students must have a minimum grade of C (2.0) in each and an overall grade-point average of 2.0 or better. Successful completion of the minor is indicated on the transcript and diploma.
Labor Studies Courses

See section 5

Section 2.1: Program Requirements for the Major

Labor Studies B.A.
To be admitted to the Labor Studies major, students must have a minimum grade point average of 2.5 and must have completed all non-language Labor Studies preparatory courses. Students must complete an application process, and file a petition to be admitted for the major at the program’s office. Students are strongly encouraged to meet with the undergraduate advisor to discuss the program’s requirements and to create a curriculum guide/pathway to graduation.

Transfer Students
To be admitted to the Labor Studies major, transfer students with 90 or more units must complete as many of the following introductory courses as possible prior to admission to UCLA: one interdisciplinary labor history or one social structure and contemporary conditions course related to labor and/or social movements. Refer to the UCLA Transfer Admission Guide for up-to-date information regarding transfer selection for admission.

Preparation for the major
Required lower-division courses: Labor Studies 10 plus 2 lower division courses, selected from African American Studies 1, M5/Sociology M5, Asian American Studies 10, 20, 40, 50, Chicana and Chicano Studies 10B, Gender Studies 10, Geography 4, History 2B, 8B, 12A, 12B, 12C, Honors 82, Political Science 60, Public Policy 10A, 10B, Sociology M5, 51, Spanish 44. Students may petition, prior to enrollment in the course, to apply other lower division topical courses with substantial labor-related content. Alternatively, students may complete M24A-C (GE Cluster on Work, Labor, and Social Justice) to complete all their preparation requirements for the major.

The Major (48 units)

Required Core Course (8 units): All Labor Studies majors must complete Labor Studies 101 and at least 4 units related to a capstone project or experience.

Public Policy 141, C144, 145, Sociology 157, M163, 171, 173. Students may petition, prior to enrollment in the course, to apply other topical courses with substantial labor-related content.

Capstone Research and/or Service Learning/Internship Experience (4 units): Seniors in the Labor Studies major culminate their major with capstone research-intensive courses, service learning/internship experiences, or a combination of both. Students may fulfill the requirement by taking one capstone applied research project, community-based internship or experiential learning course (4 units) selected from: Labor 100SL, 191, 194A/B, 195A/B, 199, approved internship through the Center for Community Learning.

Section 2.2: Program Requirements for the Minor

The Labor Studies minor augments study in a traditional field. Students are required to complete both a departmental major and this minor. The faculty advisor certifies completion of the program.

To enter the minor, students must be in good academic standing (2.5 grade-point average or better), have completed 45 units, and file a petition and meet with the undergraduate advisor in 9244 Bunche Hall, 310-206-0812, laborstudies@irle.ucla.edu. Students are encouraged to meet early with the academic advisor to declare the minor and design a coherent program of coursework.


A minimum of 20 units applied toward the minor requirements must be in addition to units applied toward major requirements or another minor. Each minor course must be taken for a letter grade, and students must have a minimum grade of C (2.0) in each and an overall grade-point average of 2.0 or better. Successful completion of the minor is indicated on the transcript and diploma.

Section 3: Resource Requirements and Enrollment Plan
Resources currently supporting the Labor and Workplace Studies minor form the basis of support for the proposed major. The Labor Studies program is fortunate to have strong staff and resource planning at the Institute for Research on Labor and Employment that allows us to provide critical and important one-on-one interactions with our students, provide advising and curriculum suggestions, and provide information on key campus student opportunities. As a result, we draw many students to our program because of this extra and more personal interaction. Our proposal is cost neutral and will financially support our growth to a major because of four primary structures.

**Academic Administrators and Teaching.** Under the employment of IRLE and the Labor Center, we have four full-time academic administrators who also teach and occupy about 30% of our classes. These colleagues hold terminal degrees in their fields of expertise, and have taught successfully at UCLA for a number of years. They also engage in research, publishing and student advising.

**Director and Associate Director Teaching and Leadership.** After being appointed Director, Valenzuela conferred with Dean and Associate Director about teaching in our program and having that count either as an overload or part of our regular teaching load. In addition, Director Valenzuela secured a three-year commitment to buy out one class per annum so that Associate Director and Chair of the Labor Studies Program can also teach in our program. Valenzuela expects to honor this policy throughout his Directorship and will work to transition this matter to a new Director at some future point. As a result, we will have ladder faculty teach in our program on a regular basis.

**Summer Revenue Investments.** Since his appointment as IRLE Director, Valenzuela has earmarked all summer revenues generated from our summer course offerings exclusively to our teaching program. These resources can be used to buy-out ladder rank faculty to teach in our program, to incentivize ladder faculty to create new courses and offer them in our program, and to provide support to our graduate instructors and lecturers.

**Two Full-time Staff.** Several years ago, a wise decision was made to hire additional full-time personnel (Student Affairs Officer) to assist with the management and student advising of the program. Last year, a decision was made to increase the percent time (+50%) of a second staffer – the Student Programming Manager to full-time and as a result, we now have two personnel completely devoted to our teaching program on a full-time basis. They will similarly be charged with administering and advising our majors (and minors) and running our teaching program.

Instructors also include Unit 18 lecturers and GSIs supported by funds from the Division of Social Sciences. Current staff support for the minor (Student Affairs Officer and Student Programming staff) will support modest expansion of the major and is comparable to staff resources from units of comparable size (e.g. Asian American Studies, Gender Studies, Geography). Our enrollment plan for the Labor Studies Major and Minor over the next three years will focus on continued increase in the number of students so as to reach 50-65 majors and 250 minors in 3 years. In year 1, we aim to enroll 15-20 students in the major and maintain
roughly 200 in the minor (due in part to the movement of some minors into the major). In year 2, we aim for the major to grow to 30-40 students and the minor to 225. By the end of year 3, we hope to have enrolled 50-65 students in the major and 250 in the minor. These figures are modest and we may very well exceed these enrollment goals.

Four-year plan for freshman
The schema includes College and Major requirements.

<table>
<thead>
<tr>
<th>Fall</th>
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<th>Spring</th>
<th>Summer</th>
<th>Unit Totals (180)</th>
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<td>Arts &amp; Hum GE (5)</td>
<td>Arts &amp; Hum GE (5)</td>
<td>Arts &amp; Hum GE (5)</td>
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<tr>
<td></td>
<td>Fiat Lux (1)</td>
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<td>Quarter units: 15</td>
<td>Quarter units: 16</td>
<td>Quarter units: 15</td>
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<td>Major Elective (4)</td>
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<tr>
<td></td>
<td>Major Elective (4)</td>
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<tr>
<td>Fall</td>
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DMS  4–59
3rd year

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4th year

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<td>Quarter Units: 12-15</td>
<td>Quarter Units: 12-15</td>
<td>Total Units: 185-194</td>
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</table>

* Possibility of Double majoring/minoring in other fields

**Two-year plan for transfer students**
This example assumes 90 units to be transferred from CC and that IGETC is satisfied (all GE requirements)
## Section 4: Summary of IDP Courses

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<tr>
<th>Subject Area</th>
<th>Course Number</th>
<th>Course Short Title</th>
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<th>Number Enrolled</th>
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<td>WRK&amp;LABR&amp;JUSTICE-US</td>
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<td>Enroll through cluster</td>
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</table>

* Possibility of Double majoring/minoring in other fields
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<td>M1CW</td>
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Section 5: Current Course Descriptions

M1A. Work, Labor, and Social Justice in U.S.
Units: 6
(Same as Clusters M24A.) Lecture, three hours: discussion, two hours. Course M1A is enforced requisite to M1B, which is enforced requisite to M1CW. Limited to first-year freshmen. Exploration of ways in which work has been transformed over last century, impact of
transformation on working people, and role of labor movement as force for social justice. Letter grading.

**M1B. Work, Labor, and Social Justice in U.S.**
Units: 6
(Same as Clusters M24B.) Lecture, three hours; discussion, two hours. Enforced requisite: course M1A. Limited to first-year freshmen. Exploration of ways in which work has been transformed over last century, impact of this transformation on working people, and role of labor movement as force for social justice. Letter grading.

**M1CW. Work, Labor, and Social Justice in U.S.**
Units: 6
(Same as Clusters M24CW.) Seminar, three hours. Enforced requisite: course M1B. Limited to first-year freshmen. Topics include labor law/history, gender, race, and workplace. Satisfies Writing II requirement. Letter grading.

**10. Introduction to Labor and Workplace Studies (title to be changed to Introduction to Labor Studies)**
Units: 5
Lecture, three hours; discussion, one hour. Assumptions about work, including why some work is favored, whether those with good jobs really are better people than those without, and how this understanding of work and value came to be common sense. Unpacking of these and other assumptions about work, value, and power, with focus on low-wage workers, their communities, and their place in contemporary society. P/NP or letter grading.

**19. Fiat Lux Freshman Seminars**
Units: 1
Seminar, one hour. Discussion of and critical thinking about topics of current intellectual importance, taught by faculty members in their areas of expertise and illuminating many paths of discovery at UCLA. P/NP grading.

**89. Honors Seminars**
Units: 1
Seminar, three hours. Limited to 20 students. Designed as adjunct to lower division lecture course. Exploration of topics in greater depth through supplemental readings, papers, or other activities and led by lecture course instructor. May be applied toward honors credit for eligible students. Honors content noted on transcript. P/NP or letter grading.

**89HC. Honors Contracts**
Units: 1
Tutorial, three hours. Limited to students in College Honors Program. Designed as adjunct to lower division lecture course. Individual study with lecture course instructor to explore topics in greater depth through supplemental readings, papers, or other activities. May be repeated for
maximum of 4 units. Individual honors contract required. Honors content noted on transcript. Letter grading.

99. Student Research Program
Units: 1 to 2
Tutorial (supervised research or other scholarly work), three hours per week per unit. Entry-level research for lower division students under guidance of faculty mentor. Students must be in good academic standing and enrolled in minimum of 12 units (excluding this course). Individual contract required; consult Undergraduate Research Center. May be repeated. P/NP grading.

101. Introduction to Labor and Social Movements in Los Angeles
Units: 4
Lecture, three hours; discussion, one hour. Students gain exposure to concepts of social justice, social movements, and workers and labor issues in context of global city of Los Angeles. In-depth examination of experience of workers and role of labor movement in Los Angeles, both historically and currently. Topics include changing organization of work in U.S. and reconfiguration of employment relationships; response of labor movement, historically and in present, to managerial initiatives; way in which organized labor has handled issues of class, race, ethnicity, gender, and immigration status; and challenges facing workers in 21st century and their institutional responses in Los Angeles. P/NP or letter grading.

M114C. African American Political Thought
Units: 4
(Same as African American Studies M114C and Political Science M180A.) Lecture, three or four hours; discussion, one hour (when scheduled). Intensive introduction to African American political thought, with focus on major ideological trends and political philosophies as they have been applied and interpreted by African Americans. Debates and conflicts in black political thought, historical context of African American social movements, and relationship between black political thought and major trends in Western thought. P/NP or letter grading.

M116. Asian American Social Movements
Units: 4
(Same as Asian American Studies M116.) Lecture, three hours. Designed for juniors/seniors. Examination of several dimensions of Asian American social movements, including grassroots, mass movement character, political and social vision, and social and political relevance to current issues. How movement participants linked struggle for change with own personal transformation and growth. P/NP or letter grading.

M117. Negotiation
Units: 4
(Same as Communication M117.) Lecture, four hours. Art and science of negotiation in securing agreements between independent parties. Theory and practice that underlies successful negotiation. Experiential course in which students learn broad array of negotiation skills,
including identifying one’s own (and others’) communication style, identifying and incorporating components of successful negotiation, and resolving conflict between parties. Letter grading.

**M119. Asian American and Pacific Islander Labor Issues**
Units: 4
( Same as Asian American Studies M119.) Lecture, three hours. Examination of historical and contemporary labor issues in Asian and Pacific Islander American communities, with emphasis on key role that Asian and Pacific Islander American students can play in supporting labor struggles of low-income immigrants. P/NP or letter grading.

**M121. Issues in Latina/Latino Poverty**
Units: 4
( Same as Chicana and Chicano Studies M121 and Urban Planning M140.) Lecture, four hours. Examination of nature and extent of urban and rural poverty confronting Latina/Latino population in U.S. Special emphasis on antipoverty policies of government and nonprofit organizations and social planning and economic development strategies. Attention also to literature on underclass. Letter grading.

**M122. Planning Issues in Latina/Latino Communities**
Units: 4
( Same as Chicana and Chicano Studies M122 and Urban Planning M171.) Lecture, four hours. Exploration of socioeconomic, demographic, and political forces that shape low-income communities and analyses of planning intervention strategies. Emphasis on community and economic development and environmental equity. Letter grading.

**M123. Chicano/Latino Community Formation: Critical Perspectives and Oral Histories**
Units: 4
( Same as Chicana and Chicano Studies M119.) Lecture, four hours. Analysis of historical formation and development of Chicano/Latino communities in 20th century, with focus on labor, immigration, economic structures, electoral politics, and international dimensions. Letter grading.

**M125. U.S./Mexico Relations**
Units: 4
( Same as Chicana and Chicano Studies M125.) Lecture, four hours. Examination of complex dynamics in relationship between Mexico and U.S., using political economy approach to study of asymmetrical integration between advanced industrial economies and developing countries. P/NP or letter grading.

**126. Farm Worker Transnational Struggle**
Units: 4
Lecture, three hours; discussion, one hour. Focus on historical and contemporary issues farm workers face in restructured economy, and class, racial, and gender dynamics that shape their work experiences and economic and political opportunities in society at large. Study also covers
gender, race, and class conflicts in workplace and during collective struggles for equality in contemporary society. Topics include political and cultural legacy of farm workers’ struggle in U.S. and its long-lasting impact on labor movement and immigrant workers’ and social justice movements. Special focus on assessing and understanding role farm-worker-led labor and civil rights movements have had in promoting multiethnic and multiracial campaigns for workplace and economic justice from cross-border perspective. Students develop theoretical and practical understanding of farm workers' experiences across U.S.-Mexico border, and of legacy of United Farm Workers and other farm worker unions. P/NP or letter grading.

M127. Farmworker Movements, Social Justice, and United Farm Workers Legacy
Units: 4
(Se...
and everyday practices that sustain and reproduce inequality and policies that intend to remedy educational inequalities in urban schools. Opportunity to investigate issues of working-class families and inequalities as they relate to students’ own communities and experiences. P/NP or letter grading.

140. Working It: Women, Work, and Family
Units: 4
Lecture, three hours. Examination of working women in U.S. history from 19th-century midwives to 21st-century sex workers through film, oral history, and traditional forms of scholarship. Exploration of personal and work life of women from variety of intersectional categories including class, race, ethnicity, sexuality, and immigration status with focus on systems that have shaped workplace experiences for women over time, including gender discrimination, sexual harassment, public policy, unionization, and reproductive health. Special attention given to strategies women have utilized to shape their work experience, and to improve working conditions for themselves and their working-class sisters. P/NP or letter grading.

M144. Women's Movement in Latin America
Units: 4
(Same as Chicana and Chicano Studies M144 and Gender Studies M144.) Lecture, four hours. Course on women's movements and feminism in Latin America and Caribbean to examine diverse social movements and locations from which women have launched political and gender struggles. Discussion of forms of feminism and women's consciousness that have emerged out of indigenous rights movements, environmental struggles, labor movements, Christian-based communities, peasant and rural organizing, and new social movements that are concerned with race, sexuality, feminism, and human rights. Through comparative study of women's movements in diversity of political systems as well as national and transnational arenas, students gain understanding of historical contexts and political conditions that give rise to women's resistance, as well as major debates in field of study. P/NP or letter grading.

M149. Media: Gender, Race, Class, and Sexuality
Units: 5
(Same as Communication M149 and Gender Studies M149.) Lecture, four hours; activity, one hour. Limited to junior/senior Communication Studies and Gender Studies majors and Labor and Workplace Studies minors (changed to Labor Studies majors and minors). Examination of manner in which media culture induces people to perceive various dominant and dominated and/or colonized groups of people. Ways in which women, gay, lesbian, bisexual, transgendered, racial, and ethnic marginalized peoples, class relations, and other subaltern or subordinated groups are presented and often misrepresented in media. Investigation and employment of practical applications of communications and feminist theories for understanding ideological nature of stereotyping and politics of representation through use of media, guest presentations, lectures, class discussions, and readings. Introduction to theory and practice of cultural studies. Letter grading.

152. Work, Social Justice, and Arts
Units: 4
Lecture, three hours; field visit. Analysis of how art (in cartoons, poster art, murals, photography, film, visual art, theater, performance, dance, and music) has been influential in popular movements for economic, racial, and social justice by artists, workers' groups, American labor movement, and other social movements such as civil rights, women's rights, immigrant rights, and Black Lives Matter. Reflection on different discourses of art-making that have been used in specific historical struggles (1920s, Great Depression of 1930s, 1960s, to present). Examination of what Los Angeles has to offer in terms of art, labor, and social justice movement art-making. Students visit labor, social justice, or arts organization in L.A. that is focused on themes of work, labor, and art. Exploration of spectrum of art forms (dance, music, sculpture, theater, visual art, film, museum curation) that have been produced and reproduced as reflections of work, labor, and social justice struggles in U.S. P/NP or letter grading.

M165. Sociology of Race and Labor
Units: 4
( Same as African American Studies M165 and Sociology M165.) Lecture, three hours; discussion, one hour. Limited to juniors/seniors. Exploration of relationship between race/ethnicity, employment, and U.S. labor movement. Analysis of underlying racial divisions in workforce and how they evolved historically. Consideration of circumstances under which workers and unions have excluded people of color from jobs and unions, as well as circumstances under which workers and unions have organized people of color into unions in efforts to improve their wages and working conditions. Impact of globalization on these dynamics. P/NP or letter grading.

M166A. Immigrant Rights, Labor, and Higher Education
Units: 4
( Same as Asian American Studies M166A and Chicana and Chicano Studies M156A.) Lecture, three hours; discussion, one hour. New immigrant rights movement, with particular attention to labor and higher education. Overview of history of immigrant rights movement and examination of development of coalition efforts between labor movement and immigrant rights movement nationally and locally. Special focus on issue of immigrant students in higher education, challenges facing undocumented immigrant students, and legislative and policy issues that have emerged. Students conduct oral histories, family histories, research on immigration and immigrant rights, write poetry and spoken word about immigrant experience, and work to collectively develop student publication on immigrant students in higher education. P/NP or letter grading.

M166B. Research on Immigration Rights, Labor, and Higher Education
Units: 4
( Same as Asian American Studies M166B and Chicana and Chicano Studies M156B.) Seminar, two hours. Requisite: course M166A. Expansion of research conducted by students in course M166A involving oral histories, research on immigration/labor/higher education, and evaluation of legislation and legal issues impacting undocumented students. Letter grading.
M166C. Research on Immigrant Students and Higher Education
Units: 4
(Same as Chicana and Chicano Studies M156C.) Seminar, three hours. Enforced requisites: courses M166A, M166B. Expansion of research conducted by students in courses M166A and M166B involving oral histories, research on immigration/labor/higher education, and evaluation of legislation and legal issues impacting undocumented students. Designed around class project, where students work on showcasing all material collected throughout year. Letter grading.

M167. Worker Center Movement: Next Wave Organizing for Justice for Immigrant Workers
Units: 4
(Same as African American Studies M167, Asian American Studies M166C, and Chicana and Chicano Studies M130.) Seminar, three hours. Development of theoretical and practical understanding of worker center movement, with focus on historical factors that have led to emergence and growth of worker centers. Role of worker centers in promoting multiethnic and multiracial campaigns for workplace and economic justice. Transnational cross-border solidarity issues and rights of undocumented workers. P/NP or letter grading.

168. Law and Politics of Immigration: Migrants and Inevitable Evolution of Collective and Individual Rights
Units: 4
Lecture, three hours. With immigration and rights of migrants at center of current political and legal debates throughout world, study offers critical introduction to inevitable evolution of law and policy resulting from--and in reaction to--movement of immigrants. Endows students with wide array of analytical tools with which to engage current political debates about immigration. Using historical and modern texts, while incorporating elements of art, popular culture, and storytelling, study encourages discussion, debate, and analysis about immigrants' role in development of rights and modern political debates about immigration. Exploration of themes of inclusion, exclusion, integration, and multiculturalism. Students describe shortcomings of status-quo policies while also imaging and prescribing arguments about where law can and should go. P/NP or letter grading.

M170. Improving Worker Health: Social Movements, Policy Debates, and Public Health
Units: 4
(Same as Community Health Sciences CM170.) Lecture, three hours; fieldwork, two hours. Examination of intersection between work, health, and environment, analysis of social causes of health disparities, investigation of historical trends and social movements, interpretation of current policy debates, and development of innovative interventions. P/NP or letter grading.

M171. Labor and Economic Development
Units: 4
(Same as Urban Planning CM172.) Lecture, three hours. Exploration of economic development and identification of ways that labor and labor unions directly and indirectly influence and shape
economic development. Wide range of roles that labor plays, and could play, in promoting and supporting economic development for all. Letter grading.

**M172. Free Speech in Workplace**  
Units: 4  
(Same as Communication M172.) Lecture, three hours. Focus on concept of freedom of expression in workplace and how First Amendment, case law, and federal and state statutes affect one's ability to speak at work. Conflict between discrimination law and ability to speak freely at work as well as meaning and limits of academic freedom. P/NP or letter grading.

**M173. Nonviolence and Social Movements**  
Units: 4  
(Same as African American Studies M173 and Chicana and Chicano Studies M173.) Lecture, three hours; discussion, one hour. Overview of nonviolence and its impact on social movements both historically and in its present context in contemporary society, featuring lectures, conversations, films, readings, and guest speakers. Exploration of some historic contributions of civil rights struggles and role of nonviolent action throughout recent U.S. history. Examination of particular lessons of nonviolent movements as they impact social change organizing in Los Angeles. P/NP or letter grading.

**174. Labor and Employment Law**  
Units: 4  
Lecture, three hours. Using combination of cases, statutes, news articles, films, and oral history, introduction to history of organized labor; current debates and trends; and basic structure of laws, regulations, and cases that govern organizing to improve workplace conditions. Study covers primary federal acts and court cases that govern strikes, picketing, boycotts, and union elections. Examination of challenges to organized labor from inside and outside labor movement, including right-to-work legislation; dismantling of public sector unions; and racism, sexism, and anti-immigrant sentiment in labor movement. Emphasis on case studies. Topics include new trends in labor organizing. Offers mix of guest speakers, oral history, case excerpts, scholarly articles, news articles and blogs, videos, small-group work, and community engagement. P/NP or letter grading.

**M175. Agitational Communication**  
Units: 4  
(Same as Communication M165.) Lecture, four hours; discussion, one hour (when scheduled). Theory of agitation; agitation as force for change in existing institutions and policies in democratic society. Intensive study of selected agitational movements and technique and content of their communications. Letter grading.

**M176. Visual Communication and Social Advocacy**  
Units: 4  
(Same as Communication M176.) Lecture, four hours. Visual communication reaches diverse audiences in communicating major social and political topics. Cartoons, posters, murals, and
documentary photography have had powerful world impact. Survey of all four genres of visual communications as features of modern mass media. Letter grading.

177. Spirituality, Mindfulness, Self-Care, and Social Justice
Units: 4
Seminar, three hours. Exploration of role of spirituality and mindfulness practice in labor and immigrant rights movements. Focus on teachings of St. Francis of Assisi, Mahatma Gandhi, Martin Luther King, Thich Nhat Hanh, and other spiritual leaders. Uses specific case studies and workshop experiences. Includes videos and guest lectures by scholars and activists who integrate their spirituality into their daily work. P/NP or letter grading.

179A. Neoliberalism, Social Justice, and Transformative Politics
Units: 4
Lecture, three hours. Study of intersection of neoliberalism, democracy, and rise of social justice movements primarily in U.S. This offers in-depth, theoretically rigorous, and empirically-based understanding of dynamics that have produced specific form of crisis that envelopes contemporary politics. Focus on understanding and explaining development and current structures of neoliberalism as both ideological frame and form of governance. Examination of some of main works on democratic theory and their relationship to issue of social justice that demonstrate how specific pattern of development of neoliberalism in U.S. since 1980 has undermined democratic governance and produced conditions that have deepened levels of inequality. Examination of emergence of grassroots politics that have organized around issues that challenge or contest neoliberal dominance and attempt to reassert principles of democratic inclusion through their struggles for social change. P/NP or letter grading.

179B. Doing Democracy: Social Movements, Grassroots Politics, and Community Organizing
Units: 4
Lecture, three hours. Focus on community organizing and social movements as mechanisms that have been adopted by marginalized or excluded sectors and groups of society to promote their interests and express their needs. Identification of fundamental characteristics of effective and responsive democratic regime. Summarization of critiques that describe means by which those elements are being undermined in current period. Focus on those efforts to promote social justice as basis for inclusive and responsive form of popular sovereignty through politics of social movements and community organizing. Study of various forms of social movements and different models of and approaches to community organizing and their relationship to democratic governance. P/NP or letter grading.

M180. Southern California Regional Economy
Units: 4
(Same as Urban Planning CM137.) Lecture, three hours. Introduction to regional economy, with emphasis on Los Angeles. Key economic sectors, labor market composition, and review of conflicting portrayals depicting dynamics of region. Two all-day bus tours of key economic regions and guest lectures by regional experts included. Letter grading.
181. Los Angeles Labor and Social Science Research Principles, Methods, and Practices
Units: 4
Lecture, three hours. Introduction to basic social science research methods. Through combination of lectures, key readings, and participation in hands-on research project, students develop understanding of critical debates regarding role of research in socioeconomic context that impacts workers and their organizations and communities at large. Introduction to several research method techniques that are highly effective in producing sound and rigorous studies about and for labor movement, including important data that can be used for policy analysis and political action. Special emphasis given to understanding research that has supported different labor movements. P/NP or letter grading.

182A. Oral History and Collective Memory: Research Methods and Applications of 21st-Century Narratives
Units: 4
Lecture, three hours. Part I of two-part series on oral history, memory, and public engagement. Introduction to field of oral history and hands-on experience in interviewing, processing, technology, and public engagement. Readings and discussion of literature about oral history theory and methods and examination of how scholars use oral history interviews to develop historical narratives about working class communities. Students learn foundations for designing and executing oral history research projects and undertake independent fieldwork that allows them to apply methods and approaches studied in class. Emphasis on innovative uses of oral history interviews that bring narratives to wide public audience. No prior knowledge or experience with interviewing and processing required. P/NP or letter grading.

182B. Oral History and Collective Memory: Research Methods and Applications of 21st-Century Narratives
Units: 4
Lecture, three hours. Requisite: course 182A. Part II of two-part series. Introduction to theory, practice, and application of oral history as research methodology. Examination and development of scholarly and public uses for oral history and their application for social justice movements. Students learn application and digital humanities production methods that bring historical knowledge gathered in interview process to wide and diverse audience. P/NP or letter grading.

187. Special Courses in Labor and Workplace Studies (title to be changed to Special Courses in Labor Studies)
Units: 4
Lecture, three hours; discussion, one hour. Program-sponsored experimental or temporary courses, such as those taught by visiting faculty members. May be repeated for credit. P/NP or letter grading.

188. Special Courses in Labor and Workplace Studies (title to be changed to Special Courses in Labor Studies)
Units: 4
Seminar, four hours. Program-sponsored experimental or temporary courses, such as those taught by visiting faculty members. May be repeated for credit. P/NP or letter grading.

189. Advanced Honors Seminars
Units: 1
Seminar, three hours. Limited to 20 students. Designed as adjunct to undergraduate lecture course. Exploration of topics in greater depth through supplemental readings, papers, or other activities and led by lecture course instructor. May be applied toward honors credit for eligible students. Honors content noted on transcript. P/NP or letter grading.

189HC. Honors Contracts
Units: 1
Tutorial, three hours. Limited to students in College Honors Program. Designed as adjunct to upper division lecture course. Individual study with lecture course instructor to explore topics in greater depth through supplemental readings, papers, or other activities. May be repeated for maximum of 4 units. Individual honors contract required. Honors content noted on transcript. Letter grading.

191. Research Seminar in Labor & Workplace Studies (title to be changed to Research Seminar in Labor Studies)
Units: 4
Seminar, three hours. Research seminar on selected topics. Reading, discussion, and development of culminating project. P/NP or letter grading.

194A. Research Group Seminars: Labor Summer Research Internship Program
Units: 4
Seminar, three hours. Enforced co-requisite: course 195A. Designed for undergraduate students who are part of Labor Summer Research Internship program. Discussion of qualitative applied research methods used by union researchers and scholars engaged in labor relations and workplace studies. Through combination of lectures, key readings, and active participation in hands-on research internship with local unions and organizations, development of understanding of critical debates regarding role of research and socioeconomic contexts that impact low-wage workers and their families. May be repeated for credit. Offered in summer only. P/NP or letter grading.

194B. Research Group Seminars: Labor and Workplace Studies (title to be changed to Research Group Seminars: Labor Studies)
Units: 4
Seminar, three hours. Designed for undergraduate students who are part of research group. Discussion of research methods and current literature in field of labor studies or of research of faculty members and/or students. May be repeated for credit. P/NP or letter grading.
195A. Community or Corporate Internships in Labor and Workplace Studies (title to be changed to Community or Corporate Internships in Labor Studies)
Units: 4
Tutorial, one hour; fieldwork, 15 hours. Enforced co-requisite: course 194A. Limited to juniors/seniors. Internship in supervised setting in community agency, labor union, or other organization concerned with work and employment issues. Placements to be arranged by instructor. Students meet on regular basis with instructor and provide periodic written reports on their experience. May be repeated for credit. Individual contract with supervising faculty member required. Offered in summer only. P/NP or letter grading.

195B. Community or Corporate Internships in Labor and Workplace Studies (title to be changed to Community or Corporate Internships in Labor Studies)
Units: 2 to 5
Tutorial, to be arranged; internship, up to 15 hours. Limited to juniors/seniors. Internship in supervised setting in community agency, labor union, or other organization concerned with work and employment issues. Placements to be arranged by instructor. Students meet on regular basis with instructor and provide periodic written reports on their experience. May be repeated for credit. Individual contract with supervising faculty member required. P/NP or letter grading.

199. Directed Research in Labor and Workplace Studies (title to be changed to Directed Research in Labor Studies)
Units: 2 to 4
Tutorial, one hour. Limited to juniors/seniors. Supervised individual research under guidance of faculty mentor. Culminating paper or project required. May be repeated for credit. Individual contract required. P/NP or letter grading.

375. Teaching Apprentice Practicum.
Units: 1 to 4
Seminar, to be arranged. Preparation: apprentice personnel employment as teaching assistant, associate, or fellow. Teaching apprenticeship under active guidance and supervision of regular faculty member responsible for curriculum and instruction at UCLA. May be repeated for credit. S/U grading.

Section 6: Summary of Participating IDP Faculty

The Labor IDP is comprised of two categories of faculty: Core and Affiliated. Core Faculty are defined as members of the Academic Senate who serve on the Faculty Administrative Committee or regularly teach in the IDP. Regular teaching is defined as teaching one course each year either housed in the IDP, cross-listed with the IDP, or otherwise placed on the list of classes approved for the major and minor. Core faculty are also members of the Ad-Hoc committee and approved the By-laws for the Labor Studies IDP (see Enclosures).

Affiliate members of the IDP are those who do not meet the definition of the core group, but who wish to be part of the IDP’s community of scholars. This may include academic senate members
who occasionally teach in the IDP, those who supervise student research projects and those 
who otherwise wish to support the aims of the IDP. Affiliates also include non-academic senate 
members, Academic Administrators and Lecturers, who teach in Labor Studies or supervise 
student research projects. The Academic Administrators of the UCLA Labor Center have been 
teaching in the Labor and Workplace Studies program since its creation and also participate in 
the Program Committee.

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<th>Name</th>
<th>Rank</th>
<th>Field</th>
<th>Participation Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maylei Blackwell, Ph.D.</td>
<td>Associate Professor</td>
<td>Chicana and Chicano Studies, Gender Studies</td>
<td>Author of “Chicana Power” and IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Chris Erickson, Ph.D.</td>
<td>Professor</td>
<td>UCLA Anderson School of Management</td>
<td>IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Frank Tobias Higbie, Ph.D.</td>
<td>Professor</td>
<td>History</td>
<td>Chair and Assistant Director, IRLE</td>
</tr>
<tr>
<td>Gaye Theresa Johnson, Ph.D.</td>
<td>Associate Professor</td>
<td>Chicana and Chicano Studies</td>
<td>Author of “These Walls Will Fall” and teaches related labor studies course</td>
</tr>
<tr>
<td>Kelly Lytle-Hernandez, Ph.D.</td>
<td>Professor</td>
<td>History</td>
<td>Teaches Work, Labor, and Social Justice in the U.S., Interim Director of the Ralph J. Bunche Center for African American Studies</td>
</tr>
<tr>
<td>Name</td>
<td>Rank</td>
<td>Field</td>
<td>Participation Level</td>
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</tr>
<tr>
<td>Janice Reiff, Ph.D.</td>
<td>Professor</td>
<td>History, Statistics</td>
<td>Vice Chair/Chair-Elect of the UCLA Academic Senate and Chair of the IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Sarah T. Roberts, Ph.D.</td>
<td>Assistant Professor</td>
<td>UCLA School of Education and Information Studies</td>
<td>Author of “Empowered to name, inspired to act: Social responsibility and diversity as calls to action in the LIS context”</td>
</tr>
<tr>
<td>Abel Valenzuela, Jr., Ph.D.</td>
<td>Professor</td>
<td>Chicana and Chicano Studies, Urban Planning</td>
<td>Director, IRLE</td>
</tr>
<tr>
<td>Noah D. Zatz, J.D., M.A.</td>
<td>Professor</td>
<td>Law</td>
<td>IRLE Faculty Advisory Committee</td>
</tr>
</tbody>
</table>

**Affiliated Faculty and Instructional Staff of the Labor Studies IDP**

<table>
<thead>
<tr>
<th>Name</th>
<th>Rank</th>
<th>Field</th>
<th>Participation Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linda Delp, Ph.D., MPH</td>
<td>Adjunct Associate Professor</td>
<td>School of Public Health</td>
<td>Director, Labor Occupational Safety and Health, teaches cross-listed course in Labor Studies</td>
</tr>
<tr>
<td>Virginia Espino, Ph.D.</td>
<td>Lecturer</td>
<td>Labor Studies</td>
<td>Labor Studies instructor</td>
</tr>
<tr>
<td>Keith Fink, J.D.</td>
<td>Lecturer</td>
<td>Communications</td>
<td>Teaches cross-listed course with labor studies</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Department</td>
<td>Notes</td>
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<tr>
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</tr>
<tr>
<td>Trevor Griffey, Ph.D.</td>
<td>Lecturer</td>
<td>Labor Studies</td>
<td>Labor Studies instructor</td>
</tr>
<tr>
<td>Ana Luz Gonzalez, Ph.D.</td>
<td>Lecturer</td>
<td>Labor Studies</td>
<td>Labor Studies instructor</td>
</tr>
<tr>
<td>Akhil Gupta, Ph.D.</td>
<td>Professor</td>
<td>Anthropology</td>
<td>Teaches related labor studies course, IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Rhonda Hammer, Ph.D.</td>
<td>Lecturer</td>
<td>Gender Studies</td>
<td>Teaches related labor studies course</td>
</tr>
<tr>
<td>Ruben Hernandez-Leon, Ph.D.</td>
<td>Professor</td>
<td>Sociology</td>
<td>Teaches related labor courses</td>
</tr>
<tr>
<td>Raul Hinojosa-Ojeda, Ph.D.</td>
<td>Associate Professor</td>
<td>Chicana and Chicano</td>
<td>Teaches cross-listed courses with Labor Studies</td>
</tr>
<tr>
<td>Sanford M. Jacoby, Ph.D.</td>
<td>Research Professor Emeriti</td>
<td>UCLA Anderson School of Management</td>
<td>IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Robin D.G. Kelley, Ph.D</td>
<td>Distinguished Professor</td>
<td>History</td>
<td>Teaches related labor studies course, IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Rev. James Lawson</td>
<td>Lecturer</td>
<td>Labor Studies</td>
<td>Visiting lecturer</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Department/Program</td>
<td>Responsibilities</td>
</tr>
<tr>
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</tr>
<tr>
<td>Ching Kwan Lee, Ph.D.</td>
<td>Professor</td>
<td>Sociology</td>
<td>Teaches related labor studies course, IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Victor Narro, J.D.</td>
<td>Academic Administrator</td>
<td>Labor Studies, UCLA School of Law</td>
<td>Teaches approved labor studies courses, Program Committee member</td>
</tr>
<tr>
<td>Chris Newman, J.D.</td>
<td>Lecturer</td>
<td>Labor Studies</td>
<td>Labor Studies Instructor</td>
</tr>
<tr>
<td>Glenn Omatsu, Ph.D.</td>
<td>Lecturer</td>
<td>Asian American Studies</td>
<td>Teaches related labor studies course</td>
</tr>
<tr>
<td>Ninez Ponce, Ph.D., MPP</td>
<td>Professor</td>
<td>UCLA Fielding School of Public Health</td>
<td>IRLE Faculty Advisory Committee and Associate Director, UCLA Center for Health Policy Research</td>
</tr>
<tr>
<td>Gaspar Rivera-Salgado, Ph.D.</td>
<td>Academic Administrator</td>
<td>Labor Studies</td>
<td>Teaches approved labor studies courses; Program Committee member</td>
</tr>
<tr>
<td>Ignacia Rodriguez-Kmec, J.D.</td>
<td>Lecturer</td>
<td>Labor Studies</td>
<td>Visiting Labor Studies Instructor</td>
</tr>
<tr>
<td>Gabriel Rossman, Ph.D.</td>
<td>Associate Professor</td>
<td>Sociology</td>
<td>Teaches approved labor studies course</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
<td>Department</td>
<td>Notes</td>
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</tr>
<tr>
<td>Janna Shadduck-Hernandez, Ed.D.</td>
<td>Academic Administrator</td>
<td>Labor Studies</td>
<td>Teaches approved labor studies courses; Program Committee member</td>
</tr>
<tr>
<td>Katherine Stone, J.D.</td>
<td>Distinguished Professor</td>
<td>UCLA School of Law</td>
<td>IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Paul Von Blum, Ph.D.</td>
<td>Senior Lecturer</td>
<td>Communications</td>
<td>Teaches cross-listed courses with labor studies</td>
</tr>
<tr>
<td>Till Von Wachter, Ph.D.</td>
<td>Professor</td>
<td>Economics</td>
<td>Teaches related labor studies course, IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Ed Walker, Ph.D.</td>
<td>Associate Professor</td>
<td>Sociology</td>
<td>Teaches related labor studies course, IRLE Faculty Advisory Committee and Vice Chair of Undergrad Studies</td>
</tr>
<tr>
<td>Roger Waldinger, Ph.D.</td>
<td>Distinguished Professor</td>
<td>Sociology</td>
<td>Teaches related labor studies course, IRLE Faculty Advisory Committee</td>
</tr>
<tr>
<td>Goetz Wolff</td>
<td>Lecturer</td>
<td>Urban Planning</td>
<td>Teaches cross-listed courses with labor studies</td>
</tr>
<tr>
<td>Kent Wong, J.D.</td>
<td>Academic Administrator</td>
<td>Labor Studies, Asian American Studies</td>
<td>Director, UCLA Labor Center; Teaches</td>
</tr>
</tbody>
</table>
Section 7: Recommendations for Initial Administrative Committee

Initial administrative committee for the Interdepartmental Labor Studies Major program will be Maylei Blackwell (Chicana and Chicano Studies, Gender Studies), Christopher Erickson (Management), Tobias Higbie (History), Gaye Theresa Johnson (Chicana and Chicano Studies), Kelly Lytle-Hernandez (History, African American Studies), Janice Reiff (History, Statistics), Sarah T. Roberts (Information Science), Abel Valenzuela, Jr. (Chicana and Chicano Studies, Urban Planning), and Noah D. Zatz (Law). A curriculum committee will oversee the evaluation of existing courses and instructors, and vet proposals for new courses. This committee will include a faculty chair (Higbie), and representatives from the Labor Center Instructional staff.

<table>
<thead>
<tr>
<th>Core Ladder Faculty and Recommended Labor Studies FAC Member</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name and Current Appointment</strong></td>
</tr>
<tr>
<td><strong>Proposed Appointment in Labor Studies</strong></td>
</tr>
<tr>
<td>Tobias Higbie, Professor of History; Chair of Labor and Workplace Studies</td>
</tr>
<tr>
<td>Abel Valenzuela, Professor of Chicana and Chicano Studies and Urban Planning; Director of the Institute for Research on Labor and Employment</td>
</tr>
<tr>
<td>Maylei Blackwell, Associate Professor in Chicana and Chicano Studies and Gender Studies</td>
</tr>
<tr>
<td>Christopher Erickson, Professor of Management and Organizations; Senior Associate Vice Provost and Director of the International Institute</td>
</tr>
<tr>
<td>Name and Title</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Kelly Lytle-Hernandez, Professor of History and African American Studies</td>
</tr>
<tr>
<td>Gaye Theresa Johnson, Associate Professor of Chicana and Chicano Studies</td>
</tr>
<tr>
<td>Janice Reiff, Professor of History and Statistics, Waldo M. Neikirk Endowed Term Chair in History</td>
</tr>
<tr>
<td>Sarah T. Roberts, Assistant Professor of Information Studies</td>
</tr>
<tr>
<td>Noah D. Zatz, Professor of Law</td>
</tr>
</tbody>
</table>

Section 8: Changes in Senate Regulations

No changes in Senate Regulations need to be made or are requested.

Section 9: Library Support

We do not foresee the need to acquire significant additional library materials. The library currently has rich collections in the form of monographs, database access, and journal subscriptions to support the Labor Studies Major and Minor. Collections on economics, migration, race, and gender are well-represented in the UCLA Library, and the wider UC Library system. Over the past five years, faculty and staff affiliated with the IRLE and Labor Center have also collaborated with the Library’s Department of Special Collections to gather a rich set of archival collections documenting important labor unions and social movement organizations in Los Angeles. These complement existing collections to provide a very rich resource for student research.

Section 10: Letters of Commitment from Supporting Departments
[Letter is attached from Chicana and Chicano Studies. Additional letters will be forthcoming from Asian American Studies, African American Studies, Gender Studies, History, Political Science, and Sociology and Public Policy.]
Enclosures

Letter of Support from UCLA Social Sciences Division

Resource Analysis Letter from Academic Planning and Budget

Resources Requirement and Enrollment Plan

Labor Studies Budget FY16-17 through Projected Budget FY22-23

Letter of Support from the Institute for Research on Labor and Employment

Letters of Commitment from Faculty

Letters of Support from History, Chicana and Chicano Studies, and Sociology

UCLA Senior Survey 2017 – Labor and Workplace Studies Students Satisfaction with Minor

Course Description and Syllabus for New Courses – LABOR 100SL
To: Julio Vergara, Chair  
2017-18 Graduate Council  

From: Darnell Hunt, Dean  
Division of Social Sciences  

Date: May 14, 2018  

Re: Proposed Major and Minor in Labor and Social Justice Studies (LSJ)  

Dear Professor Vergara:

I am pleased to write this letter of support for the Institute for Research on Labor and Employment’s proposed new undergraduate major and minor in Labor and Social Justice Studies (LSJ). Both the major and minor are aimed at undergraduates interested in better understanding how inequality limits life chances in our society so that they can apply this knowledge in efforts to bring about progressive change. A “bottom-up” focus on civic engagement and social movements undergirds the multidisciplinary curricula of the proposed major and minor, which consist of a minimum of 48 units and 28 units, respectively. The proposed programs of study resonate deeply with the Division of Social Sciences’ renewed commitment to engaging with community partners in order to address issues of inequality and social justice particularly relevant in the Los Angeles region.

The learning outcomes that motivate the LSJ major and minor and can be grouped into four thematic foci: theoretical approaches to labor and social justice research; perspectives on work and society; social movement leadership; and applied research and scholarly communication. There is also room in the curriculum to foreground the work of UCLA’s growing community of scholars who study mass incarceration and its deleterious impact on access and equity, particularly for vulnerable minority populations. The proposed major and minor, in this sense, would fill an important gap in what students currently have the opportunity to study at UCLA by providing a robust series of courses on interconnected social justice issues, rooted firmly in the social science tradition. In my view, the major and minor would nicely complement the Luskin School of Public Affairs’ forthcoming undergraduate major, which also applies social scientific insights to study inequality but more through the administrative lens of public policy, urban planning and social welfare.
The Office of Academic Planning and Budget has reviewed the proposed budget for the LSJ major and minor and found that, while the IRLE is currently in a sound position, neither IRLE nor the Division of Social Sciences have the excess resources to fund the new major indefinitely. APB recommends identifying ways to manage delivery of the necessary courses for the new major and minor within the Division’s foreseeable allocation of UAIF funding. I believe this can be achieved with careful planning, and I am committed to working with Division staff to ensure that both the major and minor are established on a firm footing. Indeed, both programs of study rely largely upon dozens of elective courses already offered across several departments in the Division of Social Sciences. In addition, a proposed menu of IDP core courses builds on those currently offered in the existing Labor and Workplace Studies minor, from which LSJ majors would be required to complete at least 28 units and minors at least 4 units. For this reason, existing faculty resources are sufficient to launch the new programs. Professor Toby Higbie has committed to serve as chair for the new IDP, and seven other faculty members — including five from the faculty committee for the existing minor in Labor and Workplace Studies have agreed to serve on the faculty committee for the LSJ major and minor. Future decisions about Division hiring priorities will be made in accordance with the growth of the new major and minor and any overlap of its subject matter with the foci of existing social science units.

Finally, student demand for the proposed LSJ major and minor seems solid. By the 2016-17 academic year, the existing Labor and Workplace Studies minor had attracted 200 students to the program of study; it also made hundreds of service learning and field research placements for enrolled students with dozens of community organizations and unions. It is worth noting that the number of minors in the existing Labor and Workplace Studies program already rivals the numbers for some the smaller departments in the Division of Social Sciences, and would only grow once it is replaced by the new LSJ major and minor.

In short, I believe the proposed LSJ major and minor would provide our students with a unique opportunity to gain the analytical and communication skills necessary for effectively engaging with the social world around them. The programs would fill in an important gap in the current offerings at UCLA, while benefitting from and building on the strengths of our Division. For these reasons, I enthusiastically support this proposal.

Sincerely,

Darnell M. Hunt, PhD
Dean of Social Sciences
To: Beth Lazazzera, Chair, 2017-18 Undergraduate Council  
From: Jeff Roth, Associate Vice Chancellor, Academic Planning & Budget  
Re: Resource Analysis for Labor and Social Justice Studies Undergraduate Major

Dear Beth,

I am writing in response to a request for a resource analysis of the Institute for Research on Labor and Employment’s proposal to establish an undergraduate major degree program in Labor and Social Justice Studies. The goal of the program is to bring students, academics, and practitioners into dialog around the labor and justice-related challenges facing contemporary society.

No additional resources for faculty, staff, space, or equipment have been requested at this time. While the Institute for Research on Labor and Employment is currently in a sound financial position, the Division and the Department do not appear to have excess funds to support this program indefinitely. Even so, the program identifies the use of current administrators and GSIs to support the program along with funds from the Dean in order to ensure that the program is in a balanced budget position. The Dean’s support assumes that the Division will receive increased amounts of Undergraduate Academic Incentive Funding (UAIF) in order to support the program and as a result assumes that the pool of available UAIF funding will grow in the future. Therefore, the Division and the Department will need to continue to consider the cost implications of this program within its current budget structure and also available central UAIF funding.

Please do not hesitate to contact me should you have any additional questions.

Sincerely,

Jeff Roth  
Associate Vice Chancellor  
Academic Planning and Budget
Resource Analysis

The purpose of this document is to provide guidelines regarding the “Resources Requirements and Enrollment Plan” section of Degree Program Proposals. While each of these may not apply to every new degree program, the following are the considerations that the Office of Academic Planning & Budget take into account when reviewing proposals.

RESOURCES REQUIREMENTS AND ENROLLMENT PLAN

Information Required
Please describe the following as related to the addition of new programs or degrees.

1. Expected student enrollment start date (effective date): Winter 2019

2. Faculty FTE:
   • Are there existing faculty that will teach the proposed program? If so, how many? List headcount and FTE.
     - Abel Valenzuela - .17 FTE (IRLE Director teaching in Labor Studies program and having that count either as an overload or part of regular teaching load)
     - Tobias Higbie - .17 FTE (Associate Director and Chair of Minor has a 3-year commitment to buyout one class per annum)
     - 4 Academic Administrators to teach under arrangement with UCLA Labor Center – 1.5 FTE
       • Kent Wong
       • Janna Shadduck-Hernandez
       • Gaspar Rivera-Salgado
       • Victor Narro
     - 10 Unit 18 lecturers to be funded by the Division of Social Sciences teaching 17 courses – 2.167 FTE
   • Will new faculty be needed? For example, will additional ladder, non-ladder faculty, and TAs be needed to teach courses, act as program chair, or serve other roles within the program?
     Based on Year 1 of Labor Studies IDP (2018-19), no additional faculty needed beyond current and future enrollment projections. However, the Chair of labor studies program will be looking into buyouts using summer sessions revenue. Unit 18 lecturers and 13.5 GSI’s (2.25 FTE) are supported by funds from Division of Social Sciences.

3. Academic Administration: Describe if any additional academic administrators will be needed. This may include an Academic Program Director, committee members, student advisors, etc.
   No additional academic administrators required under current enrollment projections for the Labor Studies program.
4. **Staff FTE:** Describe if any additional administrative staff will be needed. Take into account recruiting and admissions activities as well as ongoing staff needed such as SAOs, budget staff, HR, and IT.

   No additional staff required at this time. Two full-time personnel charged with administrating and advising our majors (and minors) and running our teaching program and 1 student work-study currently support Labor Studies program.

5. **Library Acquisition:** Will additional library acquisitions be needed?

   None will be needed at this time.

6. **Space and Other Capital Facilities:** Will additional space and facilities be needed? Also discuss the proposed location of any such facilities.

   Currently, the Labor Studies program has only one additional room adjacent to that of the Labor Minor SAO’s office, on the 9th floor of Bunche. This room is allocated for our 32 instructional staff to hold office hours, faculty committee meetings and student appointments. In order to best support and serve our students, and based on current enrollment projections and our instructional and administrative staff headcount, an additional room or two in Bunche, for faculty offices is of utmost need.

7. **Computing and Instructional Equipment:** Will additional computing or instructional equipment be needed? This may also include software, web services, etc.

   No additional computing or instructional equipment needed at this time.

8. **Other Operating Costs:** Are there any other operating costs that need to be noted? These may include any accreditation fees, travel-related expenses, supplies, service fees paid to other UCLA units, etc.

   Expenses include supplies, communication, media and promotional materials, accreditation fees, guest lecturer parking and labor minor programming expenses, service fees paid to other ucla units and travel-related expenses to be funded by summer sessions revenue and the Institute for Research on Labor & Employment.

<table>
<thead>
<tr>
<th>Operating Costs</th>
<th>Projected Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Academic Year</td>
<td>$35,687</td>
</tr>
<tr>
<td>Per Summer</td>
<td>$2,336</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$38,023</td>
</tr>
</tbody>
</table>

9. **Enrollment Plan:** What is the current and projected enrollment of the proposed program?

   50-65 majors in 3 years
   - Year 1: 15-20 students
   - Year 2: 30-40 students
   - Year 3: 50-65 students
10. **Financial aid:** Will there be additional financial aid expenses?

   There will be no additional financial aid expenses.

11. **Student enrollment type:**
   a. Will the students enrolled in the program be full-time students? **Yes**
   b. Are students expected to primarily take courses on the UCLA campus? (Are they expected to physically be on campus for the majority of their courses?) **Yes**
   c. Is this a fully off-campus program? **No**
   d. Are courses to be primarily held in the evening or during the weekend? **No**

12. **Overall impact to department budget:** Provide a table that shows the Department’s most recent year of actuals, along with a projected budget that includes the revenue and expenditures associated with the proposed program. The submitted budget should reflect any impact that the proposed program would have on the Department’s budget.

   Department fiscal team is currently working on table.
October 1, 2018

Letters and Sciences Faculty Executive Committee
c/o Mitsue Yokota

Re: IDP Major in Labor Studies

I write in my capacity as Director of the Institute for Research on Labor and Employment to convey my unequivocal support of our IDP’s Major and Minor in Labor Studies. I look forward to the pending conversion of our proposal for a Labor Studies major which the Institute for Research on Labor & Employment will support and actively grow and promote. As Director, I’m committed to seeing this process through and will also devote some of my teaching time (.17 FTE) effort as either an overload or part of my regular teaching load currently concentrated in Chicana/o Studies (though all of my courses are cross listed with LBR&WS). Having at least one of my classes housed in the new program is part of a larger strategy to secure ladder rank support for our teaching program, including from the associate director (History Dept. FTE) and some colleagues from our Faculty Advisory Committee who have expressed interest in either cross listing their classes with us or teaching a class with us.

Our proposal carefully outlines our enrollment plan and course listing for moving our program forward. Our estimates are modest and I believe that the current ratio of courses/faculty/class distribution by quarters will accommodate our growth trajectory. For the past few years, as our demand has grown, we have either adjusted the size of our class enrollment caps or offered new courses. We anticipate similar adjustments as we transition to becoming a major. As a result of previous administrative changes, we currently have two full-time departmental staff to manage our existing program and our growth trajectories. Most of the smaller departments in the College are staffed by two or three full-time administrators and so we believe that our existing staff structure, with some job description adjustments, will be adequate to address our proposed growth into a major. Because we offer summer courses and I made the decision to earmark those resources to our teaching program, we have a modest operating budget that we will devote to accreditation fees, travel-related expenses, supplies and photocopying, faculty development, and service fees paid to other UCLA units. We also earmark modest resources for our year-end graduation, a speaker series, and events in which we host light refreshments or food.

We have modest space for our teaching program. As noted in our proposal and resource analysis section, we have one additional room adjacent to the Labor Minor SAO’s office, on the 9th floor of Bunche Hall. As a result, it is difficult for us to house faculty, host office hours, or share a collective space for our students, faculty, and staff. We will be
working with staff in the Dean’s Office to increase our space and secure an additional 1-2 faculty offices.

If it isn’t already evident, I close by confirming that the Institute for Research on Labor and Employment is committed to devoting administrative leadership, staff, and resources to support the IDP to add a Major. I will continue to work with and support the LBR&WS Chair, Professor Tobias Higbie. His own role as Associate Director of the Institute signifies in real terms his and our support of our teaching program and our proposal.

Please do not hesitate to let me know if you need any further information or clarity about my support and that of the Institute for Research on Labor and Employment for our IDP Major in Labor Studies proposal.

Sincerely,

Abel Valenzuela
Director
Institute for Research on Labor and Employment

CC: Tobias Higbie, Chair, Labor and Workplace Studies
Darnell Hunt, Dean, Division of Social Sciences
October 5, 2018

To: Abel Valenzuela, Director, Institute for Research on Labor and Employment

RE: Commitment Letter for the Labor Studies IDP

I write to confirm my enthusiastic support for the proposal to establish an Interdepartmental Degree Program (IDP) in Labor Studies at UCLA. I would be pleased to continue my work as chair of the Faculty Advisory Committee (FAC), and to lead the governance of the new IDP. I expect to hold a joint appointment in the new IDP at 0% FTE without salary. In the future, I would like to explore moving a portion of my faculty line into the new IDP.

Through an arrangement with my home department, I expect to teach one class per year for the Labor Studies IDP. My course offering will switch annually between a research capstone class (Labor Studies 191) and either Labor Studies 10 or Labor Studies 101. In addition, I regularly teach two courses in the History Department that serve Labor Studies Students. American Working-Class Movements (History 146B) is an upper division survey of U.S. labor and working-class history with an emphasis on the 20th century. The course explores a variety of working-class social movements, including trade and industrial unions, political parties, cooperatives, as well as movements for African American and immigrant civil and political rights. A companion course, Comparative Immigration History (History 146C) surveys the migration history of North America with a focus on the United States since 1800. The role of white supremacy in law and policy, the shaping of vernacular citizenship by the actions of immigrant individuals and communities, and the globally connected nature of migration as a modern phenomenon are central themes of the course. In addition to these courses, I regularly teach upper division historiography courses on labor and migration history, and serve as the faculty advisor students pursuing independent study on similar topics.

As a historian of work, migration, and social movements in the modern United States, my research and teaching are closely related to the focus of the new IDP. My most recent book, *Labor’s Mind: an intellectual history of the working class* (University of Illinois Press, 2019), recasts the history of modernizing America through the lives of working-class readers, and their encounter with college-educated intellectuals in urban lecture forums, labor colleges, progressive organizations during the early 20th century. This meeting of the minds over the class divide sparked debates about the comparative value of experience versus book learning, the purposes of higher education, and the nature of authentic social movement leadership. The network of worker-students who participated in labor colleges and open forums constituted a shadow labor movement that bridged sectarian conflict within radical and progressive movements during the 1920s and 1930s. *Labor’s Mind* recovers lost paths for both the labor movement and higher education, providing necessary context for the current fascination with digitally enabled self-education. Like *Labor’s Mind*, my previous publications focus on the cultural history of industrial society, the social imaginary of the labor movement, and lives of migrant workers. In addition to my first book,
Indispensable Outcasts: Hobo Workers in the American Midwest (University of Illinois Press, 2003), I have published research articles in the journals Labor: Studies in Working-class History, Labor History, and Social Science History, as well as chapters in edited volumes on migration, labor, and the history of education.

Since 2008, I have been closely involved with the development of the Labor and Workplace Studies minor from a modest program with about 40 students to one that enrolls hundreds each quarter. Our course offerings have become more diverse and more systematic, providing students with unique opportunities to deploy their academic knowledge in real-world research settings and in community organizations. Establishing a major degree in Labor Studies will distinguish UCLA as a leader in creative and socially-relevant teaching in the service of the people of California.

Sincerely,

Tobias Higbie
Professor, UCLA History Department
Chair, Labor & Workplace Studies
September 26, 2018

To: Abel Valenzuela, Director, Institute for Research on Labor and Employment

RE: Commitment Letter for the Labor Studies IDP

I write to confirm my enthusiastic support for the proposal to establish an Interdepartmental Degree Program (IDP) in Labor Studies at UCLA. I would be delighted to participate in the governance of the new IDP as a member of the Faculty Advisory Committee (FAC). I expect at the outset to hold a joint appointment in the new IDP at 0% FTE without salary. I also am very interested in exploring moving a portion of my faculty line, currently 100% in the Law School, into the new IDP.

I am eager to teach regularly in the new IDP. I recently taught “Work, Race & Mass Incarceration: The Law of Post-Conviction Employment” (LBR&WS 187-1), an undergraduate version of the “Reentry, Work & Race” course that I had developed initially for law students. It is an interdisciplinary course that integrates law, social science, and public policy materials addressing different approaches to employment of formerly incarcerated people and the normative, empirical, and institutional design considerations at stake in those approaches. I employ a similar method in two other courses that I have developed for law students but that could also be adapted for undergraduates. These are Public Benefits Law & Anti-poverty Policy (which heavily emphasizes the ways in which various benefits programs are designed as replacements, supplements, or enables of labor market income) and Work, Poverty & the Law (which surveys legal issues of significance to low-wage workers, including both traditional employment and intersections with criminal law, family law, and public benefits law). I also have been involved in experiential education at the law school, including chairing two major committees to design and implement a new vision for experiential education, as well as teaching an Employment Discrimination Law Practicum that integrated a seminar for advanced students with field placements in community organizations, primarily those working on employment rights of immigrant workers and formerly incarcerated people. I am interested in pursuing similar projects that include undergraduates, potentially in collaboration with law students, and that would be consistent with the service learning and engaged research commitments of the proposed IDP.

My research is squarely in line with the substantive focus of the IDP. Much of my career has been spent analyzing how the law defines what counts as work, who counts as a worker, and how the answers to those questions are tied to fundamental issues of, and conflicts over, citizenship and subordination. I have addressed these questions in the contexts of welfare work requirements, prison labor, sex work, reproductive labor, immigrant workers, and the “fissuring” of conventional employment relationships through sub-contracting, independent contracting, and staffing agencies. A major concern throughout is the raced and gendered construction of distinctions between market and nonmarket work, for which I have drawn
heavily from feminist analysis of care work, theories of racial capitalism, and economic sociology.

My current research project, “Get To Work or Go To Jail,” develops these themes through analysis of work requirements enforced by threats of incarceration in the context of child support enforcement, collection of criminal legal debts, and noncustodial criminal legal supervision (such as probation or parole). The project has been supported by fellowships from the Open Society Foundations and the John Randolph Haynes and Dora Haynes Foundation, as well as a research grant from Laura and John Arnold Foundation; the latter is a collaboration with the UCLA Labor Center. This project relies heavily on interdisciplinary research collaborations, including active ones with a quantitative sociologist (Naomi Sugie, UCI), an urban economist (Michael Stoll, UCLA Public Policy), and an ethnographer (Veena Dubal, UC Hastings School of Law); I previously collaborated with feminist labor historian Eileen Boris (UCSB). One publication from the current project is forthcoming in a volume edited by a qualitative sociologist (Erin Hatton ed., Prison/Work: Labor in the Carceral State (UC Press) and another (with Stoll) is in preparation for a Russell Sage Foundation Journal special issue on “Incarceration as a Labor Market Institution.” Prior work of mine has been in edited volumes as part of series in sociology of work (Nina Bandelj ed., The Economic Sociology of Work) and the annual research volume of the Labor and Employment Research Association (Annette Bernhardt et al. eds, The Gloves-Off Economy: Workplace Standards at the Bottom of America’s Labor Market (Cornell ILR Press)). Earlier work was published in the peer-reviewed interdisciplinary journals Signs: Journal of Women in Culture and Society and Social Service Review.

Thus, although my current appointment is in a professional school, my research is well-suited to supporting interdisciplinary teaching of undergraduates, especially in the social sciences. In complementary fashion, my expertise in law and policy enables me to engage in teaching that demonstrates to students the connections between the research questions driving the traditional disciplines and contested contemporary public policy questions. This extends as well to involving undergraduates in engaged research, something that I already have been doing through my current collaboration with the Labor Center studying the use court-ordered community service in Los Angeles County as a labor institution.

I am excited about the prospect for a Labor Studies major to offer an academically ambitious, socially relevant program that will advance the education of our students, the research program of our University, and the well-being of the people of Los Angeles and California.

Sincerely,

Noah Zatz
September 29, 2018

To: Abel Valenzuela, Director, Institute for Research on Labor and Employment

RE: Commitment Letter for the Labor Studies IDP

I write to confirm my enthusiastic support for the proposal to establish an Interdepartmental Degree Program (IDP) in Labor Studies at UCLA. Should you need me to serve as a member of the Faculty Advisory Committee (FAC) and take an active role in governing the new IDP, I would be happy to do so. Otherwise, I would look forward to serving as a member of the Affiliated Faculty of the IDP as a 0% appointment, without salary.

Given my current administrative obligations in addition to my departmental and cluster teaching, I cannot offer to teach a class for the new IDP right now. However, when I step away from those obligations, I would be interested in doing so. Such a class would probably build on courses I have taught in the past relevant to the major such as my course on Historic Filipinotown down in conjunction with the Pilipino Workers Center or my research on the relationship between community formation and transformation and employment opportunities in and around the Pullman community on Chicago’s South Side. A third possibility would be a course on public history focused on labor sites drawing on my recent experiences consulting on several newly designated sites by the National Park Service.

My current research relevant to the Labor Studies IDP focuses on the century long transition of the Chicago neighborhoods surrounding Pullman Car Works from 1881 when the initial factory was built through the time the plant closed in 1981. Themes explored in the project involve industrialization and deindustrialization, job segregation and residential segregation, changing strategies for unionization and the effectiveness of those unions in securing workers’ economic and physical well-being, the corporate relocation of company jobs within the US, and the impact of all of the above on the tens of thousands of workers in the communities that depended on jobs at Pullman and connected industries. As is readily apparent, this project will benefit greatly from the opportunity to share in the intellectual environment of the IDP.

Please let me know if you need any further information.

Sincerely,

Janice L. Reiff
Professor, History, Statistics, and Digital Humanities
Waldo W. Neikirk Term Chair in Innovative Undergraduate Instruction, 2015-18
Special Assistant to EVC/Provost Waugh for Online Instruction
21 August 2018

Tobias Higbie
Professor of History
Associate Director, Institute for Research on Labor and Employment
Chair, Labor & Workplace Studies IDP

Dear Toby,

As the Chair of the Department of History, I am writing to express the department’s support for the new interdepartmental major in Labor and Social Justice Studies. Our department has worked with the Labor & Workplace Studies IDP in supporting their Labor & Workplace Studies minor, so the addition of a major extends an already-established and fruitful relationship.

Last spring, the department examined the proposal for the new major and voted unanimously in support of this addition to majors offered to UCLA students. The department is prepared to support the major with the appropriate course offerings.

Thank you for work on this important initiative.

Sincerely,

Carla Pestana
Department Chair
Professor and Joyce Appleby Endowed Chair
April 4, 2018

College Faculty Executive Committee
A-265 Murphy Hall
157101

RE: Support for Proposed New Major in Labor Studies

Dear College Faculty Executive Committee,

The César E. Chávez Department of Chicana and Chicano Studies supports the Institute for Research on Labor and Employment (IRLE) and endorses the proposed Labor Studies major as well as the Labor & Work Studies minor program. The Chicana and Chicano Studies department faculty discussed the proposed Labor Studies major on April 3, 2018 and voted (11 yes, 0 no, 0 abstain, 5 absent) in support of the proposed Labor Studies major program. The department invites IRLE students to enroll in critical thematic Chicana and Chicano Studies courses which serve as vital course credit options within the proposed Labor Studies major program. We look forward to the continuation of our successful collaborations and invaluable partnership.

Sincerely,

Eric Avila
Chair and Professor, César E. Chávez Department of Chicana and Chicano Studies
Professor, History and Urban Planning

CC: Tobias Hibie
May 31, 2018

Tobias Higbie  
Professor, UCLA Department of History  
Chair, Labor & Workplace Studies  
6265 Bunche Hall  
Los Angeles, CA 90095-1473

Dear Professor Higbie:

I write to endorse your proposed plan for a new major in Social Justice and Labor Studies. Our departmental Executive Committee met on May 30th, 2018, and voted unanimously in support of your proposal. Your planned major complements many other programs in the Social Science Division, including our own. Our Executive Committee was particularly impressed by the opportunities for undergraduates to enhance their learning through internships and applied field research in a capstone experience. These will be valuable experiences indeed for your students.

We in the Sociology Department wish you the best in launching your planned new undergraduate major.

Sincerely,

Megan Sweeney  
Professor and Chair  
Department of Sociology
## Labor and Workplace Studies

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Course Description and Syllabus for New Course

100SL. Work and Service Learning: Civil Society and Community Organizations
Units: 4
Lecture, two hours. Students examine inequality in contemporary civil society through structured and reflective engagement with a community-based organization in Los Angeles. Each student will work directly with an organization currently addressing issues such as labor market access, immigrant rights, workplace rights, and community development. Lectures, classroom discussions, and reading supplement and frame the service learning experience. Grading based on participation in service learning assignment, class discussion, and written assessments.
Labor Studies
LABOR 100SL - Work and Service Learning: Civil Society & Community Organizations

Abel Valenzuela Jr.
Professor and Director
Institute for Research on Labor and Employment
abel@irle.ucla.edu

Class Description
Some of the ways civil society responds to social and economic inequities is through organizing, coalition building, and creating community-based organizations. Service learning is a method (experience) whereby you can learn and develop human capacity through active participation in thoughtfully structured and organized service within a community and an organization. Working communities in Los Angeles are often found in these disadvantaged situations and as a result, there exists many examples of organizations and programs that address unmet needs. For example, language, immigration status, and location often make job access for Latinos difficult; for Blacks, similar issues of space, information about jobs, and their location drives job insecurity. Primarily through service learning but also through readings, lectures and class discussion, we will examine some of the important roles and processes that community-based organizations and by extension, civil society undertakes in redressing labor market inequities, with a particular focus on two primary work groups; African Americans and Latinos. In looking at these two groups, we will also pay particular attention to immigrant workers, including those from Latin America and Asia.

Class Objective
We will use several learning tools to study the role of students, community based organizations, and neighborhoods in problem solving and intervention; our particular focus will be work and workers. You will also be exposed to different problems and types of solutions through a community context framework that places emphasis on neighborhoods and organizations. Issues of social change, equity, inequality, organizing and social justice will be addressed. At the end of the quarter, you will look at neighborhoods differently, employing analytical tools that promote community ethnography, demographic, and asset-based models to community development. Finally, you will obtain a richer appreciation for the complexities, hopes, and impact of community based organizations on worker issues that impact Latina/o and African American communities by undertaking a final project including a SWOT analysis.

Community Partners and UCLA
We have a growing list of community partners and organizations that have a long tradition implementing social change in multiple neighborhoods of Los Angeles. These organizations also have a strong relationship with our minor and we value the opportunities they provide for our students. These organizations are varied and address multiple issues including immigration, poverty, education, and employment. A list of community partners, their description, and the service learning opportunities they provide will be available to you on the course web page. From this list, you will select your community partner in a process to be explained by the Teaching Assistant.

*We do not offer opportunities for you to secure a service learning relationship with a community-based organization on your own. There have only been a few rare exceptions and those are done on an individual basis and require the permission of the instructor.
**A significant portion of your course grade will come from completing 50 service learning hours throughout the quarter; 10 of these hours can be credited for commuting time, for a total of 40 hours of actual service. You must begin your service hours by week 2. Starting any time after week 2 will result in a 5% decrease in your final grade.

Course Requirements
This class meets weekly for two hours but the bulk of your learning will take place in your service-learning placement. There, you will be required to record 40 hours for the quarter.

You will be reflecting on your service learning experience weekly through course electronic journal (CE Journal) submissions. There will be a total of 7 opportunities for CE Journal submissions; you will be graded on 5 of the 6. You will find the topics specified under the designated weeks. Please write a short 200-250 word response to the reflection topics and submit it on the forum for that week on the course webpage by midnight the night before our class meeting (Monday night). The nature of the assignment is informal; however, you are expected to submit quality college-level work. In addition, you will participate in a group presentation (10-15 mins) of your organization beginning on Week 4. We will do between two and three per class session until the end of the quarter. This will be part of your reflection on your service learning. Reflection is a key and important part of any service learning class. Information regarding this assignment will be distributed separately.

The other portion of your grade will come from your weekly class attendance and participation, and a quarter-long research project. The quarter long research project will begin with a community ethnography assignment that will provide context and data to be used in your analysis and write-up of your report. The final report will include three components: (1) a SWOT analysis of the organization you are placed with; (2) an analysis of the community you are working with/in using the community ethnography and two additional data collection methods (demographic portrait and asset identification) which we will cover in class, and (3) an integrated analysis. The Final Research Project is due on the last day of class (at the beginning of class). More details will be provided separately. There is no final examination for this class.

Grading
I. Service Learning (55%)
1. Fifty hours of service learning in a community based organization (35 pts)
2. Reflection (In class & CE-Journal) (10 pts)
3. Organization Presentation (In-class) (10 pts)

II. Classroom (45%)
3. Attendance and Participation (7 pts)
4. Community Ethnography Assignment (8 pts): Assignment Prompt
5. Final Project Assignment (30 pts)
   SWOT Analysis (10 pts): Assignment Prompt
   Community Profile (10 pts)
   Asset mapping (5pts): Assignment Prompt
   Demographic Profile (5pts): Assignment Prompt
   Integrated Analysis – should include ethnography (10 pts): Prompt Forthcoming

*Attendance is mandatory and will be recorded. Please come to class on time having read the assigned readings.
*FINAL RESEARCH PROJECT will be due during Week 10. However, there will be an earlier due date for the SWOT Analysis portion (Week 6). The final report will require that you integrate
the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, the community profile and the integrated analysis into one final paper. We will provide a set of instructions for the SWOT Analysis and another for the Community Profile & Integrated Analysis portions.

*After careful consideration, I will allow you to work on the FINAL PROJECT ASSIGNMENT (#5 above) including the SWOT analysis, Community Profile (asset mapping and demographic profile), and Integrated Analysis in groups. I will only allow you to work with up to three students, but no larger than that. Therefore, I'm fine with you working alone, as a pair, or as a trio. Working in a group raises my expectation level for your final product. I also expect that students working in a group will undertake their fair share of work; no slackers please. During week 2, I will pass out prompts related to the final project.

**Readings**

There is no book or reader for purchase for this class. Reading assignments are light and therefore we expect you to complete them. All readings will be made available via the course web page. Please read articles for the week in which they are listed and be prepared to discuss during class.

**Other Matters**

Each student will be required to submit all required assignments in a timely manner. You must submit a hard copy of your Final Research Project. These assignments will NOT be accepted electronically (i.e. email, fax, etc.) Late submissions will not be accepted.

Cell phone – please keep turned off.

Laptops- please bring a notebook to class for occasional note taking. Laptops are disruptive and therefore we request that you not use during class time.

**Course Schedule**

Week 1 Service Learning Placement Form, Waiver (signed)
Week 2 CE Journal Entry (Reflection 1) Due
Week 3 Begin community service by this date, CE Journal Entry (Reflection 2) Due
Week 4 **Community Ethnography Assignment Due**
Week 5 CE Journal Entry (Reflection 3) Due
Week 6 **SWOT Analysis Due**
Week 7 CE Journal Entry (Reflection 4) Due
Week 8 CE Journal Entry (Reflection 5) Due
Week 9 CE Journal Entry (Reflection 6) Due
Week 10 **1) Final Research Project Due, 2) Timesheet Due (signed)**
   
   **Official end of placements**

**Week 1: Course Introduction & Logistics**

- Service Learning Placements, Waiver, Timesheets

Due: Service Learning Placement Form, Waiver

**Week 2: Researching Neighborhoods- Community Ethnography**

- Lecture: Prof. Valenzuela
- Group discussion of projects- define geographic boundary
Due: CE Journal Entry
Please reflect on your thoughts about the role of community-based organizations in Los Angeles. What are your own experiences, if any, with a community based organization? How do you see community based organizations working in Los Angeles?

Week 3: Service Learning

Guest Speaker:
Douglas Barrera, Ph.D.
Assistant Director
UCLA Center for Community Learning

Due: CE Journal Entry
Please reflect on the following: What does the term engaged scholarship mean to you? How is UCLA engaged with its surrounding communities? Do you think UCLA contributes to the greater social good of the Los Angeles Chicana and Chicano and Latina and Latino community? Please explain your reasoning.

Readings:


Week 4: Civil Society and the Role of Community Based Organizations

- SWOT Analysis Interviews: Silvia Rodriguez Vega
  Please read the SWOT Analysis Prompt (posted on course website) and come to class with questions or concerns you want to address.

Due: Community Ethnography Assignment
See Community Observation & Ethnography memo for instructions
Community Organization Presentation 1
Community Organization Presentation 2
Readings:

UCLA Center for Civil Society: “Stressed and Stretched: The State of the Nonprofit Sector in Los Angeles, 2002-2012”

Week 5: Researching Neighborhoods- Demographic Profiles
- Project prompt & example of demographic profile
- Group discussion of projects- progress made & next steps

Due: CE Journal Entry:
What makes up a community? What exercises (i.e. research) would you undertake to learn about a neighborhood? How would they be useful?
Community Organization Presentation 3
Community Organization Presentation 4

Week 6: Researching Neighborhoods- Asset Mapping
- Lecture & example of asset map
- Group discussion of projects- progress made & next steps

Due: SWOT Analysis
Community Organization Presentation 5 Community Organization Presentation 6

Readings:

UCLA Center for Health Policy Research. Technical Assistance Series, Article #1: Asset Mapping, December 2004


Week 7: Researching Neighborhoods- Asset Mapping, Demographic Profiles, Ethnography
- Group discussion of projects- progress made & next steps

Due: CE Journal Entry:
- What are some of the methodological challenges in doing community research? How do you make sense of your neighborhood’s reality and what others say about it (i.e. service learning placement organization, residents, outsiders, etc.)?
• Community Organization Presentation 7
• Community Organization Presentation 8

Reading:

**Week 8: Community Collaborations & Reflection**

Film: The New Los Angeles

Due: CE Journal Entry:
Please reflect on the following: As you reach the end of your service learning placement think back to your very first reflection (week 2). Have your perceptions changed? How do community organizations contribute to problem solving and community development? Does UCLA play a significant role? Do you as a student? How can these three groups build stronger, more impactful connections with Chicana and Chicano communities in Los Angeles?

Community Organization Presentation 9 Community Organization Presentation 10

**Week 9: Community Panel: The Role of Civil Society**

Due: CE Journal Entry
Please comment on your service learning experience in your site placement. If you were to recommend this placement to the next class, what feedback would you provide? What are the positive and negative aspects of your service learning experience at this site? Is there a story you would like to share (i.e. your most memorable moment, a success story, your worst experience, etc.)?

**Week 10: Conclusion - The big picture: service learning, engaged scholarship, student movements & civil society in LA**

• Share experiences & group project outcomes

Due: Final Research Project & Signed Timesheets

Due: Final Research Project & Signed Timesheets

**June 10: End of placements**
February 7, 2019

To: Academic Senate Executive Board

From: Chris Niemann, Chair
Rules & Jurisdiction Committee

Re: MFE-Asia Pacific Degree Program Proposal Submitted to R&J on January 28, 2019

As noted in the attached letter, the Rules & Jurisdiction has reviewed the above-referenced regulations and has determined that no new regulations are needed as it is not a new degree. To distinguish their program, they have the option of proposing a diploma designation.

cc: Alfreda Iglehart, Committee on Rules & Jurisdiction
    Kumar Rajaram, Committee on Rules & Jurisdiction
    Joe Bristow, Chair, Academic Senate
    Linda Mohr, Chief Administrative Officer, Academic Senate
February 4, 2019

To: John W. Mamer, Faculty Chairman, UCLA Anderson School of Management

From: Chris Niemann, Chair
    Rules & Jurisdiction Committee

Re: MFE-Asia Pacific Degree Program Proposal Submitted on January 28, 2019

Rules & Jurisdiction has reviewed the regulations proposed as part of the MFE-Asia Pacific proposal submitted to Rules & Jurisdiction on January 28, 2019. In reviewing the proposal, the Committee notes that the MFE-Asia Pacific does not materially differ in academic content to the existing MFE degree and, as such, does not qualify as a new degree designation or need new regulations.

Since you want to set apart the program in some way, we suggest that the program instead consider proposing a variance to UC Regulation 730 that would allow for a diploma designation with Asia Pacific as a “designated emphasis.” The request for a regulation allowing a diploma designation can be made after the program completes the approval process and should not impede the review of the proposed program.

cc: Willeke Wendrich, Chair of Graduate Council
    Estrella Arciba, Graduate Council Analyst
    Kumar Rajaram, Committee on Rules & Jurisdiction
    Alfreda Iglehart, Committee on Rules & Jurisdiction
    Linda Mohr, Executive Director/CAO, Academic Senate
    Marian Olivas, Committee Analyst, Rules & Jurisdiction
January 30, 2019

Joe Bristow, Chair
Academic Senate

Dear Joe,

At its meeting on January 25, 2019, the Graduate Council reviewed a proposal from the UCLA Anderson School of Management to establish a new self-supporting Master of Financial Engineering-Asia Pacific. This degree forms one-half of a proposed dual degree program in partnership with Guanghua School of Management at Peking University (PKU). Specifically, UCLA Anderson will offer the Master of Financial Engineering-Asia Pacific degree and the Guanghua School of Management will offer a Master of Finance degree. By a majority vote (10 in favor, 2 opposed, 0 abstention; GSA Reps: 1 in favor), the Graduate Council endorsed the proposal, pending the removal of references related to the pre-selection of candidates for admission by PKU, and recommends approval by the Division and further review by the UC Coordinating Committee on Graduate Affairs. Given that the MFE-Asia Pacific introduces a new degree designation to the campus, I am forwarding the proposal for calendaring on the next Legislative Assembly agenda.

As noted in the attached documentation, the Master of Financial Engineering-Asia Pacific proposal was received by the Graduate Council, which subsequently referred it to the Committee on Degree Programs (CDP) for preliminary review. A number of concerns were raised, including the impact of the proposed program on the School’s current graduate degree offerings and students, academic benefit, admissions process, curricular requirements, ladder faculty commitment, and ladder faculty endorsement, which were shared with the proposing unit. Following the first meeting, CDP referred the proposal to the Council on Planning and Budget (CPB) for further review and analysis, specifically of the program’s proposed budget. The CPB shared its observations with us on April 18, 2018, and raised concerns related to the expansion and potential erosion of the UCLA brand, ladder faculty staffing, faculty overload, and a seemingly unbalanced relationship between both institutions. The Graduate Council has requested the Committee on Rules and Jurisdiction’s review of the proposal (and supporting documents) and is currently awaiting notification of its ruling.

The Council considers the proposal complete and respectfully asks the Executive Board for its endorsement and transmission of the proposed degree program to the Legislative Assembly and, pending its approval, to Executive Vice Chancellor and Provost Scott Waugh for final divisional approval and system-wide review. As has become standard practice, the Graduate Council will conduct an internal review of the program three years after admission of the program’s first cohort.

If you have any questions or require any additional information, please feel free to contact me via Graduate Council Analyst, Estrella Arciba, at earciba@senate.ucla.edu.

Sincerely,

Willeke Wendrich, Chair
Graduate Council

DMS  5–3
Re: Proposal for a Self-Supporting Master of Financial Engineering – Asia Pacific Degree Program

Dear Professor Glanzman and Professor Wendrich,

Thank you for providing the Council on Planning and Budget (CPB) with an opportunity to comment on the proposal from the Anderson School of Management (ASM) to establish a Self-Supporting Master of Financial Engineering (MFE) – Asia Pacific Dual Degree Program in partnership with the Guanghua School of Management at Peking University (PKU). At its meeting on April 9, 2018 the Council discussed the proposal with Elisa Dunn, Executive Director, Master of Financial Engineering, and Wendy Guild, Assistant Dean of Strategic Initiatives. CPB members focused the discussion around the Committee on Degree Program’s thorough questions in addition to the proposer’s response.

After an initial discussion, several concerns were raised:

A) Expansion and erosion of the UCLA brand: Is the addition of students and partnership with PKU equitable with academic quality?
B) Faculty overload: The capstone project would require a considerable time commitment from faculty advisors, especially taking into consideration the target class size.
C) If this degree were to be offered, UCLA’s Anderson School of Management (ASM) would be the first to offer it. However, members were not convinced that there is a need to expand to China. Several members pointed out that China’s financial system is unlike United States’. What is the value of this degree in a Chinese financial market?
D) Given that the Global Executive MBA (GEMBA) is mentioned in the Dean’s letter of support – perhaps to draw a comparison – it should be noted that GEMBA’s success is in many ways attributable to having students from different parts of the world and different universities. Members found this comparison to be disingenuous as it is not a similar program.
E) Are ladder faculty going to be teaching the MFE Finance courses? Do they normally teach the Finance courses at the ASM? If so, will this program be taking away from teaching students in core programs at the ASM? CPB members believe that faculty at the ASM have a responsibility to the campus and to UCLA students, not to PKU students. Does this program only represent an opportunity to fill the teaching load for faculty who are not teaching the regular UCLA students? How is the program benefitting the UCLA campus and California, if graduates are moving back to China? Members observed that the response letter, dated April 5, deflects and does not address
CDP’s question: How does it serve UCLA students given that MFE students are not integrated to the school and campus?

F) With Anderson rankings falling, how will the new dean react to this new program?

G) Although we recognize the benefits of fostering relations with universities abroad, especially in China, the program appears to be exceedingly unidirectional.

H) If students in this program are taught separately then how do UCLA students benefit from learning with students from China? Moreover, how many of our students do we imagine will go to China? To what extent is this a dual program benefiting students enrolled at both institutions?

I) Is there a concern about a difference in the quality of students in the two MFE programs? Will students gravitate towards the MFE program that offers them a chance to complete an internship and Optional Practical Training?

J) Are there any valuable lessons to be learned from the failed Global Executive MBA for the Americas?

Thank you for the opportunity to review this proposal. If you have any questions for us, please do not hesitate to contact me at cbakhos@humnet.ucla.edu or via the Council’s analyst, Elizabeth Feller, at efeller@senate.ucla.edu or x62470.

Sincerely,

Carol Bakhos, Chair
Council on Planning and Budget

cc: Estrella Arciba, Committee Analyst, Graduate Council
    Elizabeth Feller, Committee Analyst, Council on Planning and Budget
    Julio Vergara, Chair, Graduate Council
    Members of the Council on Planning and Budget
To: Mikhail Chernov, Professor, Anderson School of Management  
Elisa Dunn, Executive Director-MFE, Anderson School of Management

From: David Glanzman, Co-Chair, Committee on Degree Programs

Date: March 20, 2018

In Re: Anderson School of Management Proposal for a Self-Supporting Master of Financial Engineering – Asia Pacific Dual Degree Program in Partnership with the Guanghua School of Management at Peking University

Dear Professor Chernov and Executive Director Dunn,

Thank you for attending the March 7, 2018 Committee on Degree Programs (CDP) meeting to present the proposal from the Anderson School of Management to establish a self-supporting Master of Financial Engineering – Asia Pacific dual degree program in partnership with the Guanghua School of Management at Peking University (PKU). The Committee appreciates the amount of time and energy the School has expended on developing the proposal.

The CDP requests clarification on the following before it recommends further review by the agencies of the Academic Senate:

1) What is the overall academic benefit for UCLA to offer this dual degree program?
2) Would the School of Management be able to satisfy the aims of the program in another way?
3) How does this proposed degree program serve or benefit Californians per our land-grant university mission?
4) If there is no foreign-language requirement, how will enrolled UCLA students satisfy the China-based internship with local companies that presumably requires fluency in Mandarin or Cantonese? We understand that the internship requirement is part of the PKU requirements, but given that the proposal is for a distinct dual degree (and unique UCLA degree designation in concert with the PKU degree) it seems that in practice a Chinese language is required for degree completion. Is that the case?
5) Is the PKU internship optional or a degree requirement?
6) Will UCLA faculty have any role in the required summer internship for the PKU degree?
7) What is the plan to have the (required) three UCLA faculty assess each individual student’s contribution to the capstone project?
8) What is the capstone project for this proposed program?
9) The current MFE program at UCLA requires 60 units, at least 120 hours of a required internship and concomitant enrollment in MFE 411, and 5 quarters of enrollment (four academic terms and the summer for the internship). What is the academic rationale for creating a second MFE requiring 40 units, no internship, and 3 quarters of enrollment?
10) What is the plan if a dual degree student obtains the UCLA MFE after the 4th quarter and then withdraws from the PKU program? Would that action be a shortcut to access an abbreviated, and less expensive, MFE from UCLA?
11) If a student in the dual degree MFE would like to change degree objectives to the “regular” MFE, may they do so? And vice versa? Or would the process require an application for admission?
12) Are there plans to have online courses?
13) For the proposed addition to the Senate Regulation, what is the rationale for allowing the dual degree students to have a course where they earned a grade of C to count toward their MFE? Why not keep the bar at B grade or better for each UCLA course?
14) Anderson is renowned for its robust career guidance and placement services. Why won’t the dual degree students have access to career guidance and placement services like those to which their UCLA peers have access?

15) Why is there no Curricular Practical Training (CPT) option for this program? Wouldn’t such an option be attractive to applicants?

16) Please provide further explanation of the rationale for a distinct program name that includes UCLA and PKU hyphenated in the name. What is the intent? How will it be used? What are the implications of such a name for future UCLA programs?

The Committee would greatly appreciate your consideration of its comments and the submission of an updated proposal that addresses them satisfactorily. If you have any questions or concerns about this response, please feel free to contact us via Graduate Council Analyst, Estrella Arciba, at earciba@senate.ucla.edu.

cc: April de Stefano, Assistant Dean-Academic Services, Graduate Division
Wendy Guild, Assistant Dean of Strategic Initiatives, Anderson School of Management
Julio Vergara, Chair, Graduate Council
Willeke Wendrich, Co-Chair, Committee on Degree Programs
Estrella Arciba, Principal Analyst, Graduate Council
APPENDIX P: Amendment to Proposal – Admissions Process

On January 30, 2019 Willike Wendrich, Chair of Graduate Council communicated to Joe Bristow, Chair of Academic Senate that Graduate Council endorsed this program by a vote of 10 in favor, 2 opposed and 0 abstentions. This endorsement stipulated the removal of references related to the pre-selection of candidates for admission by PKU. Let this appendix reflect the removal of the following sentence in Section 2 on page 7.

Section 2. Program Description

Admission to the Dual Degree Program

To gain admission to the UCLA-PKU dual degree program in Financial Engineering, all applicants will be required to meet the admission criteria established individually by UCLA and PKU. PKU will pre-select students based on their admissions criteria; these applicants then apply to the UCLA program and the same rigorous UCLA criteria will be applied to that applicant pool as for anyone applying directly to our programs.
Revision to Admissions Blurb from letter dated 11/15/18

Original Text:

Admissions Process
We intend to use Slate as a single point of entry – accessed by students from both of our websites – to manage the application process. Both UCLA Anderson and PKU Guanghua will have full access to all student applications for review and decisions will be made jointly regarding offers of admission. Candidates will only receive one notification of admission from both universities. The UCLA-NUS EMBA program uses the same process successfully.

Please see attached an email confirmation from our main point of contact at PKU, Shujun Mo, Assistant Dean, dated October 25, 2018, confirming that they accept our proposal to set-up one common instance of Slate. Shujun’s contact information and title are included below for your reference.

Suggested Revision:

Admissions Process
We intend to use a separate instance of Slate as a single point of entry – accessed by students from both of our websites – to manage the application process. Both UCLA Anderson and PKU Guanghua will have full access to all student applications for review, and decisions will be made jointly regarding offers of admission. Candidates will receive their official acceptance to UCLA from the Graduate Dean as per UCLA policy. As in the UCLA-NUS EMBA program’s letter, the official acceptance letter from UCLA will not be signed by any university official other than the Graduate Dean. This letter will state that UCLA has admitted the applicant to the MFE Asia Pacific Program. PKU may issue its own acceptance letter to that institution. There may be a separate letter from UCLA and/or PKU that explains the two acceptances to the applicant; any joint communication should be reviewed by campus counsel before it is utilized.

To ensure data security, the separate instance of Slate will not be shared by any other Anderson or UCLA program. Please see attached an email confirmation from our main point of contact at PKU, Shujun Mo, Assistant Dean, dated October 25, 2018, confirming that they accept our proposal to set-up one common instance of Slate. Shujun’s contact information and title are included below for your reference.
Section 2. Program Description

Admission to the Dual Degree Program

To gain admission to the UCLA-PKU dual degree program in Financial Engineering, all applicants will be required to meet the admission criteria established individually by UCLA and PKU. Applicants will apply through the UCLA-based Slate admissions portal. PKU will pre-select eligible applicants based on their admissions criteria. UCLA will make decisions on whether to admit those candidates using the same rigorous standards as for students applying directly to UCLA programs. PKU commits to admitting any of the eligible pool that UCLA admits. The UCLA Graduate Division will proffer the offer of admission to the MFE Asia Pacific Program.

The information provided below outlines the admissions requirements specific to the UCLA M.F.E. – Asia Pacific Degree.

(1) Undergraduate Preparation for admission.

Students will satisfy the University of California, Los Angeles minimum standards for graduate admission, which are published by the UCLA Graduate Division.

The General requirement for admission for a U.S. student is a bachelor’s degree from a regionally accredited institution, comparable in standard and content to a bachelor’s degree from the University of California. A cumulative scholastic average of B (3.0 on a 4.0 scale) or better is required—or its equivalent if the letter grade system is not used—of undergraduate study and in any post-baccalaureate study.

Degrees which are not considered comparable include those granted on the basis of work completed at institutions which are not fully accredited and those granted on the basis of non-academic prior learning, test scores, or other than organized supervised coursework in academic subjects.

A student whose post-secondary education is completed outside of the U.S. is generally expected to hold a degree representing completion of at least four years of study (three years under the Bologna Process or in an Honours program in the U.K. system) with above average scholarship from a university or university-level institution.

Applicants who were educated outside the United States are expected to meet the UCLA’s English Language Proficiency requirement which can be found at: https://grad.ucla.edu/admissions/english-requirements/

Preferred degrees: Degrees in engineering, computer science, mathematics, statistics, and economics are preferred.
Required exam: The Graduate Management Admission Test (GMAT) or the Graduate Record Examination (GRE).

Pre-requisites specific to the M.F.E.-Asia Pacific degree: Strong quantitative background, including coursework in: linear algebra, multivariate calculus, differential equations, numerical methods, advanced statistics and probability.

Further Admissions Criteria for to the M.F.E. – Asia Pacific degree
The M.F.E. – Asia Pacific degree program selects students who are motivated and possess specific skills and experiences. In addition to the preparatory coursework and exams outlined above, applicants are expected to fulfill the following key admissions criteria and application criteria:

- Ability to do graduate-level business and finance coursework
- Work or research experience in a quantitative discipline (recommended). Exceptional undergraduates with strong quantitative backgrounds are encouraged to apply
- Evidence of computational programming skills (for example, C++) and familiarity with computers as computational and management tools
- Strong quantitative background, including coursework in: linear algebra, multivariate calculus, differential equations, numerical methods, advanced statistics and probability, which includes the following topics: discrete distributions, continuous distributions, density functions, sampling theory, statistical inference, hypothesis testing, ordinary least squares, t-statistics, sampling vs. population moments, chi-square goodness of fit tests, etc.
- Excellent writing, speaking, and presentation ability in English. Verbal and speaking skills will be tested on mandatory interviews. All admitted students must pass an interview conducted in English. Interviews are scheduled on an invitation only basis. Writing skills will be reviewed via the submission of two essays by the applicant to demonstrate their English language skills as well as the ability to write concisely and economically.
- Evidence of experience with mathematical tools (for example, MATLAB)
- Work or research experience in a quantitative discipline (recommended, but not required)
- CFA, FRM and other professional designations are considered favorably (or at least progress towards obtaining these credentials)
- Experience with statistical and econometric applications (recommended)
- All applicants to the M.F.E. – Asia Pacific degree program will be required to submit two letters of recommendation as well as two essays

(2) Program of Study

a. Foreign language requirement.
There is no foreign language requirement. This is consistent with all of the graduate degree programs offered by the UCLA Anderson School of Management.
b. Specific fields of emphasis
The M.F.E. – Asia Pacific degree requires all students to complete courses in quantitative finance.

c. Plans (e.g. Masters I and/or II)
The M.F.E. – Asia Pacific degree will be awarded under Plan II, requiring a capstone project.

d. Unit requirements.
The M.F.E. – Asia Pacific degree requires the completion of 40 units of UCLA coursework.
Section 2. Program Description

Admission to the Dual Degree Program

To gain admission to the UCLA-PKU dual degree program in Financial Engineering, all applicants will be required to meet the admission criteria established individually by UCLA and PKU. Applicants will apply through the UCLA-based Slate admissions portal. PKU will pre-select eligible applicants based on their admissions criteria. These applicants then apply to the UCLA program and the same rigorous UCLA criteria will be applied to that applicant pool as will make decisions on whether to admit those candidates using the same rigorous standards for it would be for anyone as for students applying directly to our UCLA programs. PKU commits to admitting any of the eligible pool that UCLA accepts. The UCLA Graduate Division will proffer the offer of admission to the MFE Asia Pacific Program.

The information provided below outlines the admissions requirements specific to the UCLA M.F.E. – Asia Pacific Degree.

(1) Undergraduate Preparation for admission.

At minimum, students will satisfy the University of California, Los Angeles Graduate Division admissions requirements, which are published by the UCLA Graduate Division.

The General requirement for admission for a U.S. student is a bachelor’s degree from a regionally accredited institution, comparable in standard and content to a bachelor’s degree from the University of California. A cumulative scholastic average of B (3.0 on a 4.0 scale) or better is required—or its equivalent if the letter grade system is not used—for the last 60 semester units or last 90 units of undergraduate study and in any post-baccalaureate study.

Degrees which are not considered comparable include those granted on the basis of work completed at institutions which are not fully accredited and those granted on the basis of non-academic prior learning, test scores, or other than organized supervised coursework in academic subjects.

A student whose post-secondary education is completed outside of the U.S. is generally expected to hold a degree representing completion of at least four years of study (three years under the Bologna Process or in an Honours program in the U.K. system) with above average scholarship from a university or university-level institution.

Applicants who were educated outside the United States are expected to meet the UCLA’s English Language Proficiency requirement which can be found at: https://grad.ucla.edu/admissions/english-requirements/
Preferred degrees: Degrees in engineering, computer science, mathematics, statistics, and economics are preferred.

Required exam: The Graduate Management Admission Test (GMAT) or the Graduate Record Examination (GRE).

Pre-requisites specific to the M.F.E.-Asia Pacific degree: Strong quantitative background, including coursework in: linear algebra, multivariate calculus, differential equations, numerical methods, advanced statistics and probability.

Further Admissions Criteria for the M.F.E. – Asia Pacific degree

The M.F.E. – Asia Pacific degree program selects students who are motivated and possess specific skills and experiences. In addition to the preparatory coursework and exams outlined above, applicants are expected to fulfill the following key admissions criteria and application criteria:

• Ability to do graduate-level business and finance coursework
• Work or research experience in a quantitative discipline (recommended). Exceptional undergraduates with strong quantitative backgrounds are encouraged to apply
• Evidence of computational programming skills (for example, C++) and familiarity with computers as computational and management tools
• Strong quantitative background, including coursework in: linear algebra, multivariate calculus, differential equations, numerical methods, advanced statistics and probability, which includes the following topics: discrete distributions, continuous distributions, density functions, sampling theory, statistical inference, hypothesis testing, ordinary least squares, t-statistics, sampling vs. population moments, chi-square goodness of fit tests, etc.
• Excellent writing, speaking, and presentation ability in English. Verbal and speaking skills will be tested on mandatory interviews. All admitted students must pass an interview conducted in English. Interviews are scheduled on an invitation only basis. Writing skills will be reviewed via the submission of two essays by the applicant to demonstrate their English language skills as well as the ability to write concisely and economically.
• Evidence of experience with mathematical tools (for example, MATLAB)
• Work or research experience in a quantitative discipline (recommended, but not required)
• CFA, FRM and other professional designations are considered favorably (or at least progress towards obtaining these credentials)
• Experience with statistical and econometric applications (recommended)
• All applicants to the M.F.E. – Asia Pacific degree program will be required to submit two letters of recommendation as well as two essays

Foreign language requirement.
There is no foreign language requirement. This is consistent with all of the graduate degree programs offered by the UCLA Anderson School of Management. International applicants are required to adhere to the UCLA English Language Proficiency Requirements which can be obtained at:

(23) Program of Study

a. Foreign language requirement.

There is no foreign language requirement. This is consistent with all of the graduate degree programs offered by the UCLA Anderson School of Management.

ba. Specific fields of emphasis

The M.F.E. – Asia Pacific degree requires all students to complete courses in quantitative finance.

cb. Plans (e.g. Masters I and/or II)

The M.F.E. – Asia Pacific degree will be awarded under Plan II, requiring a capstone project.

dc. Unit requirements.

The M.F.E. – Asia Pacific degree requires the completion of 40 units of study UCLA coursework.
To: Willeke Wendrich, Chair, Graduate Council  
Graduate Council Committee Members

From: Mikhail Chernov, Professor, UCLA Anderson School of Management  
Elisa Dunn, Executive Director – MFE, UCLA Anderson School of Management  
Wendy Guild, Assistant Dean of Strategic Initiatives, UCLA Anderson School of Management

Date: January 10, 2019

Re: Graduate Division Revisions of Admissions Concerns for the MFE Asia Pacific Proposal

Dear Professor Wendrich and the Members of the Graduate Council,

At the request of Graduate Council, Graduate Division reviewed and suggested revisions to the MFE Asia Pacific Proposal. UCLA Anderson has reviewed the suggestions and has agreed to the changes suggested by Graduate Division.

Please find attached the red line version and clean copy versions of the two amended documents.

If you have any questions or concerns, please feel free to contact us via Assistant Dean of Strategic Initiatives, Wendy Guild at wendy.guild@anderson.ucla.edu.

Cc: April de Stefano, Assistant Dean-Academic Services, Graduate Division  
John Mamer, Faculty Chairman, UCLA Anderson School of Management  
Al Osborne, Interim Dean, UCLA Anderson School of Management  
David Glanzman, Co-Chair, Graduate Council  
Estrella Arciba, Principal Analyst, Graduate Council
Dear Professor Wendrich and the Members of the Graduate Council,

We submit this letter to further clarify our reasoning for the program and degree names we selected.

In March 2017, we were conducting an effort to determine an appropriate name for the proposed dual degree program with Peking University. We were broadly referring to it as Master in Quantitative Finance and determined it could be confusing for a school to have both a Master of Financial Engineering and a Master of Quantitative Finance, especially under the same department.

In the quantitative finance environment, it is not unheard of for one school to have two programs that are very similar. For example, Columbia University has both a Master of Financial Engineering and a Master in Mathematics of Finance. New York University has both a Master of Financial Engineering and a Master of Mathematics in Finance. However, these programs are run by different departments within the same University. The UCLA Anderson Finance area was of the opinion that it would be confusing to have an MFE and a Master in Quantitative finance from the same department and could generate market confusion.

We then polled our alumni and current students to gather their opinion. In the survey monkey poll, we gave them a couple of name options to choose from. To comply with the guidelines provided to us that a UCLA degree should not have the name of a foreign university on it (specifically on the graduate degree), we told our audience that the name UCLA-PKU was not an option.
The options provided to them were:
Master of Quantitative Finance
Master of Financial Engineering – Asia Pacific
Master of Financial Engineering – Dual Degree
Master of Financial Engineering – China

The majority of the survey respondents (close to 50%) indicated their preference for the MFE-Asia Pacific name. Qualitative feedback indicated that Asia Pacific was a superior choice due to the curricular focus on finance in both the United States and China.

Thank you again for your careful consideration of this proposal. If you have any questions or concerns, please feel free to contact us via Assistant Dean of Strategic Initiatives, Wendy Guild at wendy.guild@anderson.ucla.edu.

Cc: April de Stefano, Assistant Dean-Academic Services, Graduate Division
    John Mamer, Faculty Chairman, UCLA Anderson School of Management
    Al Osborne, Interim Dean, UCLA Anderson School of Management
    David Glanzman, Co-Chair, Graduate Council
    Estrella Arciba, Principal Analyst, Graduate Council
Dear Elisa,

Good question. They need to submit information to PKU or Ministry of Education if they get admitted, so we have no problem to have a single application system.

Safe trip to Europe!

Best regards,

Shujun

Hi Shujun,

Thanks very much for the reply. Would they have to submit information on Peking university’s website at time of application or only if they get admitted?

For now we will use this email as confirmation that we will be able to work on a joint solution but they may have to compete a Peking University specific step.

Thanks!

Best,

Elisa

Dear Elisa,

I am just back from a conference in Costa Rica. I would like to confirm that we would be agreeable to using single common application system to both schools. However, the
applicants might have to submit some information on website of Peking University, which is required by the university. I hope it will not create any problem on your end. I will check with my colleague tomorrow and get back to you with more details. Thank you!

Best regards,

Shujun

发件人：Dunn, Elisa
发送时间：2018-10-23 05:25
收件人：Shujun Mo; Chernov, Mikhail
主题：Urgent Request Re: Proposal for Joint program

Hi Shujun,

I am writing to you with an important request for consideration re: our joint MFE program. As I to you mentioned, we have the UCLA Graduate degree Program meeting on Oct 24 (this Wednesday). One of the committee members has raise a concern that we would like to address before the meeting. They are concerned about the logistics and complications of our proposed separate admissions process for the dual degree program. In the current proposal, we are envisioning that students apply separately to PKU and UCLA. We would like to address their concern by proposing that we have one single common application to both schools, set up specifically for the UCLA & PKU MFE Program. We could accomplish this by setting up one common instance of Slate or other agreeable application system. We would then be able to review candidates simultaneously and agree on admissions decisions before they get notified by either school. This is similar to what UCLA Anderson has in our MBA partnership with NUS. Would Guanghua be agreeable to that amendment? If so, could you confirm via email as soon as possible. I am copying Prof Chernov, MFE Faculty Director, here so he gets this answer in real time since I am away recruiting in Europe. Please let me know if you’d like to discuss.

Thanks Shujun!

Best,

Elisa

From: Shujun Mo <mosj@gsm.pku.edu.cn>
Sent: Wednesday, October 10, 2018 8:58 PM
To: Dunn, Elisa <elisa.dunn@anderson.ucla.edu>
Subject: Re: RE: Adding to the Proposal for Joint program

Dear Elisa,
May I ask you if the meeting with the UCLA Committee is the last step? I remember that you need to go through the UC system as well. How long does it take? Thank you!

Best,  
Shujun

Hi Shujun,  
Thank you. I had one of our students translate the page so I am all set! Our new date for a meeting with the UCLA Committee for degree Programs is October 24. I will send you an update after the meeting.  
Best,  
Elisa

Elisa Dunn  
Executive Director  
UCLA Anderson School of Management  
Master of Financial Engineering Program  
(310) 825-0186
APPENDIX L: Request for a Distinct Program Name

The UCLA Anderson School of Management is writing to request that in addition to establishing a new degree name, Masters of Financial Engineering – Asia Pacific; as proposed in Section 9 of this new degree proposal, that a distinct program name also be established at the campus level for the dual degree program with the Guanghua School of Management, Peking University (PKU).

The reasons behind this request are as follows:

- Dual degree programs emerge from two entirely separate academic institutions, each of which must adhere to their respective degree structures and policies. As a result, each of the degrees emerges with its own distinct name.
- The writers of this proposal feel that it is not appropriate to include the name of another institution in a UCLA degree name, for example, “UCLA-PKU Master of Financial Engineering.” This nomenclature implies that PKU courses are part of the UCLA degree requirements and have some involvement in the conferring of the degree which is a misrepresentation.
- In the instance whereby you are developing a single degree program such as English, Business Administration, or Chemical Engineering, it is quite straightforward to determine the focus of the program and the credential to be obtained, through the degree name. However, when you have two degrees, with two distinct names, from two different academic institutions, it is unclear exactly what the aim of the program is when you do not have any common information. The dual degree program (not just the degrees) needs to be able to have the ability to describe exactly what it is all about, to establish a distinct and marketable identity and brand for itself, and to provide students with a clear understanding of what they can achieve by taking this program.
- Having a distinct program name establishes the dual degree nature of this program; it brings together two disparate programs under one name.

An examination of the current UC new degree proposal and self-supporting degree templates and guidelines did not provide any direction or historical context to assist with this request. Subsequently, the outgoing and incoming Chairs of the UCOP Coordinating Committee on Graduate Affairs, after discussion of the request, advised that in the absence of a clear policy directive at this time, that a decision at the campus level would be most appropriate. In addition, the UCOP Academic Planning Council was consulted and they agreed that this initiative was reasonable and that it could be dealt with at the campus level. Subsequent consultation with the UCLA Graduate Division confirmed that they would not have any issues with the request to create a distinct program name for this dual degree entity.

Therefore, the UCLA Anderson School of Management respectfully requests that the following program name be approved in conjunction with this new degree proposal:

“UCLA Anderson – PKU Guanghua Dual Master’s Degree Program in Financial Engineering & Finance.”
To: Willeke Wendrich, Chair, Graduate Council  
Graduate Council Committee Members

From: Mikhail Chernov, Professor, UCLA Anderson School of Management  
Elisa Dunn, Executive Director – MFE, UCLA Anderson School of Management  
Wendy Guild, Assistant Dean of Strategic Initiatives, UCLA Anderson School of Management

Date: November 15, 2018

Re: Clarification of MFE Asia Pacific Proposal

Dear Professor Wendrich and the Members of the Graduate Council,

On November 8, Graduate Council requested that we review two issues regarding the MFE Asia Pacific Proposal:

1) Provide details on the intention to establish a shared admissions process between UCLA and PKU for the proposed dual degree program
2) Reconsider the appropriateness of the degree name “MFE Asia Pacific” and consider adopting UCLA-PKU MFE Program

We submit this letter with additional information in support of the MFE Asia Pacific program proposal.

Admissions Process
We intend to use Slate as a single point of entry – accessed by students from both of our websites – to manage the applications process. Both UCLA Anderson and PKU Guanghua will have full access to all student applications for review and decisions will be made jointly regarding offers of admission. Candidates will only receive one notification of admission from both universities. The UCLA-NUS EMBA program uses this same process successfully.

Please see attached an email confirmation from our main point of contact at PKU, Shujun Mo, Assistant Dean, dated October 25, 2018, confirming that they accept our proposal to set up one common instance of Slate. Shujun’s contact information and title are included below for your reference.
Name Consideration
We respectfully request to keep the degree name as MFE – Asia Pacific. There are very specific reasons for this request.

If we name the degree MFE – PKU, this is what the UCLA diploma would state. We would have a foreign University name on the degree that, formally, requires 0 credits from that foreign University. If we had a joint rather than dual degree than something like PKU-UCLA in the degree name would make perfect sense.

By proposing the MFE – Asia Pacific for the degree name we are paralleling Anderson’s GEMBA – Asia Pacific name. Historically, it was called GEMBA – NUS, and the name was changed precisely to take NUS out of the degree name.

Also by using “Asia Pacific“ we are branding a region not a specific school which would broaden the reach of the program within Asia and beyond. This is exactly in the spirit of inclusivity that we discussed at the many meetings that we had.

Finally, I am attaching Appendix L from our proposal that specifically distinguished the degree name and the program name. It enumerates the reasons against having PKU in the degree name and proposes the following program name: “UCLA Anderson – PKU Guanghua Dual Master’s Degree Program in Financial Engineering & Finance.” This is the name that will be used in the marketing materials and, as you can see, is very explicit about the parties involved.

Because of this reasons, I respectfully ask you to reconsider the request to rename the degree.

Thank you again for your careful consideration of this proposal. If you have any questions or concerns, please feel free to contact us via Assistant Dean of Strategic Initiatives, Wendy Guild at wendy.guild@anderson.ucla.edu.

Cc: April de Stefano, Assistant Dean-Academic Services, Graduate Division
    John Mamer, Faculty Chairman, UCLA Anderson School of Management
    Al Osborne, Interim Dean, UCLA Anderson School of Management
    David Glanzman, Co-Chair, Graduate Council
    Estrella Arciba, Principal Analyst, Graduate Council
To: Willeke Wendrich, Chair, Graduate Council  
Graduate Council Committee Members

From: Mikhail Chernov, Professor, UCLA Anderson School of Management  
Elisa Dunn, Executive Director – MFE, UCLA Anderson School of Management  
Wendy Guild, Assistant Dean of Strategic Initiatives, UCLA Anderson School of Management

Date: November 1, 2018

Re: Clarification of MFE Asia Pacific Proposal

Dear Professor Wendrich and the Members of the Graduate Council,

We would like to extend a sincere thank you for your time and thoughtful consideration of our proposal.

On October 29, the CDP requested that we follow up on two issues of concern:
1) Comparison between the existing MFE and the proposed program
2) Data regarding timelines and process for internships

We submit this letter with additional information in support of the MFE Asia Pacific program proposal.
1. **Comparison between the MFE and MFE Asia Pacific Programs**

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<tr>
<th>Term</th>
<th>MFE Asia Pacific</th>
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<tbody>
<tr>
<td><strong>1st term: UCLA Fall Quarter/ PKU Fall Semester</strong></td>
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<td>Investments</td>
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<td>UCLA Los Angeles 4</td>
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<td><strong>Choose 2 Special Topics in Financial Engineering:</strong></td>
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<td>Credit Markets</td>
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<td><strong>PKU Degree Conferred</strong></td>
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(1) PKU has semesters instead of quarters and different definition of units. The numbers on this table reflects UCLA units to enhance comparability.
As the above table illustrates, the MFE & MFE Asia Pacific programs will have the following in common:

- The same curriculum in the first four terms (Fall, Winter, Spring and Fall), which represents the full-length of the existing MFE program. Winter, Spring and final Fall courses taught by the same UCLA faculty
- Elective offerings
- A required internship (a PKU requirement for the MFE Asia Pacific program)
- An Applied Finance Capstone Project supervised by UCLA Faculty
- Student Services, including advising and career services

The MFE & MFE Asia Pacific programs have the following differences:

- The MFE program is a 15-month program, completed fully at UCLA’s campus. The MFE Asia Pacific is a two-year degree program, with classes taking place both at Peking University and at UCLA
- The MFE Asia Pacific program is designed to allow a student to access the specialized cutting edge financial engineering knowledge generated by UCLA Finance faculty, combine it with a state-of-the-art education of Finance in China, and draw on the excellent Career Services support and network at PKU to pursue careers in finance in China. The MFE program does not have an emphasis on Asian financial markets nor an extensive network of employer relationships in China
- The MFE Asia Pacific degree has 40 total units of required coursework, whereas the MFE program has 60 total units of coursework, plus 6 units of Career Management Workshop and 4 units of a required Fieldwork/Research in Financial Engineering, typically completed through a summer internship (for a total of 70 units). The 20 units of coursework difference can be explained by the fact that the introductory content (16 units in the first Fall term will be provided by Peking University faculty, as well as the additional units of electives provided by Peking University faculty in the 4th term and 5th term
- PKU Career Services sources and oversees the internship requirement as a part of the MFin degree. While PKU has deemed the internship a requirement, they are not attaching any units to it as it is their common practice for other professional degree programs
- 6 Units of Career Workshops that are part of the MFE program are offered by PKU’s Career Services Office as non-unit bearing co-curricular experiences to provide preparation for job search in Asia

2. Internship Process and Timelines at PKU

PKU Guanghua’s Career Development Center works with 35 non-Chinese students in their English language International MBA program. Last year, they placed 12 non-Chinese IMBA students in internships in China. The other students either opted for pursuing an internship in their home countries, had employer sponsorship or did not need to report their placement to the PKU Career Development Center (part-time or unpaid positions).
In order to secure an internship, students are asked to participate in career development workshops to create resumes, practice interview skills, and learn about conducting a job and internship search in China. Much like at UCLA, this career development co-curricular work is done in the first Fall term. Internships are generally posted in the Fall, and on campus interviews are conducted in the fall. However, as dictated by different companies’ timelines some internship recruitment happens in Winter and Spring.

Once an internship is secured, it only takes a 7-10 days to process the necessary paperwork to allow non-Chinese students to work in their internship in China.

Thank you again for your careful consideration of the MFE – Asia Pacific proposal. If you have any questions or concerns, please feel free to contact us via Assistant Dean of Strategic Initiatives, Wendy Guild at wendy.guild@anderson.ucla.edu.

Cc: April de Stefano, Assistant Dean-Academic Services, Graduate Division
John Mamer, Faculty Chairman, UCLA Anderson School of Management
Al Osborne, Interim Dean, UCLA Anderson School of Management
David Glanzman, Co-Chair, Graduate Council
Estrella Arciba, Principal Analyst, Graduate Council
To: Julio Vergara, Chair, Graduate Council and Graduate Council Members

From: Mikhail Chernov, Professor, UCLA Anderson School of Management
Elisa Dunn, Executive Director – MFE, UCLA Anderson School of Management
Wendy Guild, Assistant Dean of Strategic Initiatives, UCLA Anderson School of Management

Date: May 25, 2018

Re: Response to Graduate Council Request for Clarification, MFE - Asia Pacific Proposal on May 21, 2018

We submit this report pursuant to the request for clarification of the MFE - Asia Pacific program proposal made on May 21, 2018 to address the following:

Demonstrate a plan for engagement from both campuses that describes the distinct support services that will be made available to students in the dual degree program in order to ensure their successful completion of both programs.

Plan for Engagement
Our plan for engagement articulated below begins with a discussion of admission, elaborates student services provided by both Schools, and ends with a discussion of career services.

Admissions
To gain admission to the MFE Asia Pacific dual degree program in Financial Engineering, all applicants will be required to meet the admission criteria established individually by UCLA and PKU. In order to streamline one aspect of the admissions process, PKU will pre-select a determined number of students who apply to the program based on their admissions criteria. This number of pre-selected candidates may be greater than the number of seats available in the program. These applicants will then receive further instructions to also apply to the UCLA program, and they will be identifiable as pre-selected by PKU. The same rigorous UCLA criteria will be applied to this applicant pool as for anyone applying directly to our programs. Throughout this process, the UCLA application system will be open and receiving applications of candidates who have found the program initially through UCLA and did not go through the PKU pre-screening. Candidates will be able to apply to the UCLA-PKU degree starting with UCLA. In this case, the coordination process will be very similar as previously described, but will start with UCLA: UCLA will pre-vet candidates and subsequently recommend that they also apply to PKU. We expect there will be much collaboration between UCLA Anderson’s admissions advisors and PKU’s admissions advisors in ensuring a smooth admissions process and the inclusion of any
interested candidates. During the admissions process interviews will be conducted by both Guanghua and Anderson admission staff, faculty, alumni, and HR experts after the screening of the candidates based on their application materials. The candidates are admitted on the basis of GMAT/GRE scores, recommendations, university transcripts, and interview performance. Both Schools will create a list of top candidates, then work together to create a consensus list. Each School will manage their own admissions processes once the consensus list has been created.

**UCLA Anderson Support Services for MFE Asia Pacific Students**

UCLA Anderson provides world class student services and academic experiences across all programs that resulted in a ranking of #1 nationally for student satisfaction (Bloomberg Businessweek Full Time MBA graduating student survey, 2017 ranking results). The MFE Asia Pacific students will benefit from the high touch service excellence the School is dedicated to providing.

**Admissions**

UCLA Anderson’s admissions team includes professionals dedicated to advising candidates on preparation and requirements. The journey into UCLA Anderson may begin by a personal contact with an assigned admissions advisor. This advisor helps assure that an applicant is well suited and prepared for the program and has all necessary materials submitted in time to be considered for admission. This advisor fields questions that assist the transition into residency on campus.

**Student Affairs**

UCLA Anderson provides broad student support through our Student Affairs personnel with respect to orienting to Anderson, UCLA, Southern California, and the US. Checklists, pre-arrival touch points and the week-long new student orientation provides logistics assistance (housing, banking, etc.), and information to access UCLA services (health, fitness, counselling services, etc.). Two dedicated student affairs staff members are assigned to the MFE programs and they becomes a lifeline for the students during their time at UCLA.

**Career Services**

The MFE staff are dedicated to equipping our students with applicable skills and knowledge and providing experiences that will expose MFE students to top companies and industry professionals. MFE students have access to the MFE Career Services team who coaches students on presentation and communication skills, resume development, and interviewing and negotiation skills. The Career Services team helps students pursue their career goals with personalized advice on career management, resume writing, and interview preparation.

The MFE program provides practical workshops, seminars, and panel discussions. Workshops cover quantitative and behavioral interviewing skills, mock interviews, communication and presentation skills, resume and cover letter writing, and salary negotiation skills. Other workshops that MFE hosts focuses on technical skills, such as the Financial Computing Workshop, which sharpens students’ programming in R, SAS, MATLAB and Python. MFE also offers a Financial Institution Seminar Series that features a large variety of guest speakers and allows students to learn firsthand about financial engineering from successful practitioners who work in quantitative finance at major financial institutions. The MFE program organizes panel
discussions, such as How I Became a Quant, featuring a panel of UCLA Anderson MFE Alumni who give their personal perspective into their careers in quantitative finance. Weekly sessions that revolve around conversations on finance serves as a forum for students to close the gap between their quantitative skills and their knowledge of finance and the markets. This helps students become conversant on topics found in the pages of The Wall Street Journal or the Financial Times. Throughout the program, UCLA Anderson hosts a variety of networking events for students and alumni.

Student Governance and Organizations
The MFE students have a student council organization with an elected President and Directors of Social Events, Academic Affairs, and Career Development. A position will be created on this body for a student elected to represent the MFE Asia Pacific program. The student body at UCLA Anderson is very active and MFE Asia Pacific students have the opportunity to participate in many clubs and student run activities to participate in the vibrant community on campus.

PKU Guanghua School of Management Support Services for Masters of Finance Students
As a world class University, top ranked Business School, and a School that has as its strategic priority the development of dual degree programs with prestigious partners, the School offers exceptional services to all of its students.

Student Services
Academic advising first takes place at the application stage. The most important activities in this category include Guanghua Open Days, school visits, the Guanghua Ambassadors program and recruitment tours. These activities are outlined below:

Each program has an orientation period before the start of the first semester, which typically lasts one week. It helps the students become familiar with the history, culture, regulations, and resources of the University and the School. It also prepares the students to learn about the learning goals, curriculum structure, and credits requirements, etc.

At the university level, students have access to a comprehensive suite of academic support services for postgraduate students. Academic assistance is provided through the Academic Mentor Program, Course Study Group Program, professors and teachers assistants. In addition, the university offers specialized academic assistance though associations such as, the Statistical Application Association.

At the School level, Guanghua employs the 360°Student Support and Counseling Services Model to ensure that students have access to academic support at every level and stage of their academic careers. Service is provided in this model by academic faculty, program offices, the comprehensive mentor program, and the student collaborative learning and assistance program.

Career Services
While the University provides professional student services through the Peking University Student Career Center, Guanghua students enjoy specialized career services and professional development through the Career Development Center (CDC), which comprises of 8 full-time,
experienced career guidance professionals. The CDC provides a comprehensive suite of personal and professional development services to students and closely evaluates, plans, and monitors their personal and professional development. The aims of these services are:

- To help Guanghua’s students to achieve career goals that are challenging yet attainable;
- To enhance student’s professionalism and overall competitiveness in the domestic and international job market.

The services include:

- Career Planning Courses
- Self-Assessment
- One-on-One Career Counseling
- Mock Interviews
- Industry Orientations
- Company Visits
- CEO Forum
- Professional Ethics Education
- Alumni Sharing

**Internship Placement**

The Career Development Center (CDC) is responsible for providing career advice, planning, training, and job placement services to students. With the support of the CDC, students can find internship opportunities by attending career fairs and campus talks, checking online internship openings at the CDC Job Portal, and expanding more channels through alumni, mentors, student clubs, etc.

The CDC organizes two career fairs each year with nearly 100 well-known companies attending each fair and the Spring Career Fair is specifically for summer internships. Although the Autumn Career Fair is mainly held for full time positions, a number of companies also release their spring internships at the career fair. More career fairs are held by the Career Service Office of Peking University each year, offering more internship opportunities to students. Besides career fairs, many companies choose to organize separate on-campus presentations or campus talks to promote their internship programs. Additionally, the CDC posts internship openings both online and offline on a regular basis.

In addition, each year the CDC develops new recruiting partners with enterprises that have hiring needs and are willing to help students with their career development. The School has established an "Internship Base" with selected recruiting firms for students, which currently involves 45 major international and domestic enterprises, providing students with internship opportunities on a regular basis.

Since Peking University enjoys good prestige in China, alumni are considered to be a valuable treasure since they either own or work for the most renowned companies. Alumni networks are also very helpful to get students access to internship opportunities.
**Internship Supervision**

Prior to the internship, the CDC provides guidance to the sponsoring organization and intern so that the expectations, the scope of work, and the intended learning outcomes are all clarified. During the internships, the CDC tracks the performance of students by interacting with the internship sponsors regularly and formally collecting feedback from the sponsors when internship is finished. At the same time, the CDC communicates with students to assess progress relative to their learning goals and the conditions of their daily working life, and to provide the student with an opportunity to share insights about the culture and working style of the company.

Career and Professional staff, coaches, trainers, alumni, and recruiting partners prepare students with adequate skills and knowledge before they seek internships. Workshops and sharing sessions hosted by the CDC cover different industries and bridge the gap between class-learning and business reality. The CDC offers one-on-one coaching and tailored training sessions to satisfy students’ personalized needs.

**Internships outside of China**

CDC enjoys a strong network of strategic relationships with top tier multinational corporations from not only the "Internship Base" but also the career fairs, company visits, and alumni, for example Morgan Stanley, J.P. Morgan, Deloitte, KPMG, McKinsey, Bain, P&G, IBM, etc. These companies release global internship programs with job training and rotations in different parts of the world each year. Domestic companies also have internship positions outside China as more and more overseas branches have been set up. The CDC is also making constant efforts to connect more strategic partners to provide students with more internship opportunities.

**Language Instruction**

We perceive that the students of this joint program will be interested in experiencing and probably working in China. Language skills are necessary if they plan to live in China for a longer time. The School will direct candidates interested in or in need of this service to the intensive language training offered during the spring in the form of a 4 week course for International students, or during the summer, in form 4, 6 or 8 week courses designed for International students with differing levels of Mandarin proficiency before the first semester. There is also beginning, intermediate, and advanced language instruction available for International students during the semesters they are in residence at PKU. The Office of International Relations, additional services – courses, tutoring, language buddies, mentors, guided cultural excursions with language instruction, etc., are provided in the International Students Division for those seeking Mandarin as a second language instruction.

**Career Placement**

PKU will be leading the principal career placement efforts in the Asia Pacific region. While at UCLA Anderson, MFE Asia Pacific students will benefit from the host of career services offerings previously described. UCLA Anderson is also prepared to add to contribute resources to these efforts, such as engaging our alumni in the Asia Pacific region. We are also prepared to step in and help students whose career goals extend to other geographies in which they may be legally authorized to work. UCLA Anderson is able to support our students’ interest in exploring career opportunities outside of Los Angeles through access to our 40,000 strong alumni base, including
12 alumni Chapters in Asia, including local Chapters in Beijing, Hong Kong, Shanghai, Philippines, India, Indonesia, Japan, Korea, Singapore, Taiwan, Thailand and Vietnam.

Cc: April de Stefano, Assistant Dean-Academic Services, Graduate Division
David Glanzman, Co-Chair, Committee on Degree Programs
John Mamer, Faculty Chairman, UCLA Anderson School of Management
Judy Olian, Dean, UCLA Anderson School of Management
Willeke Wendrich, Co-Chair, Committee on Degree Programs
Estrella Arciba, Principal Analyst, Graduate Council
Sent on behalf of Patricia A. Turner, Vice Provost/Dean of Undergraduate Education and Accreditation Liaison Officer

To: Judy Olian, Dean, Anderson School of Management (cc: Teresa Djedjro, Executive Assistant)

Cc: Mikhail Chernov, Faculty Director, Master of Financial Engineering Program
Elisa Dunn, Director, Executive Director, Master of Financial Engineering Program
Laurie K. Summers, Assistant Provost, Office of the Chancellor
Robin Garrell, Dean, Graduate Division
Julio Vergara, Chair, Graduate Council
Estrella Arciba, Committee Analyst, Graduate Council
Carla Hayn, Chair, Anderson Graduate School of Management Faculty Executive Committee
Mitsue Yokota, Director, Curricular Initiatives
Kelly Wahl, Director of Statistical Analysis and Assessment Coordinator
Mary Ries, Administrative Coordinator

Dean Olian,

I am notifying you that on 11/20/2017 a Substantive Change screening form was submitted for the Master of Financial Engineering – Asia Pacific to the Western Association of Schools and Colleges (WSCUC) Senior College and University Commission (WSCUC). This is a new reporting requirement introduced by our regional accreditor beginning in July 2017.

Since the proposal included a dual-degree program with Peking University, which is not accredited by an organization approved by the United States Department of Education, additional documents were submitted on 4/13/2018 for a substantive change review. Per the e-mail below, the expedited WSCUC Review, was approved on 5/11/2018. The Implementation Form referred to below will be submitted by a UCLA Accreditation team member, so no further action on your part is required.

If you have any questions, please contact Mary Ries, Administrative Coordinator, at mries@college.ucla.edu or (310) 206-1225.

From: Konami Chisholm <kchisholm@wscuc.org>
Date: Friday, May 11, 2018 at 10:53 AM
To: Patricia Turner <pturner@college.ucla.edu>, "Chancellor Gene D. Block" <chancellor@ucla.edu>
Cc: "jhausaman@wscuc.org" <jhausaman@wscuc.org>, "bdavis@wscuc.org" <bdavis@wscuc.org>
Subject: WSCUC: Expedited Action Report UCLA Master of Financial Engineering – Asia Pacific

Dear Patricia,

The following expedited Sub Change proposal has been approved:

University of California, Los Angeles
Master of Financial Engineering – Asia Pacific
Joint/Dual

Please print the attached report and retain for your permanent records.

Program Implementation
You are required to complete the Implementation Form, http://www.wascsenior.org/content/program-implementation-form, within 30 days of the start date.

Please note that the submission of this form is required to confirm implementation and will trigger inclusion of the program/location on the Statement of Accreditation page for your institution on the WSCUC website for purposes of financial aid eligibility verification by the U.S. Department of Education.

Thank you,

L. Konami Chisholm
Accreditation Resources Coordinator – Substantive Change
WASC Senior College and University Commission
985 Atlantic Ave, Suite 100
Alameda, CA 94501
510-995-3173

REF: StaffSub3
To: David Glanzman, Co-Chair, Committee on Degree Programs  
CDP Committee Members

From: Mikhail Chernov, Professor, UCLA Anderson School of Management  
Elisa Dunn, Executive Director – MFE, UCLA Anderson School of Management  
Wendy Guild, Assistant Dean of Strategic Initiatives, UCLA Anderson School of Management

Date: April 5, 2018

Re: Response to CDP Request for Clarification, MFE - Asia Pacific Proposal on 3.20.2018

Dear Professor Glanzman and the Members of the Committee on Degree Programs,

We would like to extend a sincere thank you for your time and thoughtful consideration of our proposal. We will respond to each question in turn, with the slight alteration to the order of responses by starting with #3 first.

3. **How does this proposed degree program serve or benefit Californians per our land-grant university mission?**

This question gets to the heart of the issue of how this program forwards the mission of the University of California. As such, it is useful to reflect on the full mission, as stated in our governance documents.

"The distinctive mission of the University is to serve society (emphasis added) as a center of higher learning, providing long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge. That obligation, more specifically, includes undergraduate education, graduate and professional education, research, and other kinds of public service, which are shaped and bounded by the central pervasive mission of discovering and advancing knowledge."

— Mission statement from the University of California Academic Plan, 1974-1978  
https://ucop.edu/uc-mission/index.html

This proposed graduate degree program clearly transmits advanced knowledge and provides the opportunity for the collaborative generation of new knowledge through faculty research collaborations and access to data in China. The community our University serves is intentionally invoked broadly as “society,” not just Californians or Californian students (we will return to the question of who is being served on page 3 of this response). This program serves the mission of creating, disseminating, and advancing knowledge.

As per the priorities of the University of California, UCLA, and UCLA Anderson, there is a clear focus on expanding our global presence.
“In this era of increasing globalization, we must prepare our students to become global thinkers with knowledge, skills, and perspectives to interact in multiple cultures and analyze issues on an international level. Study abroad plays a vital role in achieving this goal and is crucial to a well-rounded 21st century education. The University of California is dedicated to cultivating global citizens by providing our students with opportunities to learn through real-world situations preparing them to be competitive in the international economy.” – President Janet Napolitano, UC Education Abroad Program Strategic Plan 2016-2020, Message from the President


UCLA Anderson Dean Judy Olian, in her letter of support (Appendix C, page 34-35) addressed the program’s congruence with the University’s mission:

“President Janet Napolitano, during the UC “International Thinking Day” held in March 2017, stressed the importance of internationalizing the student experience, including dual degree offerings with elite international partners. President Napolitano sees such endeavors as a means of expanding the teaching and service missions of UC to help achieve its international aspirations.”

Cindy Fan, UCLA’s Vice Provost for International Studies and Global Engagement, in correspondence dated April 5, 2018, expressed her support for the program’s choice of strategic partners to forward our University’s global mission:

“UCLA has long identified Peking University, China’s flagship and top research comprehensive university, as one of its strategic partners. UCLA-PKU partnerships are deep and broad, including a multi-year agreement in science and engineering centering on faculty research collaboration and student exchange.”

This program would execute on expanding the UC’s global presence within the context of an existing strong partnership with Peking University (PKU) – involving a thriving research Institute (http://www.pku-jri.ucla.edu/jri/about) and robust student exchange (http://eap.ucop.edu/OurPrograms/china/Pages/peking_univ.aspx).

As invoked on page 3 in the MFE Asia Pacific Program Proposal, in 2014, UCLA articulated a set of Global Strategic Priorities. In UCLA’s most recent strategic planning process (2015/2016), one of the 5 task forces focused on Global Priorities. As an initiative resulting from that planning process, a UCLA Academic Senate task force was created to study Global Outreach on our campus. One of the central conclusions of this task force was that more opportunities were needed to facilitate international experiences for students and faculty.

“Every major peer university has an articulated, well-developed international presence. For UCLA to remain competitive, it must maintain a strong presence in the international arena. Currently, UCLA appears to be lagging a bit behind in terms of its offerings (i.e., international requirements, sponsored international activities, development of a full international curriculum, international outreach efforts, study-travel opportunities, etc.).”


And while it is clear that there is widespread support for global activities, the Academic Senate task force accounted for the reasons why UCLA has not executed towards this intent as it should:
“Significant challenges exist both on campus as well as in the broader community as UCLA seeks to expand its international footprint. These stem from administrative barriers (red-tape), funding limitations, having adequate faculty and staff to support international endeavors both on campus and abroad, and other related issues.”


The MFE Asia Pacific program, as designed, removes most of these barriers with overwhelming support from the full UCLA Anderson faculty, adequate ladder faculty instruction resources at UCLA Anderson, a self-sustaining financial model, funding for additional staff, and a willing prestigious partner with whom we as a university already have a strong partnership.

Finally, it should be noted that UCLA Anderson has a clear focus on its Global Strategy (see page 3 from the MFE Asia Pacific Program Proposal):

“Since 2008, UCLA Anderson has moved forward with the implementation of its global strategy. With the continued accelerated globalization of markets and institutions, the School believes that it can only remain world class if it is engaged in a serious way in the larger world beyond the borders of the United States. Specifically, UCLA Anderson’s global strategy has three primary objectives:

1. To enhance the global dimensions of our thought leadership vis à vis learning, teaching and research;
2. To enhance the global visibility of our brand;
3. To expand the independent sources of revenue for our school, provided these opportunities satisfy the first two objectives.”

The MFE Asia Pacific Program is consistent with the missions of the University of California, UCLA, and the UCLA Anderson School of Management. From Dean Judy Olian’s Endorsement Letter (page 35 of the Proposal):

“Since 2008, UCLA Anderson has pursued a multi-faceted international strategy designed to enhance the global dimensions of students’ experience, the reach and application of faculty research, and the visibility of our brand. Having developed UCLA’s global priorities, I can attest to the alignment of UCLA Anderson’s global strategy with the aspirations of the University to elevate its international engagement and stature. UCLA has a longstanding research relationship with Peking University, the premier research university in China, which attracts the top students in the country, and this would be the first UCLA dual degree with a Chinese partner.”

To return to the core of question #3 - how does this program benefit Californians - it is important to put this question in the context of all UCLA programs and the source of funding for these programs. The UC 2016 Self Supporting Degree Policy is instructive on this issue:

“Self-supporting graduate professional degree programs (SSGPDPs) allow the University of California (UC or University) to: (1) serve additional students above and beyond those supported through resources provided by the State; and (2) fulfill demonstrated higher education and workforce needs. Models of self-supporting graduate professional degree programs include, but are not limited to, those that serve nontraditional populations (emphasis added), such as full-time employees, mid-career professionals, international students with specialized goals B (emphasis added), and/or students whose...
When the University received adequate State support to honor its commitment to the California Master Plan and to expand graduate academic and professional programs in response to State and societal needs, the UC directed self-supporting programs primarily to working adults and other non-traditional student populations. These programs provided alternative venues and opportunities for access to quality programs leading to graduate professional degrees. With the decline in State support, this 2016 Self Supporting Degree Policy now recognizes that offering self-supporting graduate professional degree programs is also a necessary educational strategy to allow the University to serve a greater number of students above and beyond those whom State resources will support. Although these programs receive no State support, they have the potential to generate resources that would enhance the quality, accessibility, and affordability of core academic programs and departments.

Californians benefit from first and second order benefits of the program. The first order benefits to Californians are as follows:

• Learning benefits to Californians that enroll in the program
• UCLA student community development
• Research opportunities & resulting knowledge development
• Contributions to UCLA’s brand
• Contributions to the financial health of UCLA Anderson, funded scholarships & funded research to inform curriculum

Californians that enroll in the program will clearly benefit in numerous ways; learning program content, developing relationships with faculty and peers, and becoming part of the UCLA community. We anticipate a smaller secondary market of non-Chinese students will consider this program to be a unique opportunity to study cutting edge finance in Beijing and Los Angeles. As discussed by the UCLA Academic Senate task force charged to study Global Outreach:

“One challenge [to expanding global opportunities for students] that does not exist is generating student interest. Most of the UCLA students are keenly interested in learning more about other countries, studying abroad and with foreign students here, participating in projects that would have a meaningful social impact on people’s lives around the world and, in general, expanding their perspective to encompass a more globally-aware viewpoint. UCLA students want to be global citizens in the fullest sense of the term. At this time, it is not clear that the university is providing them with the necessary resources, courses and experiences to achieve this goal.”


This smaller secondary market could be larger than anticipated. According to the 2010 US Census almost 3 million U.S. citizens speak Chinese languages in their homes (40% of which live in California) and Mandarin instruction has skyrocketed in K-12 and Universities.
Another first order benefit is in the contribution to the community. UCLA students will develop relationships with the bright students in this program when they are in residence on the UCLA campus. All students will broaden their understanding of different cultures and develop excellent contacts to facilitate business relationships that strengthen economic ties in the Pacific Rim region. As China continues to develop, California will reap the benefit of from these relationships.

A key first order benefit is from the research opportunities that arise as a function of the collaboration with PKU. Faculty will gain access to data and the developing Chinese financial industry that they would not have had access to otherwise. There are a number of pressing research questions that cannot be answered using U.S. data alone. Here are some examples: (i) Does wealth provide privileged access to information about stocks via powerful networks? Are stock markets fair? (ii) Do individual investors understand complex securities such as options? If not, what is the role for regulatory policy and financial education? (iii) How do investor biases cause stock markets to depart from fundamentals, and how might financial education improve outcomes? It is extremely difficult to answer these questions using U.S. data because granular observations at the level of individuals are impossible to obtain due to privacy concerns.

In China, however, the situation is different. Such data are indeed available due to close relationships between finance professors and brokerage firms. Another important observation is that financial markets, particularly derivatives markets, are in a state of infancy. How investors respond to novel markets and whether they understand the complexities of derivatives when they are first introduced represents a research question best addressed in the context of China.

Progress has already been made in addressing these questions at Anderson, due to close relations between Anderson professors and Chinese scholars. Professor Avanidhar Subrahmanyam has developed a successful relationship with researchers from Nanjing University. He published two papers: “Can financial innovation succeed by catering to behavioral preferences? Evidence from a callable options market” (with Xindan Li and Xuewei Yang, Journal of Financial Economics, 2018), and “Do Wealthy Investors Have an Informational Advantage? Evidence Based on Account Classifications of Individual Investors” (with Xindan Li, Ziyang Geng and Honghai Yu, Journal of Empirical Finance, 2017. He also has a working paper with Xindan Li and Xuewei Yang titled “Who Gains and Who Underperforms in Derivatives Trading, and Why? Evidence from Chinese Brokerage Account Data”.

This is a promising start, but it faces the fundamental current problem of working with Chinese researchers. Affiliations with them have been loose and informal leading to difficulty in getting access to the valuable data. The collaboration with PKU offers on opportunity for systematic
research collaborations. In the development of this program, Dr. Jin, our lead counterpart from PKU, suggested the following:

“In the longer run, we hope that the joint degree program will be 1+1>2, rather than just having the two sides run their individual [programs] separately. For that reason, there is a need to encourage joint research (both co-authorship on academic projects, and also perhaps co-development of teaching materials such as cases).”

-Dr. Li Jin, PhD MIT, Chair Professor of Finance at Guanghua School of Management in Peking University, Director of the National Centre for Financial Research at Peking University, Director of the Management Case Research Centre at Peking University, Associate Dean at Guanghua School of Management. By email on 10.22.2016

PKU’s world class status will give our researchers access to data of higher quality and to top-notch collaborators, thus allowing more cutting-edge research to be conducted at Anderson.

The fourth first order benefit is this program’s contribution to the strength of UCLA’s global brand. This program is first-of-its-kind and is a union of two top ranked world class programs and Universities. It expands the reach of UCLA into a very strong and growing market for higher education. In fact, upon the assessment of the strength of China as a market for higher education, the University of California is considering creating a campus in China. https://www.cnbc.com/video/2017/12/07/ucla--is-exploring-a-chinese-campus.html

The fifth first order benefit is the contribution of this program to the portfolio management options strategy of UCLA Anderson, ensuring long term financial sustainability through reducing risk by offering of a diverse set of programs that are subject to different demand dynamics. This program is designed to generate revenues after expenses that can be reinvested in the support of students to make education more affordable and fund cutting edge research to inform program curriculum.

The second order benefits for Californians are:

• Knowledge developed by faculty in collaborations & projects fostered through teaching in this program will be imparted in classes to other UCLA students
• Resources that are developed by the revenues after expenses which can be invested in other UCLA programs to benefit other students.

1. What is the overall academic benefit for UCLA to offer this dual degree program?

As detailed in the proposal and above, this program:

• Transmits advanced knowledge
• Facilitates the development of knowledge by faculty in collaborations with those at PKU
• Facilitates the development of knowledge by faculty through access to Chinese data
• Brings academically gifted students from other cultures to the UCLA campus where they may develop relationships with UCLA students
• Provides UCLA students with the opportunity to study advanced financial curriculum and Chinese financial market in China
• Provides financial benefits that fund academics at UCLA
2. Would the School of Management be able to satisfy the aims of the program in another way?

Not easily. The intention of the program is to combine the strengths of the two institutions to create a top program that produces students with deep knowledge of finance in both the U.S. and China. The cohort experience provides a superior learning experience to independent study abroad in terms of the services provided and relationships developed.

4. If there is no foreign-language requirement, how will enrolled UCLA students satisfy the China-based internship with local companies that presumably requires fluency in Mandarin or Cantonese? We understand that the internship requirement is part of the PKU requirements, but given that the proposal is for a distinct dual degree (and unique UCLA degree designation in concert with the PKU degree) it seems that in practice a Chinese language is required for degree completion. Is that the case?

Mandarin is not required for degree completion. Classes will be taught in English (see page 77 of the proposal for details on the PKU M.Fin.). There is no stipulation that the internship must be completed in China and students may complete the internships at companies/ countries that do not require Mandarin (Hong Kong, Australia, Japan, Korea, or even the U.S. if they have work authorization). We also expect that the program will be attractive to Asian students beyond China who would like to pursue an advanced degree closer to their home countries such as Japan, South Korea, Taiwan, and the Philippines, among others. While students will be strongly advised to have learned Mandarin or another Chinese language in order to live in Beijing, it is not a requirement for the program. The London School of Economics offers two dual degrees with PKU, the language of instruction is English, and they do not require fluency in a Chinese language.

http://www.isd.pku.edu.cn/index.php?m=content&c=index&a=show&catid=171&id=239

5. Is the PKU internship optional or a degree requirement?

The internship is a component of the PKU degree. As such, PKU is entitled to determine if it is a degree requirement. On page 79 in the degree proposal, it is indicated that PKU is not intending to assign degree credit to the internship, but they do state in the curriculum chart that the internship is a requirement during their Summer term.

6. Will UCLA faculty have any role in the required summer internship for the PKU degree?

The internship experience will be supervised by PKU faculty.

7. What is the plan to have the (required) three UCLA faculty assess each individual student’s contribution to the capstone project?

The plan to have UCLA faculty assess each individual student’s contribution to the capstone project is the same as it is in the existing MFE program: the faculty member evaluates the performance on a group an individual basis by consultation with project sponsors (companies) and teammates. This type of capstone project has been offered at UCLA Anderson for over 40
years and faculty are very familiar with protocols for managing such a course and assessing student contributions.

8. **What is the capstone project for this proposed program?**

For the UCLA degree, it will be the same as in the existing MFE program (a corporate sponsored applied finance project). It is described below for convenience.

**MFE Capstone Plan**

The capstone plan requirement is fulfilled by successful completion of the Applied Finance Project (MGMT MFE 410) course with grade of “B” or better. Teams of students complete an original applied research project that will develop or utilize existing quantitative finance tools and techniques. The project is designed to provide an in depth exposure to at least one major task students will be expected to fulfill in the workplace. Students are individually evaluated by three UCLA faculty members who supervise the project to ensure that the students’ work and contributions adhere to the rigorous academic requirements of the program.

9. **The current MFE program at UCLA requires 60 units, at least 120 hours of a required internship and concomitant enrollment in MFE 411, and 5 quarters of enrollment (four academic terms and the summer for the internship. What is the academic rationale for creating a second MFE requiring 40 units, no internship, and 3 quarters of enrollment?**

Please see page 26 of the proposal:

“The 40 unit MFE – Asia Pacific degree program is a pared down version of the 60 unit MFE degree already in operation at UCLA Anderson. As proposed, the MFE - Asia Pacific degree does not require four of the initial preparatory courses (taught by PKU in the first Fall Quarter instead), does not require an internship or the attendant career services (also provided by PKU) and has a slightly more limited elective course requirement (the balance being provided by PKU). This contributes to a very focused course of study in a very short two-year timeframe resulting in two degrees and reduced student fees.”

10. **What is the plan if a dual degree student obtains the UCLA MFE after the 4th quarter and then withdraws from the PKU program? Would that action be a shortcut to access an abbreviated, and less expensive, MFE from UCLA?**

We did discuss this with PKU as we were concerned that potentially they could experience dropouts once students had obtained their UCLA credential – six months before completing their PKU requirement. PKU was not overly concerned about this as their experience with their student population is that these are the best and brightest who want to succeed and by not completing their PKU requirements they would more than likely hinder their future employment prospects. In addition, they are graduating with a different credential than the existing UCLA MFE.

In the MOU between programs the “rules of engagement” will be laid out in more detail. These rules will be spelled out in marketing materials, policy documents, etc.
11. If a student in the dual degree MFE would like to change degree objectives to the “regular” MFE, may they do so? And vice versa? Or would the process require an application for admission?

No, they may not. Any students entering the existing MFE needs to go through our separate admissions process. We do not accept transfers from any degree programs to the MFE.

Please see this response to the external reviewers who raised this issue (page 70):

It should be noted that in relation to the concerns expressed about possible “conflict” between the two UCLA MFE programs, particular care has been taken in the design of the degree proposal to prevent this. Specifically, marketing materials will clearly delineate the differing structures and outcomes, the two programs will have distinct admissions processes, and students will not be able to transfer between the two programs. Most importantly, we created a distinct degree name to signal the difference in programs. We are not just offering another “section” or “track” of the MFE program, rather, we are offering a different degree program, the MFE – Asia Pacific.

12. Are there plans to have online courses?

Not at the time of the development of this proposal.

13. For the proposed addition to the Senate Regulation, what is the rationale for allowing the dual degree students to have a course where they earned a grade of C to count toward their MFE? Why not keep the bar at B grade or better for each UCLA course?

The MFE – Asia Pacific will follow the same grading policy applicable to the existing MFE program.

Grading Policy

The UCLA Anderson School grading system uses A, B, C, and F, and includes plus or minus grades. In some non-MFE courses, professors may assign satisfactory “S” or unsatisfactory “U” grades. A minimum cumulative GPA of 3.0 is required for graduation from a post-baccalaureate degree program at UCLA. A student is considered in probationary status and subject to dismissal if the cumulative scholarship in all (emphasis added) work attempted in graduate status or in MFE courses falls below a B (3.0), or if the student’s work in any two consecutive terms falls below a B (3.0) average. Please note that in the UC system a B- is below 3.0.

The following is a list of grades that may be assigned to graduate students at UCLA and their values on the 4-point scale. This list differs from the undergraduate grading system in that graduate students may not be assigned a “D” grade.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>4.0</td>
</tr>
<tr>
<td>A</td>
<td>4.0</td>
</tr>
<tr>
<td>A-</td>
<td>3.7</td>
</tr>
</tbody>
</table>
Students should keep abreast of their academic progress. Students are required to maintain a 3.0 grade point average (GPA) or higher in Master of Financial Engineering (MFE) courses, and a cumulative GPA of 3.0 or better overall. A minimum cumulative GPA of 3.0 is required for graduation from a post-baccalaureate degree program at UCLA. Students not meeting these requirements may be dismissed from the MFE Program. Students whose cumulative GPA falls below 3.0 will be contacted by the MFE Program Office and will be required to arrange a counseling appointment to monitor progress.

From Section 10, page 27 of the proposal similarly estates that a degree candidate must maintain a “B” average (3.0 GPA) in all courses taken during the candidate’s residence at the University of California as a graduate student.

“The candidate shall have completed a one-year program of graduate study (3 quarters, does not include a summer term) as specified by the Faculty of the Anderson School at UCLA and approved by the Graduate Council. Only courses in which the candidate is assigned grades A, B, or C may be counted in satisfaction of the requirements for the MFE- Asia Pacific degree. The candidate must maintain a “B” average (3.0 GPA) in all courses taken during the candidate’s residence at the University of California as a graduate student.”

14. Anderson is renowned for its robust career guidance and placement services. Why won’t these dual degree students have access similar to their UCLA peers?

During the degree design phase PKU expressed their desire to manage these program components. One of the stated aims of the dual degree program is to address increasing
demand in the China/Asia market for graduates with these types of credentials so it would make sense that the placement be focused in that region.

15. Why is there no CPT option for this program? Wouldn’t that option be attractive to applicants?

Curricular Practical Training (CPT) is temporary authorization for practical training directly related to your major field of study. CPT is authorized by the ISS office in accordance with the F-1 regulations. To be eligible for CPT employment, a student must be on a valid F-1 status for at least one academic year. An exception to the academic year rule is provided for graduate students whose programs require immediate participation in CPT. The program requirement must be for all students in the program and should be listed on the program’s website in the curriculum description. MFE – Asia Pacific students will be on valid F-1 status for two quarters while at UCLA.

16. Please explain further as to the rationale for the distinct program name that includes UCLA and PKU hyphenated in the name. What is the intent? How will it be used? Is it feasible to do so within the UCs?

The request for a distinct program name reflects our intention to establish a distinct and marketable identity and brand for the dual degree program and convey exactly what the program represents. The “UCLA Anderson – PKU Guanghua Dual Master’s Degree Program in Financial Engineering & Finance” name provides students with a clear understanding of what they can achieve by taking this program and establishes the dual degree nature of this program. Using the approved UCLA degree name (MFE – Asia Pacific) in marketing materials would lead to a lack of clarity that we are in fact part of a dual degree program.

We believe it is feasible to do so within the University of California as the UCOP Academic Planning Council was consulted and agreed that this initiative was reasonable and added that it could be dealt with at the campus level.

Thank you again for your careful consideration of the MFE – Asia Pacific proposal. We believe the proposal has improved due to your thoughtful consideration and questions. We look forward to your correspondence to indicate the next steps in the approval process. If you have any questions or concerns, please feel free to contact us via Assistant Dean of Strategic Initiatives, Wendy Guild at wendy.guild@anderson.ucla.edu.

Cc: April de Stefano, Assistant Dean-Academic Services, Graduate Division
John Mamer, Faculty Chairman, UCLA Anderson School of Management
Judy Olian, Dean, UCLA Anderson School of Management
Julio Vergara, Chair, Graduate Council
Willeke Wendrich, Co-Chair, Committee on Degree Programs
Estrella Arciba, Principal Analyst, Graduate Council
APPENDIX J:
Syllabi
University Course Catalog Descriptions
Teaching Faculty Curricula Vitae
Winter 2014. Instructor: Ivo Welch

MGMTMFE 404
Corporate Finance and Risk Management

My main teaching page is at http://teaching.ivo-welch.info.

Announcements

Please check these announcements at least once per day.

- Recap Slides: s-recap.
- Final Exam: Wed 3-6pm, B301.
- The index card that you can scribble together, front and back, is 3 by 5 inches.
- I have no sample solutions for the old finals. (Sample solutions were only for equiz.me, the book text questions, and quizzes.)
- Extra office hours pre-exam: Felipe Maul, Monday, noon-1pm. Brad Broadhead, E2.01-07 Tuesday 2pm-4pm. Raimundo Lira, B310 Tuesday 9-10am. More important, the TAs can answer last-minute questions over email.
- Mar 16: updated the Quiz Solutions. One was missing.
- My exams are really very similar to my quizzes and my old exams. Limited Imagination... Vote on open-book vs closed-book exam.
- Feb 23: turn-in rates on the computer homework have been low. I know it is not graded, but we have it for your own sake. You should do it!
- Feb 21: Office Hours today have to be moved to 11am and 3:30pm, from 1pm—Dentist.
- Feb 19: I have received so many requests that I have modestly changed the grading system. If you do better on the final than on the (5 best) quizzes, I will only count the final and not the quizzes. And remember: quizzes are the thermometer, not the temperature. They exist to help you understand the material. If you have done badly on the quizzes, you still need to worry---not because of the grading on the quizzes, but because you are on a collision course with the final exam. The final exam will be like the quizzes, but longer and cumulative.
- Feb 18: Everything from past classes is fair game for any quizzes. Having said
this, I think my main focus on the quiz on Thu (not yet written) will be the previous class, not the one before.

- Jan 31: Quiz Solutions have been updated for yesterday. The eventstudy solution pdf has been updated at task_2 on the dropbox account (and a data file for 1985 has been made available).

- Quizzes: Always about >2/3 what we did in the previous class. The rest can be questions from before, esp if they did not do well on the previous quiz. Rarely, I may ask something from the readings. For guidance, see Quiz 2 distribution.

**Corporate Finance and Risk Management**

Corporate Finance and Risk Management 404 is the second finance course in our 1.5-course sequence. 404 focuses on corporate finance. It is more intuitive than most of our more quantitative MFE courses, but it is not easier. It is different. This MFE class has a lot of overlap with the Anderson Finance MBA 430 course, but it covers subjects in different order, with different emphases, and more quantitatively. There is a much stronger computation aspect. However, many of the lectures can be similar or the same.

**Advance Homework**

Review Chapters 1-9 of the textbook.

**Week Schedule**

All dates are approximate. You have to print and bring the classnotes (slides) to class. (Note: They do not yet exist fully.)

**Data Work:** These require a WRDS account. Most data assignments are based on CRSP data. Some are based on S&P Compustat data. (You are welcome to use Bloomberg instead, but do not expect any help if you do.) You are expected to hand in written reports that are between 1 page and 5 pages long (the following week after I noted in the syllabus), and post your program on a website in case the TA wants to check. When I ask for "now", anything within the last two years is acceptable.

1. **Perfect-Market Model (Review Plus)**
   
   [S1+] Ch1-6 (+7). NPV. Perpetuities. Annuities. Time-Varying Rate of Returns.
   
   1. ucla237A-introduction.pdf
   2. s-ucla-review.pdf

DMS 5-50
Preparatory: For the (CRSP) S&P500 with dividends, what was the average arithmetic and geometric historical mean rate of return for daily returns, for monthly returns, for annual returns, and for 5-year returns from 1/1/1973 through 1/1/2013? Do the same for excess rates of return above the prevailing short rate, the 30-day Treasury rate, the 1-year Treasury rate, and the 5-year Treasury rates, respectively. This answers the questions of "how would each of these four self-financed strategies have performed?" (Does overlapping the longer-term series lead to different inference?)

2. Imperfect-Market Model
   1. s10-imperfect.
   2. s11-effmkts.

Eventstudy: We are interested to learn how stocks perform in terms of excess rates of return when they pay a dividend. (The ex-dates are noted for each stock-even in CRSP.) What happened to the stock return (minus the S&500 on the same day) from days -20 through day +20, each day by day? Line up all stock excess returns on the event dates, and calculate the mean across all stock-days. This is the day 0 event mean excess rate of return. Eventually, your result will be 41 mean excess rates of return, that you can graph with relative day on the x-axis and mean rate of return (across all excess returns) on the y-axis. You can do this assignment only for the calendar year 2012 to make it simpler.

3. Capital Budgeting with Pitfalls
[S4, S5 (Feb 6)] Ch12. IRR, Promised vs. Expected, Interactions, Marginal, Biases
   1. s12-npvapplications

Preparatory: Create a data set of annual compounded rates of return for each stock: perm, ticker, cusip, year, rate of return. do not drop stocks in their year of disappearance!

4. Financial Statements (Review Plus)
[S6 (Feb 13)] (Ch 13) Accruals. Earnings Management.
   1. s13-valuation.

Accruals: What 2-digit SIC industries had the highest accruals in 2012?

5. Comparables
[S7 (Feb 13)] (Ch 14) P/E Ratio.
   1. s14-comparables Comparables

P/E: Produce a figure with E/P on the y-axis, and (the 3-year average of the) lagged change in percent earnings on the x-axis. Truncate both X and Y at the 10th and 90th quantiles.

DMS 5–51
6. **Perfect-Market Cap Struct**  
   [S8, Feb 20] (Ch 5, 15-16) Contingency Tables
   
   1. **s15-capstruct-intro** Capital Structure: IBM as Example
   
   2. **s16-capstruct-perfectmkt** Capital Structure: Perfect Market Framework, Payoff Diagrams

   **D/E:** What 2-digit SIC industries have the highest debt ratio? What have the lowest? Can you reject that firms in all industries have debt drawn from the same random distribution?

7. **Imperfect-Market Cap Struct**  
   
   1. **s17-capstruct-withtaxes** Capital Structure: Taxes (incl. WACC and APV). Ch5, 12

   **Tax:** Can you estimate the real vs financial tax payment that Compustat firms made in 2012?

8. **Dividends, Pro Formas**  
   [S10] (Ch 19-20) May be omitted if we have been overambitious.
   
   1. **s18-capstruct-nontax** Capital Structure: Financial Distress, Information, Frictions, etc.
   
   2. **s19-payout** Payout Policy --- very brief

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**Teaching Philosophy**

The single biggest difference between my course and similar finance courses elsewhere is that in my course, you will learn what really works in finance and what does not.

In other classes, the models will seem to work and fit together nicely. The world will seem a happy place. The formulas will be nice recipes, ready to be applied. You will feel that you have learned finance well. Unfortunately, it will be all wrong. These courses teach bed-time fairy tales, whose only function is to make you sleep better. I like the explanation by Eric Falkenstein in *Risk and Return explained*.

An analogy: if ninety percent of employers were creationist, would you want me to teach you the ins and outs of creationism? Or, would you want me to teach you first what creationists believe and then why it is wrong? Or, is teaching only creationism the "practical" way? I do have to teach you what the creationists believe, because you will confront it all the time. But I will also teach you why and where they are wrong.

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_DMS 5–52_
If you are looking for the simple "right" answers, I cannot give them to you. No one can. The real-world data is messier and more confusing than we wish it were. I think it will make you a better decision-maker to understand where you tread on safe grounds and where you do not. If you don't want to hear the truth, if you want to just learn how to apply formulas, take another course.

I also have other views worth noting, both about finance and about teaching finance.

I care primarily that you understand the basics of finance, inside and out. I care that you understand why you are using them. I care that you understand the limitations of what you know. I care that you can apply what you know.

I do not want you to memorize twiggles. The fact is that you will forget such details. One year after the class, you wouldn't remember them. I tend to forget them, too. I want you to understand the "system."

Solid knowledge of the basics and an ability to apply them quickly on questions and scenarios (which is what we will be doing a lot) is exactly what you will have to do in interviews. Interviewers rarely ask about institutional details, and they don't do complex 30-page case studies, either. (If nothing else, the interviewers don't want to argue about the less relevant and/or ambiguous aspects about cases in job interviews, either.)

**Text Book**

The text book is *Welch, Ivo. Corporate Finance, 3rd Edition*. The book is free online (but no guarantees that the site won't go down). The book is only $60. Trust me: a hard copy makes the class a whole lot easier and at this $60 price, you can afford it. [For many (but not all) topics, similar chapters can be found in Berk-DeMarzo. Obviously, I like my treatment of the subjects a lot more than theirs'. You can be the judge for yourself. It often helps to get two different perspectives on the same subject, though, especially if you have trouble with one of the expositions.]

**Homeworks and Exams**

The homeworks are the questions at the end of each chapter in the book. They are not graded. They exist to prepare you for the quizzes. After we have completed a chapter, you can visit a TA at their office hours (every day!) and ask him to grade the answers for you right there and then.

You can also test yourself on the the [equiz.me](http://equiz.me) questions for each chapter.

The quizzes are about the preceding class(es). They will be 15 minutes each. The questions will be similar to those on [equiz.me](http://equiz.me) and to the questions in the book.
(For that matter, so will the Final Exam.) We will probably run 7-8 quizzes, and count the best 5. If you are not present, you lose. There are no makeup quizzes.

There are no surprises in my quizzes and exams. There never have been. They are just like my lectures, which are just like my slides, which are just like my book. One student last year told me that my lectures were not adding a lot over the book, and he was perfectly fine missing some—he ended up getting the 5th-lowest score on the final. The material is deceptive: it is a lot harder than it seems. Yes, you may think the material is somewhat redundant, but it takes redundancy to absorb it. And this is exactly the material that you need to know inside-out to succeed in finance. If the material seems too easy for you to bother with, you are putting yourself in danger of a low score.

Here are some of my old oldexams/.

The quizzes are closed everything, except calculator and pen. The final exam is open-book and open-notes, but not open computer.

**Grading**

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Best Quizzes</td>
<td>0-40%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40-80%</td>
</tr>
<tr>
<td>My Discretion, Case, … etc.</td>
<td>20%</td>
</tr>
</tbody>
</table>

You can elect, at the beginning of the class (week 1), not to count anything except your final exam. Please send the TAs and me an email to this effect.

**Important Class Rules**

There are some simple ground rules:

1. Put up your name sign.
2. Be on time.
3. Bring a printed copy of the slides, a pocket calculator (not a computer app that is a calculator), and a pencil (with eraser).
4. Do not use an electronic device (such as a computer or cell phone) during class, unless specifically asked to do so by me. They are simply too distracting and have negative externalities on other students. Please do not force me to remind you.

And enjoy taking this class. At work, it will get serious enough quite quickly. You

DMS 5-54
and I are supposed to have fun—of course, as long as fun does not detract from learning. By the way, I can take it as well as I can dish it out, too.

**Other**

- Despite B-Week, you are *not* a customer. Anderson is not Taco Bell, and we don't sell degrees. Your education is your job. We are here only to help, not to deliver. If anything, Anderson's customers are our alums and recruiting employers. Our reputation rests more with them.

- Talk to the TAs and/or me when you have problems. Make use of the TAs' perspective. We are all here to help.

- Be religious in your course preparation: print and read the classnotes, do the homework, read the book chapters, attend class.

- Be prepared to research novel problems by yourself. Tackling novel problems is an important skill.

- Check the website every day for news.

- Bring any cheating to my (not the TA's) attention.
Quarter: SPRING 2017

Time: Lectures: Wednesdays, 12:00-2:50 PM in B301

Exceptions:
- April 5 class – moved to - April 5, 1:00 - 3:50 PM in Korn Hall
- April 19 class – moved to - April 20, 9:00 - 11:50 AM in Korn Hall
- June 7 class – moved to - June 1, 12:00 - 2:50 PM in Korn Hall

Instructor: Dr. Levon Gukasian

Contact info: Office: C-521; Office phone: (310) 825-9169; E-mail: Levon.Goukasian@gmail.com; Office Hours: 4–5PM on Wednesdays

TA: Jorge Mena; E-mail: jmena@cs.ucla.edu
TA’s office hours: 9-11AM on Mondays, in B117.

Course Objectives:
This course introduces some of the major numerical methods needed for quantitative work in finance, focusing on derivatives pricing and fixed income applications. Topics will include the binomial method for European, American and various Exotic options pricing, treatment of discrete dividends, American bond option valuations, numerical methods for stochastic differential equations, random number generators, Monte-Carlo methods for European and Least-Square Monte-Carlo methods for American options pricing. Variance reduction techniques will be covered. We will also cover the Low-Discrepancy Sequences and implement the Quasi Monte Carlo method. The numerical methods of the partial differential equations and finite difference methods that appear in financial engineering will be covered. The course is heavily lab oriented.

Prerequisites:
Knowledge of a programming language (C/C++, Matlab, R, Java, etc.)

Required Preparation and Materials:

Required:

Optional:

Software:
You must be familiar with a programming language, such as C/C++, Matlab, R, Java, etc. No particular one is required, but I strongly recommend using C++ for implementing class projects.

**Administration:**

Lectures relate to reading material in the text, but also include some examples and additional material introduced in class. While I will not take attendance, you are expected to attend all classes, and are responsible for any material covered in classes you miss. I may post some lecture notes and assignments on the web - on the course’s site. All students are required to obtain access to this site, and to check it regularly for notes and bulletins. I may distribute some class resources only electronically. You will submit your project codes via emails by their due day/time. The due day/times are at 12PM on Wednesdays when the projects are due.

Your codes should be emailed to the following address: MGMT237G.1@gmail.com. The email-subject should reflect your name and project number as follows:

Last name_first name_Project number. For example: Wang_George_Project3.

**Grading:**

Grading will be based on weekly Computational Projects (9 of them) and the Final Exam.

All projects combined are worth 60% of your overall score, and the Final Exam is worth 40% of your overall score. The Final Exam will be held 12:00-3:00PM on June 14, 2017 in room B301. The Final Exam is comprehensive and it will be based on the material covered during the course. More details about the final exam will be discussed in class.

The weekly Computational Projects will not be of equal weights. You will submit your project codes via emails by their due day/time. The due day/times will be at 12PM on Wednesdays of the weeks when the projects are due. You may be asked to demonstrate (to the course instructor or the TA(s)) how your codes work under different parameter settings, explain the outcomes, and answer related-questions.

**There will be no late or make-up projects.** Your projects’ grades will be based on your implementation and the demonstration of the projects, the accuracy and quality of your codes, and your answers to questions. All projects are individual.

Every project that you submit should have a title, description of inputs and outputs, and codes should have detailed descriptions and explanation of major steps.

**No parts of projects’ codes can be shared with other students; nor can the codes be taken from outside sources. Various methods will be employed to compare the submitted codes and to detect any uses of online source codes for class projects.**

Those project submissions that are written in C/C++ will earn 10% extra credit, up to the max possible score for the project.

The project grades will be based on the following grading schedule:

- Projects 1- 3: 50 points each
- Projects 4 -9: 75 points each

Your course grade will be based only on your performance on all projects and the final exam.

*There will not be any provision for extra credit.*
<table>
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<th>Assignment Due dates</th>
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<td>Simulation of Stochastic Processes, discretization schemes (Euler, Milstein, etc.), Pricing Securities by Simulation – the first steps. Low-Discrepancy sequences, Applications.</td>
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<td>9</td>
<td>Simulation methods of Valuation and Hedging of Mortgage-Backed Securities. Prepayment Models, Option-Adjusted Spread Duration and Convexity. <em>(may take two lectures)</em></td>
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<tr>
<td>10</td>
<td>Valuation and Hedging of MBS. IOs and POs. Prepayment and Default Models, MBS Embedded Options.</td>
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Syllabus

MGMTMFE 406
Derivative Markets

Daniel Andrei

Office C420, Phone (310) 825-3544, Email daniel.andrei@anderson.ucla.edu
Office Hours: Tuesdays, 4-6pm

Schedule

Meets: Tuesdays, 9:00–11:50am (Sec. 2) & 1:00–3:50 pm (Sec. 1), B117 (Jan 10, 17, 24, 31, Feb 7, 14, 21, 28, Mar 7, 14)
Midterm: Tuesday, February 7 2017, in class
Final Exam: Tuesday, March 21 2017, 3:00–6:00 pm, location B301 & C315

Teaching Assistant

Michael Yingcong Tang
Email yingcong.tang@gmail.com

Office Hours

Hour & location: TBD

Focus

Option pricing theory is one of the most exciting areas in finance. An esoteric and specialized subject forty years ago, it became a cornerstone of modern finance today. The total notional amount of the global derivatives market represents more than $600 trillion. It is thus as important as ever to understand the opportunities as well as the risks implied by derivative instruments.

The main theme of this course is the use and pricing of forwards and futures, swaps and options. The main tool we will use is the binomial model and we will also discuss its close relative, the Black-Scholes model.

We will discuss several important applications, such as financial and commodity forwards and futures, interest rates derivatives, swaps, exotic options, corporate securities,
credit instruments, and risk management. We will put emphasis on practical implementation. Expect numerous numerical examples. We will work with Excel, Matlab, and Mathematica.

Organization of the Course

The course will be in a traditional lecture format, with a midterm and a final exam. There are 5 problem sets (not to be submitted) and 2 Matlab assignments (to be submitted). I will give more details about homeworks during the first class.

In addition to enrolling through the proper authorities, please send me an email with the following information:

- name
- program and year in program
- major (if any)
- your background in finance and mathematics
- telephone number
- any other information you consider important

Course Materials

All class materials (slides, readings, problem sets, assignments, old midterms, and old exams) will be available on CCLE.

Main textbook for the course

Robert McDonald, Derivatives Markets, Pearson Addison Wesley, third edition, 2009. This book is very good at explaining how options, futures, and other derivatives are used as well as how to price them. It offers a well balanced mix of intuition and rigor, and is easily accessible to MBA students, MFE students, and advanced undergraduates.

Optional textbook

John Hull, Options, Futures, and Other Derivatives, Prentice Hall, eighth edition, 2012. This book is very popular and widely used, although with more emphasis on the technical side.

Readings

Occasionally, I will distribute short readings on various topics related to each class.
Grades

40% final exam, 30% midterm, 20% assignments, 10% class participation.

Course Outline

The following is a tentative list of topics covered in this class:

- **Weeks 1 & 2.** Introduction to derivatives: payoff and profit diagrams, forwards, futures and options

- **Weeks 3 & 4.** Binomial option pricing, risk-neutral pricing, exotic derivatives, convertible bonds, pricing by simulation

- **Week 5** Midterm

- **Week 6, 7, & 8.** Black-Scholes: basic formula, greeks, delta-hedging, implied volatility, VIX, practical applications, extensions

- **Week 9.** Financial forwards and futures, commodity forwards and futures, interest rates forwards and futures, options on futures, interest rate swaps, currency swaps, commodity swaps

- **Week 10.** Credit risk, securitization, and the Financial crisis of 2007

References

Syllabus

Course Information

The objective of this class is to provide MFE students with the quantitative tools to carry out high-quality independent, applied research in finance. The emphasis will be on applying these tools in assignments. Completing these assignments requires writing your own routines in R. In addition, the class will expose students to recent advances in the field of asset pricing. A major part of the class will cover time series analysis, applied to financial and macro-economic data.

Prerequisites

This class relies heavily on concepts introduced in MGMTMFE 400 (Investments) and MGMTMFE 402 (Econometrics). We will also use basic concepts from statistics throughout this class.

Computing

All computing will be done with R/Rstudio. R is a free programming environment and language for statistics and data manipulation. R is used world-wide in both academia and the private sector. We will use only a small subset of the capabilities of R in this course and this will not require extensive training. All material needed for the use of R will be developed in class and no prior knowledge of R is required.

Mathematical Preparation

All students are assumed familiar with exponential and logarithmic functions and summation notation. I will also assume a familiarity with vectors, matrices, matrix multiplication, and matrix inverses.

Homework and Tests

The final (50%), eight homework (40%), and class participation (10%) will constitute the course evaluation. The homework should be done in groups of no more than three students. You have to form your own groups.

There will be eight homework assignments. Homework will typically involve a combination of some derivation and R computing. Each homework will count for 5% of the grade. You may ask the teaching assistant clarifying questions regarding the homework.
Grade Distribution  (note this is approximate)

A:  40 per cent  
B+:  5 per cent  
B:  49 per cent  
B-:  5 per cent  
C:  1 per cent

Lectures, HW Due, and Final Exam Dates

The lectures are Mondays and Wednesdays in Cornell D301 from 9:45am to 11:15am (Section 2) and from 12:45pm to 2:15pm (Section 1). Note that due to MLK and President’s day, we will have a make-up class scheduled for a Friday to be determined.

Homework is due Monday mornings at 9:45am electronically via the CCLE website. The first homework is, however, due 9:45am on Wednesday January 18th due to MLK day.

The final exam is Monday, March 20th, 3:00 pm – 6:00 pm. The rooms are C301 (Section 1) and B313 (Section 2).

Late Homework Policy: Since homework submission is available on the CCLE web site, no late homework will be accepted. If you do not submit the homework before the submission deadline, the drop-box on the CCLE website will close and not allow for any further submission.

Please do not submit unedited output. CUT and PASTE the relevant portions of the output into your homework document. Simply copy graphs using “Export” from Plots menu in RStudio.

Exam attendance:

You must take the exam with your section unless you secure prior written permission from me. It is expected that students will complete all exams for the course. I will only entertain requests for rescheduling the exam in cases of extreme medical or personal emergency. This does not include job interviews, weddings, vacations or class trips. Any request must be made in advance.

Having one or more other exams on the same day is NOT a legitimate reason for exam rescheduling. Similarly, the fact that a case assignment or course project is due on the exam date is NOT legitimate either. Plan ahead to manage your time.

Exam Format:

The exam is closed-book/closed-notes. You may bring one 8 ½” x 11” cheat sheet (you may use both sides).

Please bring a calculator to the exam. Your calculator must be able to compute natural logs and exponentiate.
Requests for Regrade:

All requests for regrading of exams must be made in writing and state clearly the basis of the request.

All requests for regrades must be made within 14 days of the date of the exam.

Clerical errors will be corrected at no risk to the student. All other regrading requests will result in regrading of the entire exam. Downward as well as upward revisions of a grade are possible.

Students with Learning Disabilities

If you have a learning disability and require special provisions for taking exams, it is your responsibility to get in touch with the UCLA OSD

http://www.osd.ucla.edu/

and have them contact me directly to make exam arrangements for you. I will email the exam to them and they will administer it.

Class Attendance

Class attendance is vital to obtain a thorough understanding of the material. Once you enter the classroom, you are expected to stay until the class ends.

Office Hours/Email

In person:
C519, please email for an appointment.

By Email:
I regularly read my email. This is the fastest and most reliable way of making contact with me.

lars.lochstoer@anderson.ucla.edu

NOTE: read the syllabus and assignments before asking procedural or logistical questions. Questions about the course content are always welcome. Questions because you are not willing to read the syllabus and assignments are not.

Teaching assistant:
Yu Shi (yu.shi.1@anderson.ucla.edu)
Office hours and location: Fridays, 10:00am to 12:00pm, in C414
Class Materials

All course materials will be available on the CCLE web the day before the class. Students are responsible for printing their own copies of course materials.

All course materials including data, slides, and R code should not be distributed outside this class. You may use my R code but you may not give away anything else.

There is no required text for the class as the class notes will be self-contained and since there are many free resources scattered online. That said, I do strongly recommend the following texts:


For those of you who need some help with R, I recommend “R for Everyone,” by Jared P. Lander.


Course Outline

Topic 1: Time series properties of stock market returns and prices
- Non-normalities in stock returns
- Distributions, moments, and risk metrics
- The random walk hypothesis
- Stationarity
- Time-varying volatility and General Least Squares
- Robust standard errors and OLS

Topic 2: Time series properties of the cross-section of stock returns
- Single- and multifactor models
- Economic factors: Models and data exploration
- Statistical factors: Principal Components Analysis
- Fama-MacBeth regressions and characteristics-based factors

Topic 3: Time-dependence and predictability
- ARMA models, VAR models
- The likelihood function, exact and conditional likelihood estimation
- Predictive regressions, autocorrelation robust standard errors
- The Campbell-Shiller decomposition
- Present value restrictions

Topic 4: Heteroscedasticity
- Time-varying volatility in the data
- Realized Variance
- ARCH and GARCH models, application to Value-at-Risk

Topic 5: Filtering and state space models
- Learning and Bayes rule
- State space models
- The Kalman Filter

For future reading and learning, read chapters 18, 19, and 20 in Time Series Analysis on non-stationary time-series and co-integration. For models with regime switching, read chapter 22 in Time Series Analysis.
The Course.

This course is an introduction to fixed income markets and the analytic tools used by participants in these markets. By its nature, fixed income is a very broad subject that would literally take years to cover in depth. Of necessity then, this course needs to be selective. We will focus primarily on the fundamental concepts underlying fixed income markets; with a solid grasp of the underlying theory, it should be much easier to pick up the rest working in the industry. We will have a strong emphasis on applications and quantitative techniques using realistic examples and cases.

Course Materials.

The required texts for the course are *The Handbook of Fixed Income Securities, 8th Edition* by Frank Fabozzi and Steven Mann and *Fixed Income Securities, 3rd Edition* by Bruce Tuckman and Angel Serrat. Recommended supplemental texts are *Options, Futures, and Derivative Securities* by John Hull and *The Structured Credit Handbook* by Rajan, McDermott, and Roy.
Grading.

Grades will be based on class participation, performance on weekly homework assignments, and on the final examination.

Homework Assignments, Cases, and Class Participation 20%
Final Exam 80%

Class Participation.

This is important to the success of the course. Please come to class prepared and please feel free to ask questions. Many of the key concepts are very challenging and often a strategic question by you will make the concept clearer for others in the class. Please attend. If for some reason you have to miss a class, please get the notes from one of your classmates and review it carefully.

Approximate Class Schedule.

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<td>TBA</td>
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Topic 3. Term Structure Theory; Forwards, Futures and FRAs. An introduction to generalized present value theory and the various forms of the expectations hypothesis. No-arbitrage models of forward prices and futures prices and the impact of convexity. Applications to Eurodollar and Treasury bond futures contracts and the FRA market.

Topic 4. Equilibrium Models. Introduction to the dynamic term structure models of Merton, Vasicek, Cox Ingersoll and Ross, Chan Karolyi Longstaff and Sanders, Longstaff and Schwartz, Dai and Singleton, etc. Methods of numerical estimation and solution. Closed form solutions and simulation implementations.

Topic 5. No-Arbitrage Models. Introduction to no-arbitrage models such as Ho and Lee, Black Derman and Toy, Black Karasinski, Heath Jarrow and Morton, Brace Gatarek and Musciela, Santa-Clara and Sornette, and Longstaff, Santa-Clara and Schwartz. Discrete tree implementations. Calibration to market interest rate option data and simulation implementations.


About the Instructor.

Professor Longstaff is the Allstate Professor of Insurance and Finance at UCLA. He has a Ph.D. from the University of Chicago in Finance and is a C.P.A. and a C.F.A. He returned to UCLA after being head of fixed income derivative research at Salomon Brothers for a number of years. He has published 60+ research papers, most in the area of term structure theory and derivatives pricing. He has recently served as a consultant for several multi-trillion-dollar asset management firms.
Overview

Quantitative risk management emerged as a distinct discipline of financial economics in the 1990s, focusing mainly on trading market risk. In the early 21st century, the field expanded vastly as shareholders and regulators looked for transparency into the rapidly growing financial industry. This in turn brought about exciting developments in the modeling of credit and operational risks. The recent crisis and other colossal mishaps and catastrophic events, have highlighted the importance of risk management, and in the last five years, corporations have invested unprecedented amounts of resources in risk management technology and human capital.

This course introduces the most modern frameworks and techniques to identify, measure and manage financial risk, both for financial and non-financial institutions. We start off by studying the basic statistical and probabilistic building blocks of risk management, such as Value at Risk, Maximum Likelihood Estimation and volatility modeling. These tools will serve us in the later modules of the course.

We then focus on market risk management, considering topics related to trading in stocks, currencies, bonds and their derivatives. Due to the liquid and fast-moving nature of these markets, we focus on short-term fluctuations, and ask ourselves “How bad can one day losses on such portfolios be?” We consider alternative methods for computing Market Value at Risk, using parametric closed-form solutions, Monte Carlo simulations and non-parametric historical simulations.

Following the midterm we discuss credit risk management. First, we look to the analysis of default probabilities, exposure at default, and loss given default. We learn how to derive them from market prices and from historical data. Getting these right is the basis for analyzing the behavior of credit portfolios, whether they are held by an institution or they underlie structured products. Subsequently, we discuss methods for modeling the correlations between credit exposures and the statistics of credit portfolio losses employing copula-based and other commonly used industry models.

Our final lectures are dedicated to reviewing financial regulation and employing the tools previously explored to conduct stress tests and to compute economic and regulatory capital.

Required Material


Additional Texts


Assignments and Grading

Problem Sets: There will be five problem sets. Problem sets include practice questions from the book about basic concepts, and additional exercises that explore extensions of the basic models. Problem Sets will count for 30% of the final grade.

Midterm Exam: The midterm exam will count for 30% of the grade.

Final Exam: The final exam will count for 40% of the grade.
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</tbody>
</table>
The Applied Finance Project (AFP) was set up to serve both as a learning opportunity for UCLA MFE students, and as an opportunity for financial firms to engage a team of students from a top-rated program in their proprietary research projects.

The academic purpose of the program is to provide MFE candidates with the opportunity to apply knowledge acquired through MFE coursework to a practical, real-world financial engineering issue. The program is intended to help students develop and showcase their knowledge of quantitative finance, hone their communication skills and delve more deeply into an area of interest beyond the opportunities offered in the MFE coursework.

Qualified firms participate in the program by submitting a project. The MFE office matches a team of highly qualified and well-trained students to the project, along with a UCLA finance faculty member who is the team’s advisor. The role of the advisor is to provide methodological guidance and assistance to the students. Advisors are not expected to communicate with the company to solve communication and coordination issues. They are also not advising the company directly. Advisors are expected to track the students’ progress on the project, make sure that they are on course to meet their deadlines, and notify the MFE office if there are any problems.

More than 20 firms submitted more than 35 projects, which are all quantitative in nature and in areas such as: quantitative trading strategies, portfolio management, risk management, hedging, derivatives valuation etc. All the projects involve data analysis and financial modeling at the graduate level, and require computer programming. A participating firm is expected to show full commitment, which entails: assigning a dedicated project manager to scope the problem and guide students’ research; providing access to data and documentation whenever possible (under NDA if required); participating in periodic conference calls and a final presentation; and evaluating students’ work and reporting back to the academic advisor.

Students will be assigned to 20 projects, most in groups of 4 individuals (with 2 groups of 3 students), and will be matched to projects based on their interests. Prior to leaving for summer break (June 2), the students will submit a 1-2 pages project description that will be signed off by the company and the group’s advisor. This short description will set the scope of the project and is intended to bring in-line all parties expectations. It will include: (i) the topic, (ii) short background and review of related research; (iii) the scope of the project; (iv) the data required and planned data sources.

Students will be required to perform a complete literature review over the summer, and present it to the company and their advisor at the beginning of Fall quarter. Throughout the Fall quarter students and client will hold a conference call at least once every two weeks. In early November students will submit a midpoint report on the project. This report should include: (i) a full literature review, (ii) description of the data and summary statistics, (iii) preliminary results and conclusions, (iv) goals and tasks left for completion.

On the first week of December students will submit the final deliverables and will present the final results to the company. Deliverables include: a clear formulation of the problem and summary of results and conclusions, literature review, clean data sets, efficient and well-
documented code, write-up of the results, recommendations for future extensions. Students will also present their work to the relevant faculty and the entire MFE class.

Professor Peleg will be giving the final grade, based mainly on the advising professor’s grade and feedback. The final grade will also consider the feedback received from the client, intra-group peer review, in-class presentation, and attendance and participation in “conversations” and final AFP presentations.

Schedule:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project descriptions</td>
<td>6/2</td>
</tr>
<tr>
<td>Literature review (summer preparation)</td>
<td>9/29</td>
</tr>
<tr>
<td>Midpoint report</td>
<td>10/30</td>
</tr>
<tr>
<td>Presentation draft</td>
<td>11/30</td>
</tr>
<tr>
<td>Student presentations</td>
<td>Week of 12/11</td>
</tr>
<tr>
<td>Final deliverables</td>
<td>12/15</td>
</tr>
</tbody>
</table>
Overview

The objective of the class is to provide you with the knowledge to manage a large portfolio of assets or to knowledgeably select and monitor someone who does so for you. We study how to build a portfolio that optimally uses one’s limited capacity for bearing risk, how to choose actively and passively managed investments and how to measure their performance. Topics other than portfolio optimization include the measurement of alpha, the production of alpha and the underlying economics of alpha production.

Please note. This is not a stock picking class. We are not in the business of identifying over- or undervalued assets. There are other classes currently being offered that focus on valuation. While the class has a bias towards equities, we will cover other asset classes, such as bonds, currencies, commodities as well.

Contents

Standard portfolio theory tells all investors to choose the same portfolio of risky assets. We start by highlighting the limitations of standard mean-variance analysis, and we describe newer alternatives like risk parity investing which equalizes the total risk contribution coming from each asset class. We will use real-world examples from the practice of asset management by university endowments, pension funds and others to illustrate these concepts.

The asset management industry is in the business of manufacturing, packaging and selling alpha to its customers, the investors. This class aims to develop an understanding of how alpha is measured, how it is manufactured, how it is packaged and sold, and how much of it ultimately ends up in the pockets of investors. Measuring alpha requires a solid grasp of the different types of risks that investments in equities, bonds, currencies and commodities are exposed to, and how these risks affect returns. Risk comes in many different shapes and sizes. There is standard market risk, but there other risks to worry about: tail risk, liquidity risk, and there are many more risk flavors.
Once we understand these risks and how we are compensated in the market for bearing each of these, we can analyze the performance of active investors such as mutual funds, hedge funds and private equity. Performance evaluation of actively managed investments requires a risk adjustment of course, and given this plethora of risk factors, this is not an easy task. This toolbox allows us to address a number of questions. Here are just a few examples. Does a hedge fund manager’s track record of consistent, high returns establish that she is skilled (manufacturing alpha) or is she actually delivering exposure to a ‘hidden’ risk factor (manufacturing some sort of beta)? Does private equity provide a superior investment technology compared to publicly traded stocks?

But we also need a basic understanding of how returns reported by managers could be very different from the returns actually earned by investors for a variety of reasons, because of the nature of fees, the timing of buying and selling by the investors.

We need an understanding of how alpha is manufactured. For example, how does scale affect performance? Can asset managers simply scale up and deliver the same alpha? Do alpha producers continue to produce alpha in the future? We also examine the economics of alpha manufacturing: who earns the rents from alpha generation: the managers or the investors? What are the advantages of outside versus in-house managers?

Finally, we discuss limits to arbitrage and slow moving capital as important sources of alpha. Real world capital markets do not always function as advertised in textbooks. In some cases, it takes time for capital markets to reallocate capital in response to a non-fundamental shift in investor demand (e.g. corporate spinoffs, forced sales, etc.). A demand-induced dislocation in capital markets results.

Contact

My preferred mode of communication is email. My homepage is: www.bernardherskovic.com

Approach

To achieve these objectives, this class introduces you to the key concepts of modern portfolio theory and empirical asset pricing, and it gets you to apply these concepts to real-world challenges using case studies and other assignments.

The class draws on recent advances in empirical asset pricing. Until the 70’s, teaching investments was very straightforward but rather boring. There was only market risk, because the CAPM ruled. Portfolio advice was a one-liner. Returns were thought to be completely unpredictable coin flip so there was no room for market timing. The new paradigm in finance has abandoned all of these views. There is whole range of priced risk factors, not just market risk. In addition, returns are widely thought to be somewhat predictable, sometimes we cannot do much better than a coin
fl but often that’s enough to create market timing opportunities that deliver high Sharpe ratios and profit momentum trading strategies in bond, equity, currency and commodity markets. Finally, there is a growing body of evidence that shows occasionally large arbitrage opportunities persist in some market conditions. All of these new insights will be the building blocks for this class.

**Course Requirements**

This course relies heavily on concepts introduced in your core fi and stats classes. We will use regression analysis extensively throughout the class. This course is quantitative and require programming skills. It is highly recommend to be fluent either in R or in Matlab. All the problem sets should be coded in R or Matlab, otherwise they will not be graded. If you are more familiar with other languages or programs, then this course is an opportunity to familiarize yourself with R and Matlab.

**Assessment and Format**

The class makes heavy use of problem sets and academic papers to illustrate and apply the concepts. Grades in this class will be assigned on the basis of class participation (10%), four problem sets (50%), a fi project (20%), and a take-home exam (20%). All four problem sets will be available at the beginning of the quarter. The take-home exam is similar to a problem set. The take-home exam will be posted on week 9 (May 30) and it will be due on week 10 (June 6). Late submissions are not be accepted. The fi project presentation is also on week 10 and cannot be rescheduled except for valid reasons.

There are four problem sets. These are individual assignments. You can discuss the problem sets with your classmates, but you should submit your own work. There is one fi project, and you can work on this project in group of up to 5 people. All assignments will be graded.

I expect you to read the readings that are labeled ‘required’. Recommended readings are not required, but I’d urge to take a look at these anyway. Background readings are only for those who want to dig into a particular topic.

This is not a case-based lecture, but we will discuss cases in class. There will be five case discussions. You are expected to thoroughly prepare for each case.

Class attendance is required. You will have to sign in every week. If you cannot attend class for a valid reason, you should notify me by email ahead of time. Multiple missed classes are not accepted. Class participation will be graded as check (you show up prepared, 10 pts.), check minus (you show up somewhat prepared, 5 pts.), or 0 (you do not show up or you show up unprepared). I will cold call on students. In addition, I will notify one group ahead of each case discussion that they will be used as a resource to provide details. Extra credit will be given to those students...
who participate in class. I implement a no-laptop policy. I will make the slides available online at the beginning of each week.

Course Text

Detailed slides will be posted online for each class. I will provide hyperlinks to the recommended readings. You need to be logged into the Anderson VPN to access these readings. I will not closely follow a textbook, but recommended books are: ‘Asset Pricing,’ by John Cochrane (Princeton University Press, 2001); and ‘Asset Management: A Systematic Approach to Factor Investing,’ by Andrew Ang (Oxford University press, 2014). These books are available on Amazon.

Outline

There are 3 major modules:

1. Portfolio Allocation
2. Measuring Alpha
3. Making Alpha

The table below lists a detailed outline. This is subject to change. Please check the course outline for the latest information.
### Tentative Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Module</th>
<th>Material</th>
<th>Cases and Assignments Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>April 4</td>
<td>Portfolio Allocation</td>
<td>Mean-Variance Investing: Limitations and Drawbacks</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>April 11</td>
<td></td>
<td>Alternatives to Mean-Variance Investing</td>
<td>Case 1: The Harvard Management Company and Inflation-protected bonds Problem Set 1</td>
</tr>
<tr>
<td>3</td>
<td>April 18</td>
<td></td>
<td>Risk and the Investment Horizon</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>April 25</td>
<td></td>
<td>Return Predictability and Portfolio Allocation</td>
<td>Case 2: Martingale Asset Management and a Low-Volatility Strategy Problem Set 2</td>
</tr>
<tr>
<td>5</td>
<td>May 2</td>
<td></td>
<td>Hedging Inflation, Currency and Interest Rate Risk</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>May 9</td>
<td>Measuring Alpha</td>
<td>Limitations of the CAPM and Multifactor Models</td>
<td>Case 3: AQRs Momentum Funds Problem Set 3</td>
</tr>
<tr>
<td>7</td>
<td>May 16</td>
<td></td>
<td>Measuring and Understanding Mutual Fund Alpha</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>May 23</td>
<td></td>
<td>Measuring and Understanding Hedge Funds and Private Equity Alpha</td>
<td>Case 4: Searching the web for Alpha</td>
</tr>
<tr>
<td>9</td>
<td>May 30</td>
<td>Making Alpha</td>
<td>The Economics of Making Alpha, Limits to Arbitrage and Slow Moving Capital</td>
<td>Case 5: Nikkei 225 Problem Set 4</td>
</tr>
<tr>
<td>10</td>
<td>June 6</td>
<td></td>
<td>Final Project Presentations</td>
<td>Take-home exam</td>
</tr>
</tbody>
</table>
MGMTMFE 431: Advanced Stochastic Calculus
Spring 2017

Professor Stavros Panageas

E-mail stavros.panageas@anderson.ucla.edu
Lectures Mon 4:10–7:00 pm
Office Hours Mon 3:00 -4:00 pm C5.16
TAs Shi Yu yu.shi.1@anderson.ucla.edu

Course Description

This course builds and expands on “Introduction to Stochastic Calculus”. The first weeks cover some mathematical preliminaries such as Stochastic Integration, the Girsanov Theorem and the martingale representation theorem. Then, starting from discrete time models, we develop in great detail the links between the absence of arbitrage, the existence of equivalent martingale measures, as well as the notions of complete (and incomplete) markets and replication. We then introduce the notion of dynamic market equilibrium and then use dynamic programming and portfolio optimization methods to derive the implications of general market equilibrium for the determination of Sharpe ratios. Several special applications are covered as part of the course, such as affine models, Heath-Jarrow-Morton pricing of fixed income derivatives, super-replication in incomplete markets, and dynamic models of imperfect arbitrage.

Prerequisites

The course “Introduction to Stochastic Calculus” is a pre-requisite for this course.

Office Hours, Review Sessions

My office hours are Mondays between 3:00 and 4:00 (C5.16).

The teaching assistant for this course is Yu Shi. I have included her email at the beginning of the syllabus. You should feel free to contact the TA with questions pertaining to the problem sets and their grading. Needless to say, you should also feel free to contact me with questions about the course.
Course Web Page

I have set up the course Web page on the University’s CCLE site

https://ccle.ucla.edu/course/view/17S-MGMT237M-4

To access the web page, you need your ID and password.

Grading

The course requirements are two in-class quizzes, a Final exam, and seven graded Homework assignments.

Your grade will be computed as the maximum of four different weighting schemes according to the following weights

<table>
<thead>
<tr>
<th>Weighting Scheme</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework Assignments</td>
<td>20%</td>
</tr>
<tr>
<td>Quiz 1</td>
<td>20% or 0%</td>
</tr>
<tr>
<td>Quiz 2</td>
<td>20% or 0%</td>
</tr>
<tr>
<td>Final</td>
<td>40% or 60% or 80%</td>
</tr>
</tbody>
</table>

In other words, the grade you receive in the quizzes will be counted towards your grade only if it helps increase your grade. Otherwise, it will be ignored. Quizzes will be given in class and will last 60 minutes each. It will be an excellent opportunity for you to make sure that you are following the course material at a good pace.

Exams

The quizzes will be in class at the beginning of the week-4 lecture and the beginning of the week-8 lecture. Exams are closed-notes but you can bring with you a 4 (single sided) page “cheat sheet”.

You may request a re-grade on the final exam. Each re-grade request must be accompanied by a concise written explanation of the request and submitted to me within one week after I distribute graded exams. The whole exam will be re-graded, so your score can either increase or decrease as a result.

Homework Assignments

You will be assigned six homeworks, which consist of problems and several real-world applications. The latter are designed to apply techniques learned in the course to specific problems in a manner similar to what might be applied in practice. Keep in mind that exam questions will be similar to the assigned homework problems.

You may do the homework problems in study groups and hand in one homework per study group.
Honor Code

Students in this course are required to adhere to the standards of the UCLA student Conduct Code. If you are in doubt about whether something is acceptable under the conduct code, you should not hesitate to ask me.

Course Materials

- **Lecture Slides and Handouts**
  I will provide a lengthy package of lecture notes at the beginning of the class and follow these notes quite closely. There is no required textbook for the class.

- **Recommended Texts**
Course Outline and Readings

**Week One** – *Mathematics of Continuous-Time Models*  (Chapter 1 of Lecture notes)

- Stochastic Integration
- Local Martingales
- Conditional Moments of Diffusion Processes
- Equivalent Martingale Measures
- Girsanov’s Theorem
- Martingale Representation Theorem

**Week Two** – *Arbitrage and Martingales: The Fundamental Theorem of Asset Pricing*  (Chapter 2 of Lecture notes)

**Problem Set #1 Due** (beginning of class)

- The Fundamental Theorem of Asset Pricing
- State Prices and State Price Density (SPD)
- Equivalent Martingale Measure (EMM)

**Week Three** – *Applications of the Fundamental Theorem of Asset Pricing*  (Chapter 3 of Lecture notes)

**Problem Set #2 Due** (beginning of class)

- Arbitrage Pricing
- Portfolio Choice
- Equilibrium Asset Pricing

**Week Four** – **First Quiz**  (Chapter 4 of Lecture notes)

- SPD and EMM
- Doubling Strategies and Local Martingales
- From SPD/EMM to No Arbitrage
- From Security Prices to EMM

**Week Five** – *Applications of FTAP: Continuous Time*  (Chapter 5 of Lecture notes)

**Problem Set #3 Due** (beginning of class)

- Redundant securities and Derivative Pricing
• Complete Markets
• The Black-Scholes Model
• Arbitrage-Free Term Structure model

**Week Six** – *Portfolio Choice*  (Chapter 5,6 of the Lecture Notes)

**Problem Set #4 Due** (beginning of class)

• Optimal Portfolio Choice using the martingale approach
• Portfolio Choice with convex compensation schemes
• Optimal Portfolio Choice, Discrete time, Dynamic Programming

**Week Seven** – *Portfolio Choice: Continuous Time models*  (Chapter 6 of the Lecture Notes)

**Problem Set #5 Due** (beginning of class)

• The Hamilton-Jacobi-Bellman Equation
• Example: Portfolio Choice with margin constraints and the limits of arbitrage

**Week Eight** – **Second Quiz**. *The Intertemporal CAPM*  (Chapter 7 of the Lecture Notes)

• The Model
• The Inter-temporal CAPM

**Weeks Nine and Ten** – *Real Options, Dynamic Corporate Finance, and Structural Default models*

**Problem Set #6 Due** (beginning of week-9 class)

• Optimal Stopping
• Real Options
• Dynamic corporate Finance
• The Leland Model
• Optimal capital structure
• Pricing of defaultable claims

**Week Eleven** – *Final Exam*
MGMTMFE 431: Special Topics in Financial Engineering – Financial Innovation
Professor John O’Brien

Please note, this syllabus is currently under development.
404. Corporate Finance and Risk Management

Units: 4
(Formerly numbered Management 237A.) Lecture, three hours. Limited to Master of Financial Engineering Program students. Examination of broad range of issues faced by corporate financial managers, including analysis of investment and financing decisions of firms, impact on firms of agency costs and asymmetric information, mergers and acquisitions, private equity, and risk management strategies and tools. S/U or letter grading.

405. Computational Methods In Finance

Units: 4
(Formerly numbered Management 237G.) Lecture, three hours. Limited to Master of Financial Engineering Program students. Quantitative and computational tools used in finance, including numerical techniques such as implementation of binomial and trinomial option pricing, lattice algorithms for computing derivative prices and hedge ratios, simulation-based algorithms for pricing American options, and numerical solution of partial differential equations that appear in financial engineering. S/U or letter grading.

406. Derivative Markets

Units: 4
(Formerly numbered Management 237D.) Lecture, three hours. Limited to Master of Financial Engineering Program students. Introduction to derivative markets and basic concepts, models, analyses, and technical tools of quantitative finance used in these markets. Derivatives are both exchange traded and over-counter securities. Derivative markets are world’s largest and most liquid. Organization and role of put and call option markets, futures and forward markets, and their interrelations, with emphasis on arbitrage relations, valuation, and hedging with derivatives. Implementation of derivatives trading strategies, perspective of corporate securities as derivatives, functions of derivatives in securities markets, and recent innovations in derivative markets. S/U or letter grading.

407. Empirical Methods In Finance

Units: 4

408. Fixed-Income Markets

Units: 4
(Formerly numbered Management 237F.) Lecture, three hours. Limited to Master of Financial Engineering Program students. Quantitative approach to fixed-income securities and bond portfolio management, with focus on fixed-income security markets. Pricing of bonds and fixed-income
derivatives, measurement and hedging of interest rate risk, dynamic models of interest rates, and management of fixed-income portfolio risk. S/U or letter grading.

409. Financial Risk Measurement and Management

Units: 4
(Formerly numbered Management 237I.) Lecture, three hours. Limited to Master of Financial Engineering Program students. Examination of financial risk measurement and management, including market risk, credit risk, liquidity risk, settlement risk, model risk, volatility risk, and kurtosis risk. S/U or letter grading.

410. Applied Finance Project

Units: 4
(Formerly numbered Management 237N.) Fieldwork, four hours. Limited to Master of Financial Engineering Program students. Applied quantitative finance project that explores one quantitative finance problem that might be met in practice and involves development or use of some tools developed in M.F.E. Program. S/U or letter grading.

431. Special Topics in Financial Engineering

Units: 2 to 4
(Formerly numbered Management 237M.) Lecture, three hours. Limited to Master of Financial Engineering Program students. In-depth examination of problems or issues in one area of current concern in financial engineering. May be repeated for credit. S/U or letter grading.

*Note, specific variable topic course descriptions are not listed in the University Catalog due to their ever-changing nature.*
Daniel Andrei

CONTACT  Anderson School of Management  Phone:  +1 (310) 825-3544
INFORMATION  University of California at Los Angeles  Email:  daniel.andrei@anderson.ucla.edu
  110 Westwood Plaza, Suite C420  Website:  danielandrei.info
  Los Angeles, CA 90095-1481

RESEARCH INTERESTS
  Asset pricing, Information and Learning, Macro Finance

EMPLOYMENT
  2012 – Assistant Professor of Finance, UCLA Anderson School of Management
  2010 – 2012 Lecturer, HEC Lausanne
  2009 – 2010 Lecturer, Federal Polytechnic School Lausanne (EPFL)

EDUCATION
  2006 – 2012 Ph.D. in Finance, HEC Lausanne
  Fall 2010 Visiting Scholar, Northwestern University, Kellogg School of Management
  2005 – 2006 M.Sc. in Finance, HEC Lausanne
  2002 – 2005 B.Sc. in Economics, HEC Lausanne
  1998 – 2002 Diploma in Cybernetics, Statistics and Informatics, ASE Bucharest

PUBLICATIONS
  1. “Information Percolation, Momentum and Reversal” (w/ Julien Cujean)
  2. “Investor Attention and Stock Market Volatility” (w/ Michael Hasler)
     • SIX Swiss Exchange Best Paper Award, SGF Conference, Zurich 2013

WORKING PAPERS
  3. “Asset Pricing with Structural Uncertainty and Structural Disagreement” (w/ Bruce Carlin and Michael Hasler)
     Revise & Resubmit, Management Science
     • WRDS Prize at the NFA Conference, Ottawa 2014
  4. “Dynamic Attention Behavior under Return Predictability” (w/ Michael Hasler)
     Revise & Resubmit, JFQA
  5. “Information Percolation Driving Volatility”
  6. “Asset Pricing with Learning” (w/ Michael Hasler and Alexandre Jeanneret)
  7. “The Lost Capital Asset Pricing Model” (w/ Julien Cujean and Mungo Wilson)
  8. “Creative Destruction and the Rational Evolution of Bubbles” (w/ Bruce Carlin)
  9. “Learning and Consumption Dynamics” (w/ Steffen Hitzemann and Alexandre Jeanneret)
 10. “The Redistributive Effects of Monetary Policy” (w/ Bernard Herskovic and Olivier Ledoit)
 11. “International Portfolio Choice and Relative Wealth Concerns”
 12. “Global Public Signals, Heterogeneous Beliefs, and Stock Markets Comovement” (w/ Julien Cujean)
Work in Progress 14. “The Diffusion of Stock Market Anomalies” (w/ Bruce Carlin and Julien Cujean)
15. “Persuasion and Attention” (w/ Henry Friedman and Beatrice Michaeli)

Teaching Experience
2012 – Option Markets (MBA, FEMBA, MFE), UCLA Anderson
2010 – 2012 Principles of Finance (B.Sc., taught in French), HEC Lausanne
2009 – 2010 Investments (MFE), Federal Polytechnic School Lausanne (EPFL)

Honors and Awards
2016 Fink Center for Finance & Investments research grant
2015 MFE Teaching Excellence Award
2014 SIX Swiss Exchange Best Paper Award, SGF, Zurich (w/ Michael Hasler for 2)
2013 AFFI EURONEXT Prize (Best Thesis in Finance Defended in a Francophone Country)
2012 HEC Lausanne: Prize “Banque Cantonale Vaudoise” Ph.D. Thesis Excellence Award
2006 HEC Lausanne: Prize “Wegelin & Co. Banquiers Privés” (for highest average grade in the M.Sc. in Finance)

Conference and Seminar Presentations
(·) = presented paper; bold text = seminar; this list does not include presentations by coauthors.

2017 U of Colorado Boulder (7); U of Washington (7); UCLA Brown Bag (8); HEC-McGill Winter Finance Conference (7); UBC Winter Finance Conference (7); 3rd Annual Citrus Finance Conference, Riverside (discussant, scheduled); CEPR Annual Spring Symposium, London (7, scheduled); LA Finance Day, USC (7, scheduled); 2nd Junior Finance Conference, Rome (7, scheduled); HKUST (TBD, scheduled); City U of HK (TBD, scheduled); U of HK (TBD, scheduled); Chinese U of HK (TBD, scheduled)
2016 HEC-McGill Winter Finance Conference (8): 19th SGF Conference, Zurich (3); UIUC (1); SFS Finance Cavalcade, Toronto (10); International Conference on Capital Markets, INSEAD, (3); U of Stanford (1); WFA, Park City (discussant); SED 2016, Toulouse, France (1); CEPR ESSF 2016, Gerzensee, Switzerland (1); U of Technology, Sydney (6); UNSW (6); U of Sydney (6); LAEF OTC Markets and Securities Conference, Santa Barbara (7); UCLA Macro Finance Lunch (7);
2015 Jackson Hole Finance Conference (1); HEC-McGill Winter Finance Workshop, Quebec, Canada (10); Adam Smith Workshop for Asset Pricing & Corporate Finance, LSE, London (10); 18th SGF Conference, Zurich (4); 3rd European Retail Investment Conference, Stuttgart (1); SFS Finance Cavalcade, Atlanta (discussant); UCLA Anderson Brown Bag (4); WFA, Seattle (discussant); 35th International Symposium on Forecasting, Riverside (4); ERMAS 2015, Cluj-Napoca, Romania (10); Carnegie Mellon (3); New York Fed (3); FRA, Early Ideas Session, Las Vegas (7)
2014 UCLA Anderson Brown Bag (3); Banque de France, Paris (1); Florida International U, Miami (1); 17th Annual Conference of the Swiss Society for Financial Market Research, Zurich (1); The 2014 SFS Finance Cavalcade, Georgetown U (3); 10th Annual Asset Pricing Retreat, Tilburg (1); WFA, Monterey (2); World Finance Conference, Venice (1); SITE Stanford (3); NFA, Ottawa (1, 3); 7th Southwest Search and Matching Workshop, UCLA Anderson Brown Bag (1); FRA, Early Ideas Session, Las Vegas, (10)
2013 HEC Montréal (5); HEC Winter Finance Workshop, Québec (1); 16th Annual Conference of the Swiss Society for Financial Market Research, Zurich (2); UCLA Anderson Brown Bag (1); 30th International French Finance Association Conference, Lyon (5); Red Rock Finance Conference, Utah (2); Northern Finance Association Conference, Québec City (discussant); Southern California Finance Conference, Claremont McKenna College (1); 4th Miami Behavioral Finance, Miami (1)
2012 UCLA Anderson (5); Rotterdam School of Management (5); Warwick Business School (5); INSEAD (5); UC Irvine (5); UT Dallas (5); WashU St-Louis (5); USC (5); McGill (5); Adam Smith Workshop for Asset Pricing & Corporate Finance, Oxford (5); UCLA Anderson Brown Bag (2); Chicago Junior Finance Symposium (5)

2011 Princeton-Lausanne Workshop in Quantitative Finance, Lausanne (5); Brown Bag at HEC Lausanne (5); Les Doctoriales de l’UNIL (poster presentation) (5); Asset Pricing Workshop, Lausanne (5); Geneva Finance Research Institute (5); U of Zurich (5); Finance Research Seminar at U of Lausanne (5); Mathematical Finance Days, Montréal (2); The Financial Risks International Forum on Long Term Risks, Paris (poster presentation, 3)

2010 Gerzensee Doctoral Workshop (11); Kellogg School of Management (1)

2009 Gerzensee Doctoral Workshop (12); AFBC Sydney (12)

2008 Gerzensee Doctoral Workshop (13)

Service

2015 – 2016 Staffing Committee, UCLA Anderson
MBA Admissions Committee, UCLA Anderson
Co-organizer, Macro Finance Society, 7th workshop

2014 – 2015 Organizer, UCI/UCLA/USC Finance Day
MBA Admissions Committee, UCLA Anderson
Co-organizer, Finance Theory Group, 11th meeting

2013 – 2015 Organizer, Finance Seminar, UCLA Anderson

2013 Member of the Legislative Assembly, UCLA

2011 Co-organizer, Asset Pricing Workshop, HEC Lausanne

Students

2016 Jiasun Li (George Mason University; Committee member)
2016 Semih Üslü (Johns Hopkins University; Committee member)

Referee


Professional Affiliations

American Finance Association, American Economics Association, Finance Theory Group, Macro Finance Society

Professional Experience

2006 Summer researcher, Safdié Bank, Fixed Income Research Group, Geneva, Switzerland

2005 Summer researcher, Merrill Lynch Bank, Ultra High Net Worth Research Group, Geneva, Switzerland

2003 – 2004 Insurance consulting, Manrisk SA, Lausanne, Switzerland

1999 – 2002 Associate and co-founder, Helvetrisk Insurance Broker, Bucharest, Romania

Last updated: April 20, 2017
danielandrei.info
Mikhail Chernov

UCLA Anderson School of Management
110 Westwood Plaza, Suite C-417
Los Angeles, CA 90095
mikhail.chernov@anderson.ucla.edu
sites.google.com/site/mbchernov/

Nationality: Russian Federation, USA

Areas of interest:
Research: Macro-based Asset Pricing, Derivatives, Fixed Income and Financial Econometrics
Teaching: Derivatives, Financial Econometrics, and Investments

Education:
The Pennsylvania State University, University Park, PA
Ph.D. in Business Administration (Finance) Aug. 2000
Moscow State University, Moscow, Russia
MS in Statistics July 1995
BS in Mathematics with distinction June 1993

Academic Appointments:

Anderson School of Management, UCLA
Professor of Finance July 2013 – present
Academic Director of the MFE program July 2015 – present

London School of Economics, Department of Finance
Professor of Finance August 2010 – July 2014

London Business School, Finance Area
Associate Professor of Finance (tenured in April 2009) July 2006 – July 2011

Columbia Business School, Division of Finance and Economics
Roderick S. Cushman Associate Professor of Business July 2006 – June 2007
Associate Professor of Finance July 2004 – June 2006
Assistant Professor of Finance Aug. 2000 – June 2004

Editorship:

Other Positions:

Centre for Economic Policy Research (CEPR)
Research Fellow February 2011 – present
Research Affiliate February 2007 – January 2011
Bank of England
Academic Consultant November 2008 – November 2010

Wharton School, Finance Department
Visiting Scholar September 2011

NYU Stern School of Business, Economics Department
Visiting Scholar September 2009, September 2011

Federal Reserve Board
Visiting Scholar DMS 5–92

Oxford-Man Institute of Quantitative Finance
Visiting Scholar October 2008
REFEREED PUBLICATIONS


Sources of Entropy in Representative Agent Models (with D. Backus and S. Zin), *Journal of Finance*, 69, 2014


CDS Auctions (with A. Gorbenko and I. Makarov), *Review of Financial Studies*, 26, 2013; NASDAQ OMX Award for the best paper in asset pricing at the WFA 2012


No-Arbitrage Macroeconomic Determinants of the Yield Curve (with R. Bikbov), *Journal of Econometrics*, 159, 2010

Understanding Index Options Returns (with M. Broadie and M. Johannes), *Review of Financial Studies*, 22, 2009


NON-REFEREED PUBLICATIONS


WORKING PAPERS

Identifying Taylor rules in macro-finance models (with D. Backus and S. Zin)

Term Structures of Asset Prices and Returns (with D. Backus and N. Boyarchenko)

A macrofinance view of US Sovereign CDS premiums (with L. Schmid and A. Schneider); Arthur Warga award for the best paper in fixed income at the SFS Finance Cavalcade 2016

Macroeconomic-Driven Prepayment Risk and the Valuation of Mortgage-Backed Securities (with B. Dunn and F. Longstaff); 2016 AQR Insight honorable mention

PERMANENT WORKING PAPERS

A New Class of Stochastic Volatility Models with Jumps: Theory and Estimation (with A.R. Gallant, E. Ghysels and G. Tauchen)

PRESENTATIONS

Invited Presentations:

Conferences:


Discussions:


PROFESSIONAL SERVICE


DOCTORAL STUDENT SUPERVISION

Advisor

<table>
<thead>
<tr>
<th>Name</th>
<th>Year</th>
<th>School</th>
<th>Dept</th>
<th>First employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ruslan Bikbov</td>
<td>2006</td>
<td>Columbia</td>
<td>Finance</td>
<td>Deutsche Bank</td>
</tr>
<tr>
<td>Philippe Mueller</td>
<td>2008</td>
<td>Columbia</td>
<td>Finance</td>
<td>London School of Economics</td>
</tr>
<tr>
<td>Irina Zviadadze</td>
<td>2013</td>
<td>LBS</td>
<td>Finance</td>
<td>Stockholm School of Economics</td>
</tr>
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Committee Member

<table>
<thead>
<tr>
<th>Name</th>
<th>Year</th>
<th>School</th>
<th>Dept</th>
<th>First employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ozgur Kaya</td>
<td>2006</td>
<td>Columbia</td>
<td>IEOR</td>
<td>Lehman Brothers</td>
</tr>
<tr>
<td>Geetesh Bhardwaj</td>
<td>2006</td>
<td>Rutgers</td>
<td>Econ</td>
<td>Bates and White</td>
</tr>
<tr>
<td>Yoshiki Obayashi</td>
<td>2006</td>
<td>Columbia</td>
<td>Finance</td>
<td>Shinsei Bank</td>
</tr>
<tr>
<td>Andrew Dubinsky</td>
<td>2007</td>
<td>Columbia</td>
<td>Finance</td>
<td>Goldman Sachs</td>
</tr>
<tr>
<td>Sam Cheung</td>
<td>2008</td>
<td>Columbia</td>
<td>Finance</td>
<td>Deutsche Bank</td>
</tr>
<tr>
<td>Yael Eisenhal</td>
<td>2009</td>
<td>Columbia</td>
<td>Finance</td>
<td>Goldman Sachs Asset Management</td>
</tr>
<tr>
<td>Yiqun Mou</td>
<td>2011</td>
<td>Columbia</td>
<td>Finance</td>
<td>Merrill Lynch</td>
</tr>
<tr>
<td>Rob Richmond</td>
<td>2016</td>
<td>UCLA</td>
<td>Finance</td>
<td>NYU Stern</td>
</tr>
<tr>
<td>Yuji Sakurai</td>
<td>2016</td>
<td>UCLA</td>
<td>Finance</td>
<td>Richmond Fed</td>
</tr>
</tbody>
</table>

AWARDS AND GRANTS

- Numerous Dean’s Fellowships, Department of Mechanics and Mathematics, Moscow State University, 1991-1993
- Kenneth J. Carey Memorial Fellowship, Smeal College of Business Administration, PennState University, 1998-2000
- Center for International Business Education (CIBE) at Columbia University grant for the research proposal “Implied Volatilities as Forecasts of Future Volatility”, June 2001
- BNP Paribas Hedge Fund Centre’s grant for research proposal “Understanding Index Options Returns”, December 2006 (joint with Mark Broadie and Michael Johannes)
- Paul Woolley Center at the LSE for “CDS Auctions”, November 2012 (joint work with Alexander Gorbennko and Igor Makarov)
TEACHING

UCLA
Empirical Asset Pricing (PhD) 2013, 2015 (Spring and Fall), 2016
Hedge Funds (MBA elective) 2014, 2015, 2016

London School of Economics
Asset Markets (MSc in Finance) 2010, 2011, 2012

London Business School
Options and Futures (MBA, MiF elective) 2010
Capital Markets and Financing (Corporate Finance) (MBA elective) 2007-2009
Empirical Asset Pricing (PhD core) 2009, 2010

Columbia Business School
Capital Markets (Investments) (MBA, EMBA elective) 2001-2006
Valentin Haddad  
Office C419, UCLA Anderson School of Management
110 Westwood Plaza
Los Angeles, CA 90095
Nationality: French (US Permanent Resident)

Email: vhaddad@ad.ucla.edu  
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/haddad  
Phone: +1 (310) 825-1814

Academic Appointments

Assistant Professor of Finance, 2016-
UCLA, Anderson School of Management

Faculty Research Fellow, 2015-
National Bureau of Economic Research, Asset Pricing program

Assistant Professor of Economics, 2013-2016
Previously: Instructor of Economics, Fall 2012
Princeton University, Department of Economics, Bendheim Center for Finance

Education

Ph.D. Joint Degree in Economics and Finance, 2007-2012
Also awarded Master of Business Administration (2012)
University of Chicago Booth School of Business and Department of Economics

Polytechnicien (B.Sc., M.Sc.), Applied Mathematics and Economics, 2004-2008
Ecole Polytechnique, France

Research Interests

Asset Pricing, Macroeconomics with Financial Frictions, Information and Finance

Publication

Buyout Activity: The Impact of Aggregate Discount Rates (with Erik Loualiche and Matthew Plosser)  
Journal of Finance, February 2017, 72:1
Buyout booms form in response to declines in the aggregate risk premium. We document that the equity risk premium is the primary determinant of buyout activity rather than credit-specific conditions. We articulate a simple explanation for this phenomenon: a low risk premium increases the present value of performance gains and decreases the cost of holding an illiquid investment. A panel of U.S. buyouts confirms this view. The risk premium shapes changes in buyout characteristics over the cycle, including their riskiness, leverage, and performance. Our results underscore the importance of the risk premium in corporate finance decisions.

Working papers

Concentrated Ownership and Equilibrium Asset Prices  
Revise and Resubmit, Review of Economic Studies
I study the dynamics of asset prices in an economy in which investors choose whether to hold diversified or concentrated portfolios of risky assets. The latter are valuable, as they increase the productivity of the corresponding enterprises. I capture
the tradeoff between risk sharing and productivity gains by introducing what I call “active capital”: people who participate in such investments are restricted in their outside opportunities but receive extra compensation. In equilibrium, active and standard capital coexist. The willingness to provide active capital is mainly determined by risk considerations. Therefore, the quantity of active capital fluctuates jointly with risk premia, amplifying their variations. As a consequence, the price of volatility risk exposure can be large and return volatility is mainly induced by fluctuations in future expected returns. These results are particularly strong when fundamental volatility is low, because at such time, a large number of concentrated owners are likely to exit their positions and sell off their assets.

**Information Aversion (with Marianne Andries)**

*Revise and Resubmit, American Economic Review*

We propose a theory of inattention solely based on preferences, absent cognitive limitations or external costs of information. Under disappointment aversion, agents are intrinsically information averse. In a consumption-savings problem, we study how information averse agents cope with their fear of information, to make better decisions: they acquire information at infrequent intervals only, and inattention increases when volatility is high, consistent with the empirical evidence. Adding state-dependent alerts following sharp downturns improves welfare, despite the additional endogenous information costs. Our framework accommodates a broad range of applications, suggesting our approach can explain many observed features of decision under uncertainty.

**Detail Disagreement and Innovation Booms (with Paul Ho and Erik Loualiche)**

It is natural for investors in financial markets to disagree on precisely which types of innovations are likely to be successful in a specific field. We call this type of heterogeneous priors detail disagreement. Detail disagreement in financial markets profoundly affects the innovative process. Our model predicts the presence of detail disagreement creates a form of competition neglect. This mechanism entails higher asset prices that subsequently crash, more investment, firm creation, and specifically to our approach, more diversity in innovation. We show investors’ portfolios, asset prices, and both the quantity and nature of firm creation during the tech boom of the early 2000s as well as the last few years are consistent with our approach. We discuss the potential welfare implications of such speculative episodes.

**The Banking View of Bond Risk Premia (with David Sraer)**

Banks’ exposure to fluctuations in interest rates strongly forecasts excess bond returns. This result is consistent with a bank-centric view of the market for interest rate risk. Banks’ activities—accepting deposits and making loans—naturally exposes their balance sheets to changes in interest rates. In equilibrium, the bond risk premium compensates banks for bearing these fluctuations: for instance, when consumers demand for fixed rate mortgages increases, banks have to scale up their exposure to interest rate risk and are compensated by an increase in bond risk premium. A key insight is that the net exposure of banks, rather than quantities of particular types of loans or deposits, reveals the risk premium.

**The Federal Reserve and Market Confidence (with Nina Boyarchenko and Matthew Plosser)**

We discover a novel monetary policy shock that has a widespread impact on aggregate financial conditions. Our shock can be summarized by the response of long-horizon yields to FOMC announcements; not only is it orthogonal to changes in the near-term path of policy rates, but it also explains more than half of the abnormal variation in the yield curve on announcement days. We find that our long-rate shock is positively related to changes in real interest rates and market volatility, and negatively related to market returns and mortgage demand, consistent with policy announcements affecting market confidence. Our results demonstrate that Federal Reserve pronouncements influence markets independent of changes in the stance of conventional monetary policy.

**Asset Insulators (with Gabriel Chodorow-Reich and Andra Ghent), Submitted**

We propose that financial institutions can act as asset insulators, holding assets for the long run to protect their valuations from consequences of exposure to financial markets. We illustrate the empirical relevance of this theory for the balance sheet behavior of a large class of intermediaries, life insurance companies. The pass-through from assets to equity is an especially
informative metric for distinguishing the asset insulator theory from Modigliani-Miller or other standard models. We estimate the pass-through using security-level data on insurers' holdings matched to corporate bond returns. Uniquely consistent with the insulator view, outside of the 2008-2009 crisis insurers lose as little as 10 cents in response to a dollar drop in asset values, while during the crisis the pass-through rises to roughly 1. The rise in pass-through highlights the fragility of insulation exactly when it is most valuable.

**Work in Progress**

**Safe Assets (with Markus Brunnermeier)**  
**Predicting Multiple Returns (with Serhiy Kozak and Shrihari Santosh)**

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**Teaching Experience**

**UCLA:**
- MGMT 237I: “Risk Management” (MFE; Spring 2017)

**Princeton University:**
- ECO 525 / FIN 525: “Asset Pricing” (PhD; Fall 2013, Fall 2014)  
- ECO 342: “Money and Banking” (Undergraduate; Fall 2012, Fall 2013, Fall 2014)  
- ECO S500: “Mathematics for Economists” (PhD; Fall 2012)  
- Junior Independent Work (Undergraduate; 2012-2013)

**University of Chicago:**
- “Math Camp” (Summer 2009, 2010)

Teaching assistant at University of Chicago:

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**Fellowships & Awards**

- John Leusner Fellowship, 2012  
- Sanford J. Grossman Fellowship in Honor of Arnold Zellner, 2011-2012  
- Stevanovich Fellowship in Quantitative Finance, 2011  
- Katherine Dusak Miller PhD Fellowship, 2010-2011  
- Lee Prizes for the best Econometrics and Macroeconomics Core Exam, 2008-2009  
- CRSP Summer Paper Award, 2008  
- Booth School of Business Doctoral Fellowship, 2007-2010  
- Ecole Polytechnique, Full Fellowship, 2004-2008  
- Ranked 2nd, National Competitive Exam for Ecole Normale Superieure, 2004
Professional Activities & Presentations

- Associate editor: Journal of Empirical Finance
- Presentations:
  - 2016: AEA meetings (presentation and discussant), UCSD Rady, UCLA Anderson, Adam Smith Workshop, SFS Cavalcade, WFA (presentation and discussant), FIRS, EIEF Junior Finance Conference, NBER Summer Institute, University of Houston, Chicago Fed, Colorado Finance Summit.
  - 2015: AEA meetings (presentation and discussant), Michigan Ross, UNC Junior Faculty Roundtable, EDHEC-Princeton Conference, Paul Woolley Center Annual Conference (discussant), Safe Asset Workshop, WFA meetings (discussant), NBER Summer Institute (x2), CITE, USC, MIT Junior Finance Conference (discussant), Macro Finance Society, Stanford GSB.
  - 2010: London Transatlantic Doctoral Conference.

Professional Experience

- College Moulin Joly (French Junior High School): Full-Time Pedagogic Assistant, 2004-2005

Personal Interests

- Guitar
- Cycling

DMS 5-101
References:

Lars Peter Hansen  
David Rockefeller Distinguished Service Professor in Economics, Statistics and the College  
University of Chicago  
Email: lhansen@uchicago.edu  
Phone: (773) 702-8170

Zhiguo He  
Associate Professor of Finance  
University of Chicago, Booth School of Business  
Email: zhiguo.he@chicagobooth.edu  
Phone: (773) 834-3769

Pietro Veronesi  
Roman Family Professor of Finance and Robert Steel King Faculty Fellow  
University of Chicago, Booth School of Business  
Email: pietro.veronesi@chicagobooth.edu  
Phone: (773) 702-6348

Stavros Panageas  
Associate Professor of Finance  
University of Chicago, Booth School of Business  
Email: stavros.panageas@chicagobooth.edu  
Phone: (773) 834-4711
Bernard Herskovic

University of California, Los Angeles
Anderson School of Management
110 Westwood Plaza, Suite C4.13
Los Angeles CA 90095

Employment
2015 - Assistant Professor of Finance, UCLA Anderson School of Management

Education
2010 - 2015 Ph.D. in Economics, New York University (NYU)
2004 - 2008 B.A., Economics, Universidade Federal de Minas Gerais (UFMG)

Research Interests

Publications
1. “Networks in Production: Asset Pricing Implications”
   *Journal of Finance*, forthcoming
   (with Bryan Kelly, Hanno Lustig and Stijn Van Nieuwerburgh)

Working Papers
3. “Risk Reallocation in OTC Derivatives Networks” (with Andrea Eisfeldt and Emil Siriwardane)
4. “Acquiring Information Through Peers” (with João Ramos)
5. “The Redistributive Effects of Monetary Policy” (with Daniel Andrei and Olivier Ledoit)
6. “Promoting Educational Opportunities: long-run implications of affirmative action in college admissions” (with João Ramos)

Teaching
2017 Quantitative Asset Management (MFE) at UCLA Anderson.
2016-2017 Investment Management (MBA, FEMBA) at UCLA Anderson.
2013–2015 Undergratuate Microeconomics at NYU Stern (teaching fellow, 4 semesters).
2013 Undergratuate International Economics at NYU (instructor, summer).
2009–2013 Teaching Assistant: Ph.D. and MA Microeconomics II at PUC-Rio (Fall 2009), Ph.D. Microeconomics I at NYU (fall 2011), Ph.D. Financial Theory I at NYU Stern (fall 2012), Master’s Microeconomics at NYU (spring 2013).
Previous Research Experience and Other Employment
2012 - 2014 Research Assistant for Prof. Stijn van Nieuwerburgh, NYU Stern. New York, US.
2010 Researcher at UFMG, Economics Department. Belo Horizonte, Brazil.
2005 - 2008 Economics undergraduate honors program at UFMG. Belo Horizonte, Brazil.

Honors, Grants, Scholarships, and Fellowships
2016 Fink Center Research Grant.
2015 Cubist Systematic Strategies Ph.D. Candidate Award for Outstanding Research.
2012 C.V. Starr Center Fellowship, NYU.
2010 - 2015 McCracken Ph.D. Fellowship, NYU.
2010 FAPEMIG Research Fellowship, Brazilian Government.
2010 Fulbright-CAPES Ph.D. Fellowship, Brazilian Government (declined).
2009 - 2010 CAPES-PROSUP Academic Performance Fellowship, Brazilian Government.
2008 - 2009 CNPq M.A. Fellowship, Brazilian Government.
2008 Summer Course Fellowship, PUC-Rio.
2007 Academic Relevance, UFMG Honors Program, UFMG.
2006 Honorable Mention, UFMG Honors Program, UFMG.
2005 - 2007 Undergraduate Honors Program fellowship at UFMG, Brazilian Government.

Presentations
2017 Caltech (scheduled May 10), City University of Hong Kong.
2016 Carnegie Mellon Tepper School of Business, LA Finance Day, Society for Economic Dynamics Meeting, Monash University, University of Melbourne, University of Chile, University of Wisconsin.
Discussions


Referee

Other relevant workshops and conferences attended
2016 NBER Asset Pricing Meeting (Chicago and Stanford), NBER Summer Institute (Cambridge).
2015 NBER Asset Pricing Meeting (Chicago and Stanford).
2014 NBER Summer Institute (Cambridge).
2013 NBER Summer Institute; MIT Capital Markets Research Workshop.
Academic Appointments

Since 2016  UCLA Anderson School of Business, Los Angeles, USA  
Associate Professor of Finance, Finance Area

2012 – 2016  Columbia University, Graduate School of Business, New York, USA  
Associate Professor of Finance, Gantcher Associate Professor of Business, Department of Economics and Finance

2008 – 2012  Columbia University, Graduate School of Business, New York, USA  
Assistant Professor of Finance, Department of Economics and Finance

Assistant Professor of Finance, Finance Department

Education

2000 – 2005  University of California at Berkeley, Haas School of Business, USA  
Ph.D. in Finance.

1994 – 1999  Norwegian University of Science and Technology, Institute of Management Science, Norway  
Degree: Sivilingeniør. Visiting student at the Department of Economics in 1997 – 1998, University of California, Berkeley, USA

Professional Experience

2016 – 2018  Member of asset allocation expert panel of Norges Bank Investment Management (NBIM)
1999 – 2000  Quantitative Analyst, Carnegie Asset Management, Norway

Published and Forthcoming


**Working Papers**


**Service to the Profession**


Program committee member WFA 2010-2011, 2013-2016.  
Program committee member EFA 2009, 2011-2016.  
Program committee member SFS 2012-2016.


**Seminars and Invited Talks**

2015: AFA meetings in Boston (presenter and discussant), ASU Sonoran Winter Finance Conference (discussant), NYU Stern, Carlson School of Business Macro-Finance Conference, NBER Commodity Conference (discussant), SFS Cavalcade (session chair), WFA at Seattle (discussant), SED Conference in Warsaw, NBER SI Capital Markets (discussant), UCLA (Anderson School), Dartmouth (Tuck), NBER fall Asset Pricing Conference (discussant), Chicago Booth Asset Pricing Conference.

2014: AFA meetings in Philadelphia (discussant), University of Miami, Carnegie-NYU-Rochester Conference (discussant), SFS cavalcade (discussant), Macro-Finance Society meeting in Chicago, University of British Columbia, WFA meeting in Monterey (discussant), NBER Real Estate summer meeting (discussant), NBIM, Yale SOM, Stockholm School of Economics, Duke Fuqua School of Business, University of Rochester, Hong Kong University, HKUST, Norwegian School of Economics.

2013: University of California at Davis, Stanford University, UBC Winter Finance conference, London School of Economics, Oslo School of Management (BI), NBIM (Norwegian Sovereign Wealth Fund), University of Copenhagen (economics), Copenhagen Business School, University of Lausanne, Texas Finance Festival at Austin (discussant), WFA meetings in Lake Tahoe, University of Southern California, NBER commodities conference (discussant), Boston University, University of Virginia at Charlotte.

2012: NBER fall AP meeting at Stanford (discussant), CITE (Chicago Initiative in Theory and Empirics) conference at Chicago, NBER Summer Institute Asset Pricing Meeting, Mitsui Macro-Finance Conference at University of Michigan (best discussant award), AFA meetings in Chicago (two discussions), University of California at Los Angeles, University of Minnesota, University of Oslo, Norwegian Central Bank.

2011: AFA meetings in Denver, NBER Asset Pricing Meeting (Chicago), Norwegian School of Economics (NHH), Oxford University Conference on New Energy Markets, SED meetings in Ghent, University of Texas at Austin, University of Wisconsin at Madison, WFA (two discussions).

2010: AFA meetings in Atlanta, CEPR Asset Pricing Week in Gerzensee (presentation)

2009: University of Stavanger, ESSEC (Paris), EFA meetings in Bergen, WFA (discussant), SED meeting in Istanbul, Princeton University, Baruch College

2008: CEPR Gerzensee (discussion), FMG Conference at LSE (discussant), University of Amsterdam, UBC Winter Conference, European Central Bank.

2007: ASAP conference (Imperial College, LBS, LSE, and Oxford), Columbia University, EFA meetings in Ljubljana, NBER Summer Meetings in Asset Pricing, Norwegian Central Bank, SED meetings in Prague, Stockholm School of Economics, WFA meetings at Big Sky, Wharton School of Business, Econometric Society (Duke).


2005: Boston College, Carnegie-Mellon University, Columbia University, London Business School, Norwegian School of Economics, Oslo School of Management (BI), Stanford University, University of British Columbia, University of California at Berkeley, University of Southern California, University of Washington at Seattle, and the Western Finance Association (WFA) 2005 meetings.

Teaching Experience

Columbia Business School
2010  Theoretical Asset Pricing (Ph.D.)
2014, 2015  Capital Markets & Investments (MBA)

London Business School
2007, 2008  Empirical Asset Pricing (Ph.D.)
2007, 2008  Options and Futures (MBA, Masters in Finance)
2006, 2007  Foundations of Finance (core course in Masters in Finance program)

DMS 5-108
Other Information

Affiliations: American Finance Association, Western Finance Association
Languages: English (fluent), Norwegian (native)
Citizenship: Norwegian
FRANCIS A. LONGSTAFF

Mailing Address:
Francis A. Longstaff
Allstate Professor of Insurance and Finance
UCLA Anderson School of Management
110 Westwood Plaza
Los Angeles, CA 90095-1481

Contact:
Telephone: 310-825-2218
Fax: 310-206-5455
Email: francis.longstaff@anderson.ucla.edu
Web: http://www.anderson.ucla.edu/x1924.xml

University
Ph.D. in Finance, University of Chicago, 1987

Education:
Bachelor of Arts, Accounting, University of Utah, 1982 (First in Class)
Master of Business Administration, University of Utah, 1980 (First in Class)
Bachelor of Arts, Finance, University of Utah, 1979 (Magna Cum Laude)

Professional
Chartered Financial Analyst (CFA)
Certified Public Accountant (CPA)

Designations:

Awards and Honors:
1990, Chicago Board of Trade Award for Outstanding Research
1991, Research Excellence Award, Pacific-Basin Capital Markets Conference
1992, The Pace Setters Research Award, College of Business, The Ohio State University
1994, Milken Foundation Research Grant
2002, Earl F. Cheit Outstanding Teaching Award, Walter A. Haas School, University of California at Berkeley
2005, Barclays Global Investors/Michael Brennan Award for the best paper in the Review of Financial Studies
2006, Referee of the Year, Review of Financial Studies
2007, Earl F. Cheit Outstanding Teaching Award, Walter A. Haas School, University of California at Berkeley
2008, Graham and Dodd Award, Financial Analysts Journal
2011, Elected President of the Western Finance Association

Academic
UCLA/Anderson School of Management

Appointments:
2004–Present, Allstate Professor of Insurance and Finance
1996–2004, Professor
1993–1996, Associate Professor
Walter A. Haas School, University of California at Berkeley  
2001–2009, Visiting Professor of Finance,  
Master of Financial Engineering Program

College of Business, The Ohio State University  
1991–1993, Associate Professor  
1987–1991, Assistant Professor

**Industry Experience:**

1978–1979, American Equity Corporation, Mortgage Escrow Officer,  
Mortgage Lending Officer
1980-1981, JPS Financial Consultants, Financial Consulting and  
Litigation Support
Advisory Services
1984–1987, Chicago Board of Trade, Research Economist  
1988–1994, Consultant, First Boston, Union Bank of Switzerland,  
Chicago Research and Trading, etc.
1995–1998, Salomon Brothers Inc., Head of Fixed Income  
Derivative Research, New York
1998–2008, Simplex Asset Management, Investment Committee  
of Hedge Fund, and Chief Investment Officer of Fund of Funds  
1998–Present, Simplex Holdings, Consultant  
2000–Present, Pacific Investment Management Company (PIMCO),  
Consultant, Training, Sabbatical from UCLA (Fall, 2007)  
2008–2010, Barclays Global Investors, Consultant  
2010–Present, Blackrock Inc., Consultant

**Research Publications:**

1. Pricing Options on Agricultural Futures: An Application of the Constant  
Elasticity of Variance Option Pricing Model (with J. Choi), *Journal of  
Futures Markets* 5 (Summer), 247-258, 1985.

2. A Nonlinear General Equilibrium Model of the Term Structure of Interest  

3. Temporal Aggregation and the Continuous-Time Capital Asset Pricing  

4. Pricing Options with Extendible Maturities: Analysis and Applications,  

5. Time Varying Term Premia and Traditional Hypotheses About the Term  

6. The Valuation of Options on Yields, *Journal of Financial Economics* 26,


36. Throwing Away a Billion Dollars: The Cost of Suboptimal Exercise Strategies in the Swaptions Market (with P. Santa-Clara and E.S. DMS 5–113


51. Systemic Credit Risk: What is the Market Telling Us? (with V. Bhansali


Other Publications:


Working Papers

1. Disagreement and Asset Pricing, (with B. Carlin)

2. Deflation Risk, (with M. Fleckenstein and H. Lustig)

Editorial

Journal of Financial and Quantitative Analysis, 1993–Present
Advances in Futures and Options Research, 1993–1995
Journal of Fixed Income, 1994–Present
Journal of Derivatives, 1994–Present
Finance Research Letters, 2003–Present
Journal of Finance, 2006–Present
Financial Markets and Portfolio Management, 2008–Present
Financial Analysts Journal, 2010–Present
Journal of Financial Intermediation, 2010–Present
Review of Asset Pricing Studies, 2011–Present
The Journal of Portfolio Management, 2011–Present

Professional Service:

1996–1998, Advisory Board, MBA Track in Financial Engineering, Sloan School of Management, MIT
2004–2007, Board of Directors, American Finance Association
2002–Present, Research Associate, National Bureau of Economic Research
2005, Member Search Committee for Editor of the Journal of Finance
2008–2009, Board of Directors, Western Finance Association
2008–2010, Board of Trustees and Chairman of the Audit Committee, The Research Foundation of CFA Institute
2009, Founding Executive Director, UCLA Master of Financial Engineering Program
2009–2010, Vice President, Western Finance Association
2010–2011, President-Elect and Program Chair, Western Finance Association
2010–2011, Member Search Committee for Editor of the Journal of Finance
2011–Present, President, Western Finance Association

Corporate Boards:

ACCOMPLISHMENTS -- CHRONOLOGICAL

Master's in Financial Engineering ("MFE") Program
University of California, Berkeley
Adjunct Full Professor and Executive Director, July 2000 to December 2006
Faculty Advisor, December 2006 to July 2016;
Currently Professor Emeritus

I joined Haas on July 1, 2000 as the founding executive director of the planned self-supporting Master’s in Financial Engineering (MFE) degree program.

My assignment was to complete the MFE preparation, recruit staff, finalize external funding, finalize the curriculum and professors, recruit the first MFE class, and to launch the program by April 2001. These functions were successfully completed and the first class began on schedule. In addition, we raised $2.25 million from founding sponsors of the MFE program. These funds permitted building an MFE laboratory and provided a reserve for future investment.

Recognition of the high quality of Haas MFE academic also appears secure. In its second year the Haas MFE case-team received first place in the annual Graduate Business School Financial Engineering Case competition. In the subsequent years, the Haas team has placed either first or second.

To further add to the recognition of our MFE program I used my long involvement in the financial engineering community to attract three Nobel Prize winners in economic science (William Sharpe, Robert Merton, Myron Scholes and Robert Shiller) to give the commencement address at the MFE commencements.

I also developed and taught the financial innovation course in the MFE curriculum. The course introduces students to the major successes and failures in past financial innovation, and explores the systematic drivers and idiosyncratic factors affecting success and failure in financial innovation.

The course scope was expanded in 2003 to include societal opportunities in risk management, including managing income inequality and intergenerational wealth distribution. The principal requirement of the course is for the students create a financial innovation business model, working in a team of four or five students. Besides exposing students to the elements of financial innovation, the course purpose is to create confidence in the students that they can innovate.
Managing Director
Credit Suisse Asset Management
June 1997 to June 2000

Structured, staffed and managed the first client service function for this multi-billion dollar asset management company. Responsible for organizing and managing CSAM Americas’ first Risk Management department (1998 and 1999). Conceived, organized, and managed CSAM’s first Global Client Investment Management Conference (1999). In mid-1999, I was asked to investigate, propose an implementation plan, and manage CSAM’s entry into e-commerce. This activity was successfully introduced to the market in March 2000.

Co-Founder, Chairman and CEO
Leland O'Brien Rubinstein Associates, Incorporated ("LOR")
February 1981 to June 1997

Founded LOR with U.C. Berkeley Professors Hayne Leland and Mark Rubinstein. As Chairman and CEO, developed LOR from startup to one of the most innovative firms in the financial services industry.

- Created "CountryBaskets" – The first set of international, equity, open-end, traded, index mutual funds. Sold CountryBaskets to Deutsche Bank and assisted them to introduce a $300 million CountryBasket IPO (1996). CountryBaskets were traded on the NYSE.
- Created "SuperTrust" – The first open-end, exchange traded, multiple-share-class mutual fund. Marketed one billion-dollar SuperTrust IPO (1992). SuperTrust units were traded on the AMEX. The SuperTrust was the first-ever exchange traded fund (ETF).
- Served as Chairman of the "Capital Markets Fund", the one billion dollar mutual fund that held the asset portfolios that collateralized the SuperTrust. SuperTrust and the Capital Markets Fund is the subject of a Harvard Business School case study (available upon request).
- Created and advised the first "portfolio insurance" mutual fund -- The Merrill Lynch Growth & Guarantee Fund, and assisted in its $230 million IPO (1987).
- Created the first institutional equity risk hedging business (“portfolio insurance”), using stock index options and futures, and built it to a level of five billion dollars in direct management, and 45 billion dollars under license (1984 to 1987). This development is the subject of another Harvard Business School case study (also available upon request).

Director
A.G. Becker Funds Evaluation Group (now SEI Investment, Inc.)
1975 to 1980

Created Becker's pension investment management structuring and selection business. Introduced the first asset/liability simulation modeling services in the pension industry. Created the first commercial S&P 500 Index Fund management software for First Chicago (1978). Becker became the premier name in pension consulting. Later this business was sold to the SEI Corporation.
Co-Founder, Chairman and CEO
O'Brien Associates, Inc. (now Wilshire Associates, Inc)
1972 to 1975

Co-founded the company and served as Chairman and CEO. Introduced modern portfolio theory and analytical risk management into the purely "Graham and Dodd" investment industry of the time. Created first "beta" book of individual stock systematic risk, the first risk-adjusted investment performance measurement service, and the first Monte Carlo simulation of multi-asset-class return distributions for pension policy analysis. Co-creator of the O'Brien 5000 Stock Index – after selling the company, the Index was re-named the Wilshire 5000 (to my regret…).

Director, Analytical Services Division
Jas. H. Oliphant & Co. (Member New York Stock Exchange)
1969 to 1972

Director, Investment Services Practice
Synergetic Sciences Incorporated
1967 to 1969

Senior Associate, Military Systems Analysis
Planning Research Corporation ("PRC")
1962 to 1967

1st Lieutenant, Airborne Electronic Systems
United States Air Force
1958 to 1962

HONORS
Men of the Year, Fortune Magazine (1987)
Graham and Dodd Scroll Award, Financial Analysts Federation (1970)
Advisory Board, International Association of Financial Engineers
Who's Who in Business and Finance
Who's Who in America

EDUCATION

Massachusetts Institute of Technology, Cambridge, MA
S.B., Economics and Engineering (Electrical)

University of California, Los Angeles, CA
M.S., Engineering (Operation Research)
STAVROS PANAGEAS

Address: 110 Westwood Plaza
Los Angeles, CA 90095

Email: stavros.panageas@anderson.ucla.edu

Citizenship: Greek, U.S. Permanent Resident

March, 2017

EDUCATION

Degrees Attained
Advisors: Professors Olivier Blanchard and Ricardo Caballero
Additional references: Professors Stephen Ross and Dimitri Vayanos

Lizentiat, Economics, University of St. Gallen, March 1997

ACADEMIC POSITIONS

Current Position
July 2016 – present
UCLA Anderson School of Management, Associate Professor of Finance

April 2008 – present
National Bureau of Economic Research, Faculty research Fellow, (AP,EFG)

Previous Positions
July 2012 – 2016
University of Chicago, Booth School of Business, Associate Professor of Finance

July 2008 – July 2012
University of Chicago, Booth School of Business, Assistant Professor of Finance

The Wharton School, Univ. of Pennsylvania, Finance Dept., Assistant Professor

July 2004 - June 2005
The Wharton School, Univ. of Pennsylvania, Finance Dept., Lecturer

Graduate Course Instructor and Teaching Assistant, M.I.T.

Teaching and Research Assistant, University of St. Gallen

Visiting Positions
July 2012 – July 2013
London School of Economics & Political Science, Visiting Professor

July 2009- June 2010
London School of Economics & Political Science, Visiting Lecturer

September 2006, 2011
Minneapolis FED, Institute for Empirical Macroeconomics

Editorial Positions
June 2015-
Associate Editor, Review of Asset Pricing Studies

DMS 5–120
   - *Winning Team Four nations Cup 2013*


   - Reprinted in “Household Finance”, Edited by M. Haliassos, The international library of critical writings in economics, Edward Elgar Publishing Ltd.

   - *Winner of the 2011 Utah Winter Finance Conference Best Paper Award.*

   - *Winner of the 2012 Smith Breeden Prize for the best paper on capital markets published in the Journal of Finance (First Prize)*


   - *Lead Article in the Journal of Finance*  
   - *Nominated for the Smith Breeden Prize*


• Winner of the Geewax, Terker Prize in Investment Research, Rodney L. White Center for Financial Research, 2005
• Finalist for the Paul A. Samuelson Award


Working papers


• Winner of the Geewax, Terker Prize in Investment Research, Rodney L. White Center for Financial Research, 2007


Book Chapters


TEACHING

Courses:

UCLA Anderson School of Management
Introduction to Stochastic Calculus (MFE)
Advanced Stochastic Calculus (MFE)

Univ. of Chicago Booth School of Business
Investments 35000 (MBA)
Topics in Asset Pricing 35907 (PhD)

Short course on “fragmented markets” as part of an intensive, inter-university, doctoral summer school

**London School of Economics and Political Science**
Corporate Finance and Asset Markets FM429/430 (Asset Markets Part)

**The Wharton School**
Finance 101 (undergraduate) Finance 602 (MBA): Monetary Economics and the Global Economy
Finance 923 (PhD) Financial Economics under Imperfect Information

**M.I.T.**
Mathematics for Economists – Instructor - Graduate Program
Nonliner Econometrics – Teaching Assistant – Graduate Program

**University of St. Gallen**
Mathematics and Statistics – Teaching Assistant – Undergraduate / Masters Level

**Dissertation Supervision:**

1) Jianfeng Yu (First Placement: U of Minnesota – Carlson)
2) Itamar Dreschler (First Placement: NYU – Stern)
3) Sugata Ray (First Placement: U. of Florida – Warrington)
4) Wesley Gray (First Placement: Drexel - LeBow)
5) Christian Opp (First Placement: U. of Pennsylvania - Wharton)
6) Aytek Malkhozov (First Placement: McGill - Desautels)
7) Nina Boyarchenko (First Placement: NY FED)
8) Jaroslav Borovicka (First Placement: NYU – Dept. of Economics)
9) Valentin Haddad (First Placement: Princeton – Dept. of Economics - Bendheim)
10) Thomas Maurer (First Placement: Washington University St. Louis – Olin)
11) Serginio Sylvain (First Placement: BlackRock)
12) Rasool Zandvakil (First Placement: IMF)
13) John Nash (First Placement: HKUST)
14) Alex Zentefis (First Placement: Yale SOM)
15) Barkai Simcha (First Placement: London Business School)
16) Hyunsoo Doh (First Placement: NTU)

**OTHER PROFESSIONAL ACTIVITIES**

**Presentations at Seminars and Conferences**

**2017:**

**Conferences:** (incl scheduled) SED, WFA, USC Conference on Inequality, Globalization, and Macroeconomics, ASU Sonoran (Discussant), BI – SHoF Conference
**Seminars:** U of Wasington (Foster), USC Economics, Copenhagen Business School

**2016:**

**Conferences:** AFA (Presentation), AFA(discussant), NBER Conference on Multiple Equilibria, NBER Asset Pricing (discussant – Spring and Fall), Duke UNC Asset Pricing, WFA, Tepper LAEF
**Seminars:** Boston College, Princeton, MIT (Sloan), OFR, Chicago FED
2015: **Conferences:** NBER Asset Pricing, NBER Asset Pricing (discussant), NBER Mathematical Economics, NBER Capital Markets and the Economy, NBER International Asset Pricing, AFA (discussant), SFS Cavalcade, Minnesota Macro Finance conference, Handbook of Macroeconomics conference (discussant)  
**Seminars:** Stern, USC Marshall, Univ. of Wisconsin-Madison, CKGSB, PBCSF, Yale SOM, UT Austin, Notre Dame, Kellogg, Minneapolis FED

2014: **Conferences:** NBER Asset Pricing (discussant), AFA, Utah Winter Finance Conference, BFI conference on Macro-Financial Linkages (discussant), WFA (discussant), Tepper – LAEF Macro Finance (discussant)  
**Seminars:** Boston University School of Management, University of British Columbia – Sauder, John Hopkins University, University of Virginia – McIntire, Bocconi

2013: **Conferences:** NBER Asset Pricing, NBER Macro-Financial Linkages, AFA (discussant), Studienzentrum Gerzensee, Adam Smith Asset Pricing Conference (discussant), Yale G.E. conference, Oslo Conference on Production-Based Asset Pricing, Wharton conference on Liquidity, Four Nations Cup, EFA  
**Seminars:** UCLA-Anderson, N.Y. FED, Yale School of Management, University of North Carolina Chapel Hill, Insead, LSE, HEC Paris, Hanken, Univ. of Birmingham, Tilburg, Rotterdam, Univ. of Oslo

2012: **Conferences:** AFA (discussant), Duke-UNC Asset Pricing Conference (discussant), Becker Friedman Institute Conference “Macroeconomic Fragility” (discussant)  
**Seminars:** Columbia Business School, Toulouse School of Economics, London Business School, University of Reading, Vanderbilt

2011: **Conferences:** NBER Asset Pricing, NBER Asset Pricing (discussant), Utah Winter Finance Conference, SED, Minnesota Macro-Finance Conference,  
**Seminars:** Berkeley (Haas), Boston University, Minneapolis FED, University of British Columbia -Sauder, McGill (Desautels)

2010: **Conferences:** IMF/PSE/BDF Joint Conference (discussant), Adam Smith Asset Pricing Conference (discussant), Royal Economic Society  
**Seminars:** Chicago FED, INSEAD, Paris School of Economics, HEC/EPFL Lausanne, University of St. Gallen, University of Amsterdam

**Seminars:** Atlanta FED, Imperial, LSE, University of Frankfurt

2008: **Conferences:** NBER Asset Pricing (discussant), Utah Winter Finance Conference, UBC Winter Finance Conference, CARESS-Cowles Conference, WFA, SED  
**Seminars:** Chicago GSB, UCLA, Stanford GSB, Berkeley (Haas), University of Tokyo, UT Austin, Georgia State University

2007: **Conferences:** NBER Asset pricing, SED, SAET, Duke-UNC Asset Pricing Conference, Frontiers of Finance (discussant)  
**Seminars:** Harvard, M.I.T., Drexel
2006: **Conferences:** NBER Asset Pricing, WFA, SED, Studienzentrum Gerzensee, Frontiers of Finance, Banff Workshop on Financial Mathematics, Conference on Financial Economics and Accounting (discussant)  
**Seminars:** M.I.T., Minneapolis FED, Carnegie Mellon University, Columbia University, University of British Columbia, Texas A&M, University of Lausanne, Philadelphia FED, New York FED, Boston University

2005: **Conferences:** Frontiers of Finance, WFA (discussant), CRETE 2005, Duke – UNC Asset Pricing Meeting (discussant),  
**Seminars:** USC (Marshall School), Univ. of Houston, Swedish School of Economics (Hagen), Graduate School of Finance (GSF)-Helsinki School of Economics, International Monetary Fund, Athens University of Economics and Business, University of Piraeus, University of Cyprus

2004: **Conferences:** A.E.A., CEPR Conference on Asset Price Bubbles (Barcelona), Summer Camp in Economics U.T.D.T. (Argentina)  
**Seminars:** M.I.T., Sloan School of Management, Columbia GSB, Yale SOM, Princeton, Wharton, Chicago GSB, U. of Maryland, London Business School, Kellogg, Stern, Duke

**Referee Work and Conference Organization**


**Conferences:**  
Program Committee, Western Finance Association Meetings 2007 - 2015  
Program Committee, Society for Economic Dynamics 2008, 2009  
Program Committee, American Finance Association 2010  
Program Committee, European Finance Association 2011-2014  
NBER Summer Institute 2009 co-organizer (with Monika Piazzesi)  
NBER Summer Institute 2017 co-organizer (with Andrea Eisfeldt)  
FARFE Secretary 2017-

**Past Non-Academic Positions**  
Fidelity Investments - Fixed Income Quantitative Analyst, July-August 2000  
AIAS NET (Internet services) – Athens Greece, Co-founder and Board Member, 1996-1999  
Alpha Credit Bank, Athens Greece - Intern. Dealing Room, October-November 1996
HONORS AND SCHOLARSHIPS

Grants

Awards
1. Four nations cup, 2013
2. Winner of the Smith Breeden Prize (First Prize) for the year 2012.
7. Geewax, Terker Prize in Investment Research, Rodney L. White Center for Financial Research, 2005
8. Paul Alther Prize for the best undergraduate thesis at the University of St. Gallen – 1997
9. Award by the Greek scholarship foundation IKY for achieving 2nd national rank in entrance exams to the Athens School of Business and Economics, October 1992

DMS 5–126
CV

March 2016

Ivo Welch
(Ivo Icio Alexander Welch)
iwo.welch@anderson.ucla.edu
ivo.welch@gmail.com

Degrees

Abitur 1982  Alexander-von-Humboldt Gymnasium,  Schweinfurt Germany
M.B.A. 1989  The University of Chicago  Chicago
Ph.D.  1991  The University of Chicago  Chicago

Appointments

Assistant Professor  1989-1995  UCLA
Visiting Scholar  Summer/Fall 1995  London Business School
Associate Professor  1995-1998  UCLA
Professor  1998-2001  UCLA
Professor  2000-2005  Yale University
                      Finance and Economics
Professor  2004-  Brown University
Professor  2011- J. Fred Weston Chair  UCLA

Research

Selected Publications

To download the full article, please click on title. Some files are as large as 4MB. When downloading, please respect the copyright, described in the accompanying README file.

   First to argue that subsequent offerings and 'leaving a good taste in investors' mouths' are a reason for IPO underpricing. First to offer some evidence of large $50 after-market issuing activity by IPO issuers.


   Shows how to price when buyers cascade on one-another. Probably the first "informational cascades" paper (preceding Banerjee and Bharat), but not necessarily the best. Still, winner of a Smith-Breeden Distinguished Paper Award.

Clearly my most influential and best paper. Recognized and developed the importance and ubiquity of informational cascades in a general context. (Featured, e.g., in The Economist, Feb 19, 1994, p.81; Business-Week, Feb 13, 1995, p.84; Fortune, Oct 14, 1996, p.49.) See also the informational cascades webpage.


The first formal test of the relation between IPO underpricing and after-market issuing activity. Introduces a "market feedback" hypothesis. Finds that stock value appreciation matters, not just IPO underpricing.


First to reliably document bondholder wealth losses among LBOs and the importance of data sources.


An empirical study. Obsolete method(s).


Combines information filtering with tournaments to show that individual hiring decisions can disproportionately tend towards an employer’s own background.


Adds endogenous SEO timing to Welch (1989). First to offer a structural (rather than just intuitive) empirical test of an IPO underpricing model.


Describes compensation for and influence of IPO experts, especially those of the legal advisors. Also finds that the well-known Carsten-Manaster relation between IPO underpricing and underwriter quality is unstable (reverses after the Carsten-Manaster period).


First to argue that (minimizing) potential litigation lobbying expenses in bankruptcy can drive ex-ante capital structure decisions. Sadly, this is the paper whose lack of impact has most disappointed me. I continue to believe that reducing ex-post rent-seeking is an important and widely neglected determinant of capital structure.


An update and summary of informational cascades. See also the informational cascades webpage.


Shows that SEO issuers who tend to be aggressive in their pre-IPO the biggest post-SEO underperformers. Introduces a Fama-MacBeth type methodology to post-event performance measurement.


Shows that IPO issuers tend to be aggressive in their pre-IPO earnings statements, and that the most aggressive earnings overstaters are the worst post-IPO performers.


Finds no evidence of economic effects from sanctions against South Africa. Winner of the 1999 Moskovitz Prize for the best paper on socially responsible investing.


First to model legal presumptions (e.g., the burden of proof) as a tradeoff between reducing potential future litigation costs and encouraging effort by an agent.


Finds that the U.S. is not so different from other countries in having high stock returns elicit active investment.


First survey of finance professors. (Finds an equity premium consensus assessment of about 6% per annum.) Note the update in The Equity Premium Consensus Forecast Revisited.

19. Allen, Franklin; Bernardo, Antonio; and Ivo Welch. "Who Invests in the Stock Market? Dividends Based on Tax Clientele," The Journal of
Finance 55-6, December 2000, 2499-2536. doi:10.1101/0002-1082.00298

Argues that the presence of both dividends and dividend smoothing can be caused by the need of firms to attract institutional investor clientele. (Abstract) See also A Comment on 'A Theory of Dividends Based on Tax Clientele' [Feb 2011].


Develops an econometric methodology to estimate imitation when choices are discrete. Applies it to security analysts' buy and sell recommendations. Won the JFE Fama/DFA 2nd Prize for Capital Markets and Asset Pricing. (welch20000fe provides free sample code to anyone wishing to estimate herding for discrete choices.)


First to introduce evolutionary group selection arguments into an application paper in economics. Explains the persistence of documentally irrational behavior. This is an unusual piece, and, I hope, well worth reading.


Explains inertia as the outcome of partial memory loss.


A survey of recent IPO activity and literature, both in the market and by academics. (Abstract)


Introduces a graphical diagnostic which shows convincingly that dividend ratio regressions have never managed to predict equity premia out of sample—despite popular folklore. Note: the updated data is available here. Do not expect support for the data—you can use it, but you cannot ask us for explanations. (Abstract)


Shows how imperfect execution in sequence can cause liquidity runs, in which every investor tries to take their money out of the stock market first. Unlike Diamond-Dybvig, the argument works in varying price markets.


(Short abstract). Decomposes debt ratio dynamics into stock return caused dynamics (40%) and issuing activity caused dynamics (60%). Other (commonly used) variables have no explanatory power incremental to stock returns, leaving issuing activity dynamics a mystery. (Abstract). A poor first draft was called "Columbus Egg: Stock Returns are the Main Determinant of Capital Structure Dynamics.").


Shows that it would make more sense to allow bankrupt firms to decide on bankruptcy experts' reimbursements, instead of leaving this reimbursement decision to courts and/or a mechanistic rules.


Argues that small dispersed creditors are not good at collection, which in turn can induce strategic choice of creditor concentration.


Explores a fairly complete dataset of bankruptcies in NY and AZ. Finds that Chapter 7 is not better than Chapter 11—and warns about oversimplified estimates of bankruptcy costs.


Shows how performance measures, such as the Sharpe Ratio, can easily be gamed, e.g., with derivatives. A utility-based performance measure does not suffer from this obvious flaw, RFS Award Winner.


Lead Article. Has (out-of-sample) prediction plots that make it trivial to diagnose immediately when what variable works. The startling conclusion is that all existing variables in the literature failed. Moreover, to the extent they fall only moderately badly, it is only because they predicted well the 1974-1975 crash. (Our Management Science paper is much more clever and detailed on the subject of predicting with dividend ratios.) Correction: The copy-editor mistakenly switched order of authors. It should have been Goyal-Welch (not Welch-Goyal). Updates: The data is at Amit's website.


I know this is not a top journal, but I think the issues are important to anyone doing capital structure research.

33. Ivo Welch, A Critique of Recent Quantitative and Empirical Studies in Modeling in Capital Structure Research and Beyond,
Critical Finance Review 2-1, July 2013, 131-172.
(Warning: This paper was published in a journal I edit, although I was not the handling editor.) Widely assigned in Ph.D. courses, together with Whited-Strebulaev and Hennessy critiques of my own critique.


Argues that attention limits constrain the ability of firms to take projects, and derives implications for slack.


Argues that financial firms sell risky assets preemptively if they see that their peers are too leveraged. Leverage is endogenous.


Referees in finance and economics have only modest agreement. Referees have strong fixed effects. They disagree on scale and ordering.


Think Arellano-Bond in which each firm has a different adjustment speed. (Yuya is the primary author. Sophocles and I were only secondary, participating only modestly and more in the formulation stage.)


Not allowing firms to contract (opt out of Chapter 11) can reduce aggregate fire sales at the worst of times. Firms prefer it in the aggregate, even though they would like to evade it individually. The model is a beauty. Atomistic firms can anticipate but not influence outcomes, and yet their choices determine the outcome in the aggregate. (Note: we paid OUP to free this article.)


An indifference theorem and analysis as to when government bailouts are harmful (in the presence of agency conflicts).


Earlier results of Cohen, Coval, Malloy (JPE 2011) turn out to be spurious. Powerful committee chairs did not crowd out the investment expenditures of publicly-traded corporations with headquarters in the state. (More likely, the observed relation was due to an oil-related decline in Texas.)


Below-the-money index put-option prices suggest that no more than 2% of the historical 7%/year equity premium could have been risk compensation for disasters that just happened not to have occurred. This paper also provides a novel, "conservative diffuse approach" for dealing with black-swan risk.

PS: In the paper-by-paper description, when I use the term "first," it does not imply that similar papers were not contemporaneous—only that I wrote this paper independently, not aware of contemporaneous alternatives.

Ongoing Research
See my research web page and SSRN Author Web Page.

Most recently updated (2015): Politicians and Downsizing (with Jason Snyder, R&R, JPE); Corporate Bailouts (with Antonio Bernardo and Eric Talley, R&R, JLE); Long-term capital budgeting (with Yaron Levi); and Dark Crash Risk (R&R, FAJ); Extended S&P 500 index changes (with Nim Patell); Plausibility.

Teaching and Professional Service

Textbook


Teaching

Various classes over the years, including introduction to finance (core), intermediate finance, advanced corporate finance, entrepreneurial finance, statistics, and Ph.D. level courses. 1994 Teaching Award. Various Executive Teaching.

Seminars and Presentations

Numerous seminar presentations, conference participations, (keynotes), presentations, discussions, session chairings.
Others

Managing Editor: Critical Finance Review, 2011-.

Publisher and associate editor: FAME, 2013-.

Research Associate, NBER Corporate Finance and Asset Pricing group.

Global Economics and Management and Center for Law and Economics at UCLA Associate Faculty.

Director of the Fink Center at UCLA, 2012-15.

Opeds in some influential newspapers, including the New York Times (2014) and LA Times (2014).


Simple Intellectual Impact Metrics

Common cite counts are neither particularly good in methodology, nor useful in judging intellectual quality—much less do they do so across different academic areas or sub-areas. But cite counts are useful in providing basic quantitative metrics of intellectual impact. Think “logarithm” instead of absolute values. In early 2016:

- My cite count on ISI web of Science was about 5,700 w/o self citations. ISI also tells authors that they are still inconsistent in counting cites to authors that are not listed first, especially for older publications; and Welch is sometimes misspelled as Welsh or even Welsch. Although my cite metrics are in the same logarithmic league as those of some past American Finance Association presidents (and even a few Nobel Prize winners), they are one full order of magnitude lower than those of, say Eugene Fama (>25,000) or Andrei Shleifer (>30,000).

- My cite count on my Google Scholar page was about 28,000 cites.

- RePeC should never be used, not only because the input data base is weak, but (worse) because its (overall) metrics are idiotic. They scramble any reasonable relative comparisons beyond the first 20 authors. Moreover, the widely-used h-metrics are idiotic because they are non-monotonic in the number of cites. I would rather have one paper with a grand total of 1 million cites (h=1), than two papers with a grand total four cites (h=2). An even stranger RePeC metric is the professional network (links). Such “pedigree rankings” is interesting but not intellectual accomplishment. RePeC combines bad metrics with a bad data base.

Other

Background: Born in Schweinfurt, Germany. Happily married, three young children. Hobbies: Them. Native tongue: German. Solid background in computer-related technical and business aspects. Various press coverage both of work (e.g., in The Economist and Business Week) and of person (e.g., as in CFO Magazine, February 2001 [Bright Minds, Big Theories]). Was regularly ranked among top-10 economists under 40 years of age by cite count. Occasionally ranked among top-100 economists in cite counts (e.g., in the Thomson ISI 2007 list of most cited economists; Thomson has since abandoned this list.).
Levon Goukasian  
Pepperdine University, 24255 Pacific Coast Highway, Malibu, CA  90263-4237  
Tel: (310) 506-4425, E-mail: Levon.Goukasian@Pepperdine.edu

ACADEMIC EXPERIENCE

- Will Singleton Chair in Finance, Professor of Finance  
  Assistant: 2004-2007; Associate: 2007-2012; Professor: 2012-  
  Pepperdine University, Malibu, CA

INDUSTRY EXPERIENCE

- Senior Hedge Specialist  

- Quality Control Research Associate  
  Tissurama Industries.

EDUCATION

  University of Southern California, Los Angeles, CA  
  *Completed all the Ph.D. coursework and all projects, but no dissertation.*

  University of Southern California, Los Angeles, CA  
  Dissertation Title: *Lyapunov exponents for Perturbed Hamiltonian Systems*

  University of Southern California, Los Angeles, CA

  Yerevan State University, Armenia

RESEARCH INTERESTS

- Theoretical and Empirical Asset Pricing, Investment Analysis, Portfolio Allocation 
  Problems, Risk Management, Corporate Social Responsibility and Ethics.

TEACHING INTERESTS

- Portfolio Management and Investment Analysis, Financial Management, Risk Management, 
  Fixed Income Securities, Derivative Securities.

AWARDS

- Howard A. White Award for Teaching Excellence  
- Seaver Research Fellow, Pepperdine University  
- Marshall Fellowship, USC Marshall School of Business  
- First place winner of the National Math Competition of Students

PROFESSIONAL SERVICE

- Member of American Finance Association since 2004  
- Member of American Economic Association since 2004  
- Member of the Society of Financial Studies since 2005  
- Member of the American Real Estate and Urban Economics Association since 2006  
- Member of the Risk and Insurance Management Society, 2009-11  
- Member of Western Economic Association since 2010  
- Chair of a session at the Western Economic Association’s 86th Annual Meeting, June 2011. Organized a session in Business Administration.  

DMS 5-132
Member of the organizing committee, chair of a session; Armenian Economic Association’s Annual Conference, 2014.

Ad hoc referee for:

“Annals of Finance” since 2005
“Journal of Economic Dynamics and Control” since 2006
“Economic Inquiry” since 2007
“Real Estate Economics” since 2009
“Cornell Quarterly” since 2012
“International Review of Financial Analysis” since 2014

INVITED PRESENTATIONS

American University of Armenia, 2006
California State University, Northridge, 2006
University of Southern California, 2006
University of California, Santa Barbara, 2006
University of California, Riverside, 2006
Yerevan State University of Armenia, 2005
Financial Management Association’s European Conference, Spain, 2007
American Finance Association’s Annual Conference, New Orleans, 2008
American Real Estate and Urban Economics Association’s Annual meeting, Turkey, 2008
London School of Economics; International College of Economics and Finance, Moscow, 2008
University of Southern California, 2009
Wedgwood Circle Annual Conference, CA, USA 2010
Western Economic Association’s Annual Conference, San Diego, 2011
Yerevan State University of Armenia, 2011
PanAgora Asset Management, Boston, 2011
Western Economic Association’s Annual Conference, 2012
Yerevan State University of Armenia, 2013
Boston University, 2013
Armenian Economic Association’s Annual Conference, 2014
Asset-Backed-Securitization 2015
Armenian Economic Association’s Annual Conference, 2015
Boston University, 2016

PUBLISHED WORK:


**RESEARCH IN PROGRESS**

1. The long-run performance of hospitality mergers and subsequent financial market condition, 2016, (with Q. Ma, E. Huang and A. Zhang).
3. The Impact of Olympic Sponsorship on Domestic vs. Foreign Sponsoring Firms. 2016. (with D. Baim and M. Misch).
9. Rival Firms’ Reactions to Takeover Announcements and Their Subsequent Performance. 2013, (with Qing Ma), Working Paper, Pepperdine University, Cornell University.
ACCOLISHMENTS -- CHRONOLOGICAL

Master's in Financial Engineering ("MFE") Program
University of California, Berkeley
Adjunct Full Professor and Executive Director, July 2000 to December 2006
Faculty Advisor, December 2006 to July 2016;
Currently Professor Emeritus

I joined Haas on July 1, 2000 as the founding executive director of the planned self-supporting Master’s in Financial Engineering (MFE) degree program.

My assignment was to complete the MFE preparation, recruit staff, finalize external funding, finalize the curriculum and professors, recruit the first MFE class, and to launch the program by April 2001. These functions were successfully completed and the first class began on schedule. In addition, we raised $2.25 million from founding sponsors of the MFE program. These funds permitted building an MFE laboratory and provided a reserve for future investment.

Recognition of the high quality of Haas MFE academic also appears secure. In its second year the Haas MFE case-team received first place in the annual Graduate Business School Financial Engineering Case competition. In the subsequent years, the Haas team has placed either first or second.

To further add to the recognition of our MFE program I used my long involvement in the financial engineering community to attract three Nobel Prize winners in economic science (William Sharpe, Robert Merton, Myron Scholes and Robert Shiller) to give the commencement address at the MFE commencements.

I also developed and taught the financial innovation course in the MFE curriculum. The course introduces students to the major successes and failures in past financial innovation, and explores the systematic drivers and idiosyncratic factors affecting success and failure in financial innovation.

The course scope was expanded in 2003 to include societal opportunities in risk management, including managing income inequality and intergenerational wealth distribution. The principal requirement of the course is for the students create a financial innovation business model, working in a team of four or five students. Besides exposing students to the elements of financial innovation, the course purpose is to create confidence in the students that they can innovate.
Managing Director  
Credit Suisse Asset Management  
*June 1997 to June 2000*

Structured, staffed and managed the first client service function for this multi-billion dollar asset management company. Responsible for organizing and managing CSAM Americas’ first Risk Management department (1998 and 1999). Conceived, organized, and managed CSAM’s first Global Client Investment Management Conference (1999). In mid-1999, I was asked to investigate, propose an implementation plan, and manage CSAM’s entry into e-commerce. This activity was successfully introduced to the market in March 2000.

Co-Founder, Chairman and CEO  
Leland O’Brien Rubinstein Associates, Incorporated (*"LOR"")  
*February 1981 to June 1997*

Founded LOR with U.C. Berkeley Professors Hayne Leland and Mark Rubinstein. As Chairman and CEO, developed LOR from startup to one of the most innovative firms in the financial services industry.

- Created "CountryBaskets" – The first set of international, equity, open-end, traded, index mutual funds. Sold CountryBaskets to Deutsche Bank and assisted them to introduce a $300 million CountryBasket IPO (1996). CountryBaskets were traded on the NYSE.
- Created "SuperTrust" – The first open-end, exchange traded, multiple-share-class mutual fund. Marketed one billion-dollar SuperTrust IPO (1992). SuperTrust units were traded on the AMEX. The SuperTrust was the first-ever exchange traded fund (ETF).
- Served as Chairman of the "Capital Markets Fund", the one billion dollar mutual fund that held the asset portfolios that collateralized the SuperTrust. *SuperTrust and the Capital Markets Fund is the subject of a Harvard Business School case study (available upon request).*
- Created and advised the first "portfolio insurance" mutual fund -- The Merrill Lynch Growth & Guarantee Fund, and assisted in its $230 million IPO (1987).
- Created the first institutional equity risk hedging business (“portfolio insurance”), using stock index options and futures, and built it to a level of five billion dollars in direct management, and 45 billion dollars under license (1984 to 1987). *This development is the subject of another Harvard Business School case study (also available upon request).*

Director  
A.G. Becker Funds Evaluation Group (now SEI Investment, Inc.)  
*1975 to 1980*

Created Becker's pension investment management structuring and selection business. Introduced the first asset/liability simulation modeling services in the pension industry. Created the first commercial S&P 500 Index Fund management software for First Chicago (1978). Becker became the premier name in pension consulting. Later this business was sold to the SEI Corporation.
Co-Founder, Chairman and CEO  
O'Brien Associates, Inc. (now Wilshire Associates, Inc)  
1972 to 1975

Co-founded the company and served as Chairman and CEO. Introduced modern portfolio theory and analytical risk management into the purely "Graham and Dodd" investment industry of the time. Created first "beta" book of individual stock systematic risk, the first risk-adjusted investment performance measurement service, and the first Monte Carlo simulation of multi-asset-class return distributions for pension policy analysis. Co-creator of the O'Brien 5000 Stock Index – after selling the company, the Index was re-named the Wilshire 5000 (to my regret…).

Director, Analytical Services Division  
Jas. H. Oliphant & Co. (Member New York Stock Exchange)  
1969 to 1972

Director, Investment Services Practice  
Synergetic Sciences Incorporated  
1967 to 1969

Senior Associate, Military Systems Analysis  
Planning Research Corporation ("PRC")  
1962 to 1967

1st Lieutenant, Airborne Electronic Systems  
United States Air Force  
1958 to 1962

HONORS

Men of the Year, Fortune Magazine (1987)  
Graham and Dodd Scroll Award, Financial Analysts Federation (1970)  
Advisory Board, International Association of Financial Engineers  
Who's Who in Business and Finance  
Who's Who in America

EDUCATION

Massachusetts Institute of Technology, Cambridge, MA  
S.B., Economics and Engineering (Electrical)  
University of California, Los Angeles, CA  
M.S., Engineering (Operation Research)
February 22, 2018

Graduate Council Chair Julio Vergara
Academic Senate Office
3125 Murphy Hall
Campus Mail Code: 140801

Dear Graduate Council Chair Vergara,

I am pleased to submit, on behalf of Dean Judy Olian and the faculty of the UCLA Anderson School of Management, a proposal for the self-supporting Master of Financial Engineering – Asia Pacific degree program. This degree forms one half of a proposed dual degree program in the area of Financial Engineering in partnership with the Guanghua School of Management at Peking University (PKU). Specifically, UCLA Anderson will offer the Master of Financial Engineering – Asia Pacific (M.F.E. – Asia Pacific) degree, and the Guanghua School of Management will offer a Master of Finance (M.Fin.) degree.

There exist separate branches of finance that require advanced quantitative finance techniques: derivatives pricing, risk management, portfolio management, and data science. As financial securities become increasingly complex, demand has grown steadily for people who not only understand the complex mathematical models that price these securities, but who are able to enhance them and reduce risk.

Due to the challenging nature of the work - a blend of mathematics, finance and computer skills – quantitative analysts, aka “quants” are in great demand and able to command very high salaries. Quantitative analysts design and implement complex models that allow financial firms to price and trade securities as well as validate the models, conduct research and create new strategies. They are employed by investment banks, asset management firms, hedge funds, commercial banks, insurance companies and management consultancies, in addition to financial software and information providers.

The proposed dual degree collaboration with PKU is seen as an opportunity to create new student and faculty learning, teaching, and research collaborations across international borders. The proposed M.F.E. – Asia Pacific degree allows UCLA Anderson to further leverage its extensive expertise and experience in the area of financial engineering due to the highly successful Los Angeles-based Master of Financial Engineering degree program, launched in 2009. It will also further expand the UCLA Anderson global presence, specifically in the Asia
Pacific region, and allow the School to reach beyond our current partnership with the National University of Singapore with whom we offer a dual degree Executive M.B.A. program.

The dual degree program with PKU will help prepare graduate level students with the knowledge, training, and skills required to fulfill roles in the global business world in the area of financial engineering/quantitative finance and make them accessible to students in the Asia Pacific region. According to Qiao Liu, Dean of the Guanghua School of Management, there is currently a significant gap in China between the demand and supply for talented individuals with solid financial theory and quantitative approach training. The Anderson-Guanghua dual degree program is seen as a new approach to address this talent deficit. The pipeline of U.S. based students capable of undertaking such a program is growing: in 2015, the U.S. and Chinese governments agreed to the goal to provide 1 million K-12 U.S. students with Mandarin instruction by 2020 (see Appendix O). With Beijing’s announcement of the official government policy change in November 2017 to allow greater foreign access to Chinese financial markets, this program will appeal to those wanting to pursue quantitative finance careers in the Pacific Rim.

The most distinctive aspect of the M.F.E. – Asia Pacific degree will be its international component, wherein the students will commence with a first term of instruction at PKU’s Guanghua School of Management, followed by two quarters (Winter and Spring), and 32 units of on-campus coursework at UCLA Anderson. After completion of the Spring quarter in residence at UCLA, students will return to China to undertake an internship and continue their studies at the Guanghua School of Management. In order to satisfy the remaining 8 units of UCLA degree requirements, UCLA Faculty will teach their course material in the following Fall quarter at PKU. The content delivered by UCLA faculty at PKU amounts to 20% of the course units (8 out of a total of 40). This design feature allows flexibility for students in terms of visa restrictions but at the same time provides them with the benefits of face-to-face interactions with UCLA Anderson faculty. The M.F.E. – Asia Pacific degree requirements will be completed at the end of the second Fall Quarter. Subsequently, the students will complete an additional two terms of study in residence at PKU to fulfill their program requirements for their PKU Master of Finance degree (M.Fin.) the following Spring.

The UCLA Anderson Faculty Executive Committee signaled its support of the degree proposal with a unanimous vote of 6 In Favor, 0 Against and 0 Abstentions (see Appendix D). Subsequently, the Anderson faculty voted on the proposal with an outcome of 46 In Favor, 2 Against, 1 Abstention, with an overall voter turnout of 57%. Dean Olian has also been an enthusiastic proponent of the degree proposal and her letter of support is in Appendix C.

We hope to enroll the first cohort of 40 fee-funded students in Winter 2020; note they will have begun their studies at PKU in Fall 2019. We project a second cohort of 50 students for Winter 2021 and a third cohort of 60 students in Winter 2022 (projected steady state for the program).

For any further communication, the proposal contacts at Anderson are Professor Mikhail Chernov (mikhail.chernov@anderson.ucla.edu) and Elisa Dunn, Executive Director of the Master of Financial Engineering program (elisa.dunn@anderson.ucla.edu).
We are excited to launch this dual degree collaboration with Peking University and to offer this global, academically rigorous, market-facing degree in the area of financial engineering. We look forward to working with the academic leadership of UCLA and the Office of the President to realize this opportunity.

Sincerely,

John W. Mamer

c: Mikhail Chernov
   April de Stefano
   Elisa Dunn
   Susan Ettner
   Robin Garrell
   Linda Mohr
   Judy Olian
   Jeff Roth
   Scott Waugh
Proposal for the
Master of Financial Engineering – Asia Pacific

UCLA Anderson School of Management

Los Angeles, February 22, 2018
Proposal for the Master of Financial Engineering – Asia Pacific

To be offered by: Department of Management, The UCLA Anderson School

Submitted by: Professor John Mamer, Faculty Chairman and Deputy Dean of Academic Affairs

Date Submitted to Graduate Council: February 22, 2018

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Section 1. Introduction

(1) Aims and objectives of the program. Any distinctive features.

The UCLA Anderson School of Management and the Guanghua School of Management at Peking University (PKU) propose to offer dual degrees in the area of Financial Engineering. Specifically, UCLA Anderson will offer a Master of Financial Engineering – Asia Pacific degree, and the Guanghua School of Management will offer a Master of Finance degree.

We enter into this partnership with PKU with the intent to:

- Further advance the global strategic priorities of UCLA Anderson and UCLA including global learning, teaching, research and reputation building;
- Prepare graduate level students with the knowledge, training, and skills required to fulfill roles in the business world in the area of financial engineering/quantitative finance;
- Contribute to the growth of this field by developing a rigorous curriculum encapsulating many of the financial theories in this area and making them accessible to students in the Asia Pacific region;
- Develop an international minded dual degree program with pedagogical techniques which can be used to teach key concepts in this rapidly growing area more effectively, including UCLA faculty teaching in Beijing;
- Build upon the existing UCLA relationship with a pre-eminent international university;
- Draw on some of the brightest students in the world.

In line with the Coordinating Committee on Graduate Affairs (CCGA) guidelines, we are seeking approval for a new self-supporting degree using a new degree designation of: Master of Financial Engineering – Asia Pacific (M.F.E. – Asia Pacific). Specifically, this new degree designation allows us to leverage on the strong reputation of the existing M.F.E. program at UCLA Anderson, while also differentiating the two degree programs which have slightly different constructs and aims by adding the Asia Pacific nomenclature. Within the University of California (UC) system, the Haas School of Business offers the only other Master of Financial Engineering degree and uses the M.F.E. designation for their self-supporting program. There are now three Master of Finance degrees offered within the UC system at UC San Diego, UC Irvine and UC Riverside. A scan of the current ~47 financial engineering degree programs in the US indicates that 11 of those programs use the M.F.E. degree designation. We feel that the M.F.E. degree has the greatest amount of recognition and prestige within this discipline. To use any new or alternative titles would put our program at a competitive disadvantage for recruiting top applicants and faculty.

The most distinctive aspect of the M.F.E. – Asia Pacific degree will be its international component, wherein the students will commence with a first term of instruction at PKU’s Guanghua School of Management, followed by two quarters (Winter and Spring), and 32 units of on-campus coursework at UCLA Anderson. After completion of the Spring quarter in residence at UCLA, students will return to China to undertake an internship and continue their studies at the Guanghua School of Management. In order to satisfy the remaining 8 units of UCLA degree requirements, UCLA Faculty will teach their course material in the following Fall quarter at PKU. The content delivered by UCLA faculty at PKU amounts to 20% of the course units (8 out of a total of 40). This design feature allows flexibility for students in terms of visa restrictions but at the same time provides them with the benefits of face-to-face interactions with UCLA Anderson faculty. The M.F.E. – Asia Pacific degree requirements will be completed at the end
of the second Fall Quarter. Subsequently, the students will complete an additional two terms of study in residence at PKU to fulfill their program requirements for their PKU Master of Finance degree (M.Fin.) the following Spring.

Since 2008, UCLA Anderson has moved forward with the implementation of its global strategy. With the continued accelerated globalization of markets and institutions, the School believes that it can only remain world class if it is engaged in a serious way in the larger world beyond the borders of the United States. Specifically, UCLA Anderson’s global strategy has three primary objectives:

1. To enhance the global dimensions of our thought leadership vis à vis learning, teaching and research;
2. To enhance the global visibility of our brand;
3. To expand the independent sources of revenue for our school, provided these opportunities satisfy the first two objectives.

As part of the development of this degree proposal, we performed a self-initiated review among faculty at UC and non-UC business schools (see Appendix G for the complete feedback). The reviewers unanimously voiced their support for this new degree and dual degree program initiative. Particular comments in this regard included:

“The program leverages a huge investment already done in the finance group at UCLA to build a top M.F.E. program. Expanding the scale of the program through a partnership with a top global university like PKU is an excellent strategy, maximizing the impact in China and leveraging PKU’s local knowledge, without diluting the existing M.F.E. program at UCLA. The program is, in my mind, a “no-brainer”.”

Michael Johannes, Professor of Finance, Columbia Business School, Columbia University

“Overall, the proposal strikes me as being well thought through. It is thorough and makes a persuasive case for what is quite an innovative program.”

David Sraer, Associate Professor of Economics & Finance, Haas School of Business, UC Berkeley

“My overall evaluation of the newly proposed M.F.E. Program is that it is well designed, unique and will add considerable value to the student population that the program is seeking to reach.”

Zheng Sun, Associate Professor of Finance, Faculty Director, Master of Finance, Paul Merage School of Business, UC Irvine

The proposed dual degree collaboration with PKU is seen as an opportunity to create new faculty teaching and research collaborations across international borders. It will also further expand the UCLA Anderson presence in the Asia Pacific region beyond our current partnership with the National University of Singapore with whom we offer a dual degree Executive M.B.A. program.

Anderson’s global strategy is further bolstered by the 2014 UCLA Global Strategic Priorities which seek to promote and embrace global learning and partnerships. PKU and UCLA have already been partners in research and student exchanges for many years; this dual degree collaboration seeks to strengthen that existing relationship and to move it to the level of graduate education.
Historical development of the field and historical development of the departmental strength in the field.

There exist separate branches of finance that require advanced quantitative finance techniques: derivatives pricing, risk management, portfolio management, and data science. As financial securities become increasingly complex, demand has grown steadily for people who not only understand the complex mathematical models that price these securities, but who are able to enhance them to generate revenues after expenses and reduce risk.

Due to the challenging nature of the work - a blend of mathematics, finance and computer skills – quantitative analysts, aka “quants” are in great demand and able to command very high salaries. Quantitative analysts design and implement complex models that allow financial firms to price and trade securities as well as validate the models, conduct research and create new strategies. They are employed by investment banks, asset management firms, hedge funds, commercial banks, insurance companies and management consultancies, in addition to financial software and information providers. The hiring companies include, to name a few: Accenture, AIG, AllianceBernstein, American Express, Bank of America, Blackrock, BNP Paribas, Citigroup, Deloitte, Deutsche Bank, Dimensional Fund Advisors, Facebook, Goldman Sachs, Google, LA Capital Group, Morgan Stanley, MUFG Union Bank, PIMCO, PwC, State Street, TPG Capital, Virtu Financial and Western Asset Management.

Demand for quants is high and driven by multiple trends:

- Rapid growth of hedge funds and automated trading systems;
- Increasing complexity of both liquid and illiquid securities;
- The need to give traders, accountants and sales representatives access to pricing and risk models;
- Ongoing search for market-neutral investment strategies;
- Advent of “big data.”

The UCLA Anderson M.F.E. Program, which graduated its first class in 2009, grew out of rapid developments within the finance sector, as well as the strength of UCLA Anderson’s finance faculty. UCLA Anderson’s finance faculty are consistently top ranked in the world and have developed valuation models widely used on Wall Street. One such example is the Longstaff – Schwartz Model of Yield Term Structure (1992a), which was developed by UCLA Anderson Professors Francis Longstaff and Eduardo Schwartz. This model was revolutionary as it proposes a two-factor general equilibrium model for the short-term default-free interest rate and its variances.

UCLA Anderson is ideally positioned in terms of its faculty and curriculum to offer this dual degree with its strong track record in offering technically challenging and highly quantitative masters and PhD programs such as the extremely successful M.F.E. as well as the Finance Ph.D. degree programs.

The timetable for development of the program.

This proposal calls for a timetable in which the first class of students is admitted to the Fall quarter of 2019. We propose to start with an enrollment of 40 and reach a steady state level of 60 by the third year.
(4) Relationship of the proposed program to existing programs on campus and to the Campus Academic Plan. Evidence of high campus priority. If program is not in the Five-Year Academic Plan for the campus, the plan must be submitted immediately to the Office of the President.

Note: The UCLA Academic Senate Office is aware of our proposal and we will include it in the Five-Year Academic Plan document to be submitted in March 2018.

We anticipate that the M.F.E.- Asia Pacific degree will be very closely aligned with the M.F.E. degree within the Anderson School. We believe that the proposed M.F.E. - Asia Pacific degree will be a unique degree program and has little overlap with the M.F.E. program due to its multi-geographical component. There is also a separation between the M.F.E.- Asia Pacific and the M.F.E. degrees in terms of aim and educational experience. We expect a natural self-selection among students that will be attracted to the different degrees. The existing M.F.E. degree is a 15-month full-time program that includes a summer internship, with all four quarters completed on campus. In contrast, the M.F.E. - Asia Pacific is a 2-year dual degree program that requires only two quarters on campus and is intended for students who want to return to their home country to finish their studies and look for full-time employment.

(5) Interrelationship of the program with other University of California programs.

Among the business schools in the UC system, the UCI Paul Merage School of Business, the Rady School at UCSD and the UC Riverside A. Gary Anderson School of Management each offer Masters of Finance degrees. The key differences between Masters of Finance degrees and the Master of Financial Engineering degrees is the extent of the quantitative skills required and the focus of the curriculum.

Master of Financial Engineering degrees are highly quantitative and focus on the use of financial calculus and computer science for various purposes, such as deriving the Black-Scholes equation using Ito calculus, running a principal component analysis, and developing hedging portfolios. This is essentially an applied mathematics degree that focuses on problems encountered in finance. Graduates are ideally suited to work for hedge funds, quantitative financial groups and risk management teams. Linear algebra, calculus and computer science classes are the typical prerequisites.

Masters of Finance degrees differ from Master of Financial Engineering degrees in that they concentrate on the theory and practice of finance—a sub-discipline of economics. A student in one of these programs would have a large range of choices of topics to be learned, as long as they fall under the umbrella of finance. Students in these degree programs would likely know a bit about everything including growth economics, exchange rate paradigms, behavior of statistical distributions, and valuation of equities, valuation of fixed income securities, portfolio theory, corporate finance, and financial reporting requirements. These programs may also offer some non-quantitative elective coursework, such as corporate governance, business ethics and business strategy, which are not offered in M.F.E. programs. Graduates could work in financial consulting, investment banking. Pre-requisites could be as simple as a Bachelor of Science degree in any subject.

The UC Berkeley Haas School of Business has a Master of Financial Engineering degree, which is 12 months in length and geared towards professionals with previous work experience. The entire program is completed on-campus at UC Berkeley.
As such, we believe that there are sufficient differences and a new target audience in the dual degree program that we propose to offer in collaboration with the Guanghua School of Management at Peking University in comparison to the existing UC Berkeley Master of Financial Engineering Program and the three similar Master of Finance degrees offered by UCI, UCSD and UCR. Given the demand for these programs, the addition of this new dual degree offers another option for students interested in studying in this field. Therefore, we feel the existence of each will have negligible competitive effects on the other.

To our knowledge, there are no other similar dual financial engineering programs currently being offered or developed within the UC system. It should also be noted that the M.F.E.-Asia Pacific degree is a terminal Master’s degree and it is not intended to be a stepping stone to a Ph.D. degree at Anderson.

(6) Department or group which will administer the program.

The program will be administered by the faculty of the UCLA Anderson School of Management.

(7) Plan for evaluation of the program by the offering department(s) and campus wide.

The M.F.E.-Asia Pacific degree program will be evaluated as follows:

- In accordance with the UCLA Graduate Council’s Guidelines for the Development and Review of New Self-Supporting Degree & Senate-regulated Certificate Proposals at UCLA, approved June 6, 2012. This consists of an annual evaluation by the Office of Academic Planning and Budget as well as an independent review of the program three years after the admission of the program’s first cohort, conducted by the Graduate Council. If the program is successfully reviewed, the evaluation process would then be incorporated into the Academic Senate’s regular, eight-year program review process.

- At the end of its first year of operation, the dual degree program will also be reviewed by a faculty committee appointed by the Dean and Chairman of the Anderson School and will include representatives from the Guanghua School of Management at Peking University. In particular, the review will consider faculty input on the quality of the curriculum, student input on course content and the applied project.

- As the program continues, the School review process could potentially be transitioned into a program advisory board with representatives from both schools as well as industry. This review could focus on key performance measures such as: the size of the program, statistics on the application pool as well as the admitted classes, acceptance rates, graduation rates, placement, and industry input on how well prepared graduates are for current industry needs, industry relevance of the curriculum and whether the program has been financially successful.

(8) For IDP proposals, evidence that the different participating disciplines contribute to the total program in such a way that the student cannot achieve the necessary knowledge without substantial study in two or more established departments.

Not applicable, this is not an IDP proposal.
Section 2. Program Description

Admission to the Dual Degree Program

To gain admission to the UCLA-PKU dual degree program in Financial Engineering, all applicants will be required to meet the admission criteria established individually by UCLA and PKU. PKU will pre-select students based on their admissions criteria; these applicants then apply to the UCLA program and the same rigorous UCLA criteria will be applied to that applicant pool as for anyone applying directly to our programs.

The information provided below outlines the admissions requirements specific to the UCLA M.F.E. – Asia Pacific degree.

1 Undergraduate preparation for admission.

At a minimum, students will satisfy the University of California, Los Angeles Graduate Division admissions requirements:

The general requirement for admission for a U.S. student is a bachelor's degree from a regionally accredited institution, comparable in standard and content to a bachelor's degree from the University of California. A scholastic average of B (3.0 on a 4.0 scale) or better is required or its equivalent if the letter grade system is not used—for the last 60 semester units or last 90 quarter units of undergraduate study and in any post-baccalaureate study. Degrees in engineering, computer science, mathematics, statistics and economics are preferred.

Degrees which are not considered comparable include those granted on the basis of work completed at institutions which are not fully accredited and those granted on the basis of non-academic prior learning, test scores, or other than organized supervised coursework in academic subjects.

An international student whose post-secondary education is completed outside of the U.S. is expected to hold a degree representing completion of at least four years of study with above average scholarship from a university or university-level institution.

Required exam: The Graduate Management Admission Test (GMAT) or the Graduate Record Examination (GRE).

Pre-requisites specific to the M.F.E.- Asia Pacific degree: Strong quantitative background, including coursework in: linear algebra, multivariate calculus, differential equations, numerical methods, advanced statistics and probability.

Further Admissions Criteria for to the M.F.E. – Asia Pacific degree

The M.F.E. – Asia Pacific degree program selects students who are motivated and possess specific skills and experiences. In addition to the preparatory coursework and exams outlined above, applicants are expected to fulfill the following key admissions criteria and application criteria:

- Ability to do graduate-level business and finance coursework
• Work or research experience in a quantitative discipline (recommended). Exceptional undergraduates with strong quantitative backgrounds are encouraged to apply
• Evidence of computational programming skills (for example, C++) and familiarity with computers as computational and management tools
• Strong quantitative background, including coursework in: linear algebra, multivariate calculus, differential equations, numerical methods, advanced statistics and probability, which includes the following topics: discrete distributions, continuous distributions, density functions, sampling theory, statistical inference, hypothesis testing, ordinary least squares, t-statistics, sampling vs. population moments, chi-square goodness of fit tests, etc.
• Excellent writing, speaking, and presentation ability in English. Verbal and speaking skills will be tested on mandatory interviews. All admitted students must pass an interview conducted in English. Interviews are scheduled on an invitation only basis. Writing skills will be reviewed via the submission of two essays by the applicant to demonstrate their English language skills as well as the ability to write concisely and economically.
• Evidence of experience with mathematical tools (for example, MATLAB)
• Work or research experience in a quantitative discipline (recommended, but not required)
• CFA, FRM and other professional designations are considered favorably (or at least progress towards obtaining these credentials)
• Experience with statistical and econometric applications (recommended)
• All applicants to the M.F.E. – Asia Pacific degree program will be required to submit two letters of recommendation as well as two essays

(2) Foreign language requirement.

There is no foreign language requirement. This is consistent with all of the graduate degree programs offered by the UCLA Anderson School of Management. International applicants are required to adhere to the UCLA English Language Proficiency Requirements which can be obtained at: https://grad.ucla.edu/admissions/english-requirements/

(3) Program of study

a. Specific fields of emphasis.

The M.F.E. - Asia Pacific degree requires all students to complete courses in quantitative finance.

b. Plans (e.g. Masters I and/or II).

The M.F.E. - Asia Pacific degree will be awarded under Plan II.

c. Unit requirements.

The M.F.E. - Asia Pacific degree requires the completion of 40 units of study.
d. Required and recommended courses, including teaching requirements.

Core Courses

**On campus, Winter Quarter (4 units each, 10 weeks each)**

**On campus, Spring Quarter (4 units each, 10 weeks each)**

**Special Topics in Financial Engineering (Electives)**
*Students will be required to take two Special Topics in Financial Engineering courses.*

**On campus, Spring Quarter (4 units each, 10 weeks each)**
Choose two: Quantitative Asset Management, Financial Innovation, or Advanced Stochastic Calculus

A Field Experience/Summer internship is **not** required for the M.F.E. - Asia Pacific degree

**Off campus, Peking University, Fall Quarter (4 units each, 10 weeks each)**
Applied Finance Project. A team project is the final, professional requirement of the M.F.E. – Asia Pacific degree (4 units, 10 weeks).

**Special Topics in Financial Engineering**
*Students will be required to take one Special Topics in Financial Engineering course.*

PKU campus, Fall Quarter (4 units, 10 weeks): topic to be determined at a future date. Please note that due to the changing nature of the industry, we do not wish to pre-select a topic for this elective three years in advance. We expect that elective offerings will evolve in accordance with market trends, student interests and that as the program matures and the number of students increases, we plan to create additional electives. The current 15-month M.F.E degree program requires 4 elective courses (16 units) whereas the proposed 12-month M.F.E. – Asia Pacific degree will require 3 electives (12 units). In addition, the PKU M.Fin. degree provides a number of opportunities for students to undertake elective courses to complete its requirements.

e. When a degree program must have licensing or certification, the requirements of the agency or agencies involved should be listed in the proposal, especially the courses needed to satisfy such requirements.

Not applicable.

(4) **Field examinations and/or other pre-qualifying examinations.**

Not applicable to Plan II Masters programs.
(5) **Qualifying examinations--written and oral.**

There are no qualifying examinations required. However, students must have attained a grade point average of at least 3.0 after the first two quarters.

The comprehensive examination (under Plan II) for the Master's degree will consist of satisfactory completion of the required Applied Finance project.

(6) **Thesis and/or dissertation.**

Not applicable.

(7) **Final examination.** For PhD degrees, state whether the final defense is required by the department or IDP or it is optional to be determined by the dissertation committee.

Not applicable.

(8) **Explanation of special requirements over and above University minimum requirements.**

The M.F.E.-Asia Pacific degree will require 4 units above the minimum of 36 required under Plan II.

(9) **Relationship of master's and doctor's programs.**

There is no doctoral program currently offered in financial engineering at UCLA Anderson or UC Berkeley and there is no relation between the M.F.E.- Asia Pacific degree and the doctoral degrees currently offered at UCLA Anderson.

(10) **Sample program.**

The following diagram details the degree requirements for both the PKU and UCLA degrees and the student progression through the dual degree program.

**Quarter/Term 1: Fall**

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>PKU</td>
<td>02812080</td>
<td>Fundamentals of Investments (Core)</td>
<td>2</td>
<td>Liu, Yuzhen</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812030</td>
<td>Stochastic Calculus (Core)</td>
<td>2</td>
<td>Li, Chenxu</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812070</td>
<td>Econometrics (Core)</td>
<td>3</td>
<td>Wang, Yaping</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812500</td>
<td>Financial Accounting (Elective)</td>
<td>2</td>
<td>Zhang, Xiaojun</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02810090</td>
<td>Microeconomics (Elective)</td>
<td>3</td>
<td>Meng, Juanjuan</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812010</td>
<td>Macroeconomics (Elective)</td>
<td>3</td>
<td>Chen, Yuyu</td>
<td>Beijing</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total PKU Units</strong></td>
<td><strong>15</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Quarter/Term 2: Winter

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>MGMTMFE 404</td>
<td>Corporate Finance &amp; Risk Management (Core)</td>
<td>4</td>
<td>Welch, Ivo</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 405</td>
<td>Computational Methods in Finance (Core)</td>
<td>4</td>
<td>Goukasian, Levon</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 406</td>
<td>Derivative Markets (Core)</td>
<td>4</td>
<td>Andrei, Daniel</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 407</td>
<td>Empirical Methods in Finance (Core)</td>
<td>4</td>
<td>Lochstoer, Lars</td>
<td>Los Angeles</td>
</tr>
</tbody>
</table>

| Total UCLA Units | 16             |

### Quarter/Term 3: Spring

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>MGMTMFE 408</td>
<td>Fixed-Income Markets (Core)</td>
<td>4</td>
<td>Longstaff, Francis</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 409</td>
<td>Financial Risk Measurement &amp; Management (Core)</td>
<td>4</td>
<td>Haddad, Valentin</td>
<td>Los Angeles</td>
</tr>
</tbody>
</table>

Choose Two Special Topics in Financial Engineering:

| UCLA             | MGMTMFE 431   | Special Topics in Financial Engineering: Quantitative Asset Management (Elective) | 4     | Herskovic, Bernard | Los Angeles |
| UCLA             | MGMTMFE 431   | Special Topics in Financial Engineering: Financial Innovation (Elective)           | 4     | O’Brien, John      | Los Angeles |
| UCLA             | MGMTMFE 431   | Special Topics in Financial Engineering: Advanced Stochastic Calculus (Elective)    | 4     | Panageas, Stavros  | Los Angeles |

| Total UCLA Units | 16             |

### Summer

Students complete an internship requirement for the PKU M.Fin. degree in China. PKU sources and oversees the internship requirement. Note: PKU does not assign credit for the internship towards the PKU M.Fin. degree.
Quarter/Term 4: Fall

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>MGMTMFE 410</td>
<td>Applied Finance Project (Core)</td>
<td>4</td>
<td>Peleg, Ehud</td>
<td>Beijing</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 431</td>
<td>Special Topics in Financial Engineering: TBD</td>
<td>4</td>
<td>TBD</td>
<td>Beijing</td>
</tr>
</tbody>
</table>

**Total UCLA Units 8**

*Students will have now completed the 40 units required for the UCLA Degree

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>PKU</td>
<td>02812381</td>
<td>Credit Risk Management (Elective)</td>
<td>2</td>
<td>Wang, Zhicheng</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812310</td>
<td>Special Topics on Financial Engineering (Elective)</td>
<td>2</td>
<td>Xu, Jiangmin</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02838190</td>
<td>Topics on China Market (Elective)</td>
<td>2</td>
<td>Liu, Qiao &amp; Jin, Li</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02802340</td>
<td>Advanced Topic on Asset Pricing (Elective)</td>
<td>2</td>
<td>Liu, Yuzhen</td>
<td>Beijing</td>
</tr>
</tbody>
</table>

**Total PKU Units 8**

Terms 5 & 6: Winter and Spring

Students will complete a Masters level thesis (a PKU degree requirement) under the guidance of Guanghua faculty members in Beijing. At the end of the second Spring term, students will have completed the 42 units and all other requirements for their PKU M.Fin. Degree.

**(11) Normative time from matriculation to degree.**

The UCLA M.F.E – Asia Pacific degree will commence in Winter and students will have completed their requirements 12 months later. This program is slightly shorter in length than the 15month M.F.E. degree currently offered by UCLA Anderson as it does not require an internship, has one less elective course requirement, and four of the preparatory courses are required by the PKU Master of Finance degree requirements. To ensure timely progress and completion, each component of the UCLA program is supervised by Anderson faculty.

Section 3. Projected need

(1) Student demand for program.

Based on our research and conversations with existing students, faculty, alumni, and corporate partners,
there appears to be unanimous agreement that demand for a dual degree program in financial engineering that bridges experience both in the United States and Asia is substantial and will continue to be so for the foreseeable future. A quick review of the admissions statistics for the existing Masters of Financial Engineering degree program at UCLA Anderson suggests that demand for this degree far outweighs availability.

The recent Application Trends Survey, conducted by the Graduate Management Admission Council (GMAC) suggests that demand for specialized Masters programs is on the rise. As far as we can ascertain, at this time there are no other financial engineering programs that allow students to study both in the United States and in China and obtain two degree credentials.

We were able to confirm this interest in one of our meetings with Hongbin Cai, now former Dean of Guanghua School of Management, and former professor at UCLA Anderson, where we learned that many of their students would like to do this degree program directly after graduation from their undergraduate studies. We believe part of this interest is driven by the placement opportunities in China that we discuss in the next point.

(2) Opportunities for placement of graduates.

Qiao Liu, Dean of Guanghua School of Management, has expressed his view that graduates from this dual degree program will be in high demand as the rapid acceleration of globalization and the Chinese economy has led to an increased demand for financial industry leaders and professionals with global perspective.

“Advances in information technology and quantitative methods have dramatically changed the
landscape of the financial world during the past two decades. Graduates of the dual degree program will be well trained to meet these industry trends and will have excellent career opportunities in the areas of hedge funds, risk management, derivatives, quantitative portfolio management and rising financial technology firms. Guanghua School of Management has an unrivaled history of helping students secure jobs in the Greater China region and is highly regarded in the finance community. Our strong relationships with the world’s largest investment and commercial banks, hundreds of asset managers, and our well-placed alumni, will also help the students get to where they want to be.”

Currently, there is a significant gap between the demand and supply for talented individuals with solid financial theory and quantitative approach training. The Anderson-Guanghua dual degree program is seen as a new approach to address this talent deficit.

(3) Importance to the discipline.

The science supporting a degree such as financial engineering, has a long and illustrious intellectual history, including several Nobel prizes in economics. The interaction between the quantitative tools that are needed to run financial institutions and methods developed in academia, has led to explosive growth in the academic area of Finance. It has also placed financial engineering methods at the forefront of the whole discipline. UCLA Anderson’s existing M.F.E. program prepares students to analyze financial data and develop new tools for such analysis, both empirically and theoretically. The need for such tools has increased exponentially in recent years as financial institutions implement analysis of their risk exposures, compliance, develop new sophisticated trading signals, and operate in electronic, high speed markets. Staying in touch with industry needs is paramount to the successful development of the academic discipline of Finance. In fact, UCLA Anderson’s faculty are a prime example of how successful such interaction could be because their research has been affecting the industry in deep and profound ways for many years.

(4) Ways in which the program will meet the needs of society.

The accelerating globalization of markets and institutions continues to create an urgent need for global citizens who are trained to think and work in the larger world beyond their country’s borders. The UCLA-PKU dual degree program is seen as an opportunity to create a new teaching and learning collaboration in the discipline of financial engineering that can produce new “global brains” who can understand and enhance complex mathematical models to generate revenues after expenses and reduce risk on a world stage.

(5) Relationship of the program to research and/or professional interests of the faculty.

The Anderson Finance faculty has some of the world’s leading experts on the field of quantitative finance. Many of these individuals have made path-breaking contributions to the field. As the biographies of the faculty involved in the program (attached in Appendix J) reveal, there is a significant overlap between the research interests of the Anderson faculty and the content of the program being proposed. For example, Francis Longstaff (Allstate Professor of Insurance and Finance) has made fundamental contributions with research that focuses on fixed income markets, term structure, derivatives, credit risk, computational finance and the role of arbitrage in financial markets. He is known for the Longstaff–Schwartz model, a multi-factor short-rate model, and the Longstaff-Schwartz method for valuing American options by Monte Carlo Simulation. Mikhail Chernov (Professor, Faculty Director of
the Master of Financial Engineering Program) has made contributions on the importance of market crashes, private and sovereign defaults, and unexpected changes in policy — events that may occur infrequently, but whose impact can be devastating on financial markets and on the economy overall. In all these examples, the analysis reflects a deep understanding of the quantitative finance, an examination of the motivations of the key economic agents, and the deployment of sophisticated analytical tools to help resolve the problem. The UCLA M.F.E. - Asia Pacific degree will complement the research interests of faculty such as these and will enrich the overall academic environment at Anderson.

(6) Program differentiation. How will the proposed program distinguish itself from existing UC and California independent university programs, from similar programs proposed by other UC campuses?

The UCLA M.F.E. - Asia Pacific degree program was developed based on a year-long set of discussions and deliberations among a group of UCLA faculty and Peking University’s faculty with expertise in the area of Finance. The group constructed the program mirroring the very successful existing M.F.E. degree program at UCLA Anderson. As mentioned before, the program structure and offerings were motivated by in-depth discussions with various Anderson and Peking University constituencies including students, faculty, alumni and board members as well as the broader UCLA community.

The dual degree program has a number of distinguishing features:

(i) Course Content & Structure: The course content and structure are designed to offer the student a systematic path to learn sophisticated conceptual and methodological content on two different campuses at two internationally renowned universities.

- The students start at PKU and take courses that correspond to the existing UCLA M.F.E. first year Fall schedule. This provides them with preparation in fundamental concepts which they will build upon in subsequent courses at UCLA.
- Students then come to UCLA and take classes in the Winter and Spring quarters. This will earn them 32 units. We propose to deliver the remaining 8 units of UCLA courses at PKU by UCLA faculty (4 unit Applied Finance Project and 4 units of Special Topics in Financial Engineering) in the Fall of the second program year.
- Students will complete an internship requirement arranged by PKU in China during the Summer between the first and second years. This lays the groundwork for their eventual employment search in Asia after graduation.
- Applied Finance Project: The UCLA faculty member will travel to Beijing twice, in the beginning and the end of the quarter to oversee the projects. This faculty member would also be available to help the students throughout the quarter via electronic communications such as emails, chat rooms, electronic bulletin boards, Skype and Zoom meetings. A PKU faculty member will also be assigned to each group to serve as a source of local/regional expertise and networking and locally based support.
- After the UCLA degree requirements are met, the UCLA degree will be granted at the end of the second Fall term. At that point, the students become solely PKU students as the UCLA degree requirements will be completed.
- The students will complete a thesis requirement at PKU during Winter (5th term) and Spring (6th term) and complete their PKU degree requirements that Spring. In total, the UCLA-PKU dual degree program will take two (2) years to complete.
- The curriculum was jointly developed by UCLA and PKU.
(ii) **Flexibility:** The UCLA M.F.E.- Asia Pacific degree program was designed to minimize the on-campus time in the US (and thereby avoiding applications for two study visas) by allowing the final Special Topics in Financial Engineering course as well as the Applied Finance project to be completed in China (taught by UCLA faculty). In doing so, we hope to broaden the geographical reach of the applicant pool, minimize expenses associated with living abroad, and differentiate our offerings from those already available.

(iii) **Faculty:** As mentioned earlier, the UCLA Anderson faculty boasts some of the leading scholars when it comes to the area of Finance. The scholarship and cutting-edge research of the UCLA Anderson faculty will help position the program in the upper tier.

(iv) **Location:** For students from Asia, the Los Angeles location offers a large convenience advantage. Finally, the multi-country experience will enhance their learning.

**Section 4. Teaching Staff**

UCLA Anderson instructors
The list of proposed instructors is presented below. Full CVs are available in Appendix J.

**Research Faculty**
Daniel Andrei, Assistant Professor
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/andrei

Mikhail Chernov, Professor, Director of the Master of Financial Engineering Program
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/chernov

Valentin Haddad, Assistant Professor
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/haddad

Bernard Herskovic, Assistant Professor
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/herskovic

Lars Lochstoer, Associate Professor
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/lochstoer

Francis Longstaff, Allstate Professor of Insurance and Finance
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/longstaff

Stavros Panageas, Associate Professor
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/panageas

Ivo Welch, J. Fred Weston Chair in Finance
http://www.anderson.ucla.edu/faculty-and-research/finance/faculty/welch

**Adjunct and Visiting Faculty**
Levon Goukasian, Professor of Finance and the Will Singleton Chair in Finance at Pepperdine University
http://seaver.pepperdine.edu/academics/faculty/?faculty=levon_goukasian
John O’Brien, Professor Emeritus, University of California, Berkeley

Instructors from other departments
We do not envision any courses will be taught by faculty from other departments.

Pending appointments
The UCLA Anderson Finance department is able to fully staff the M.F.E. - Asia Pacific degree program with its current staffing. We feel that the School has a “deep bench” of faculty resources, both ladder and adjunct to support the teaching needs of this program.

Section 5. Courses

Core Courses

MGMTMFE 404: Corporate Finance & Risk Management (4 units)
Proposed Instructor: Ivo Welch

Course Overview

Examination of broad range of issues faced by corporate financial managers, including analysis of investment and financing decisions of firms, impact on firms of agency costs and asymmetric information, mergers and acquisitions, private equity, and risk management strategies and tools. S/U or letter grading.

Course Topics

1. Perfect-Market Model
2. Imperfect-Market Model
3. Capital Budgeting with Pitfalls
4. Financial Statements
5. Comparables
6. Perfect-Market Cap Structure
7. Imperfect-Market Cap Structure
8. Dividends, Pro Formas

MGMTMFE 405: Computational Methods in Finance (4 units)
Proposed Instructor: Levon Goukasian

Course Overview

This course introduces some of the major numerical methods needed for quantitative work in finance, focusing on derivatives pricing and fixed income applications. Topics will include the binomial method for European, American and various Exotic options pricing, treatment of discrete dividends, American bond option valuations, numerical methods for stochastic differential equations, random number generators, Monte-Carlo methods for European and Least-Square Monte-Carlo methods for American options pricing. Variance reduction techniques will be covered. We will also cover the Low-
Discrepancy Sequences and implement the Quasi Monte Carlo method. The numerical methods of the partial differential equations and finite difference methods that appear in financial engineering will be covered. The course is heavily lab oriented.

**Course Topics**

1. Random Number Generation, Discrete and Continuous Random Variable Simulation
2. Monte Carlo Simulation, Option pricing – the first steps Variance Reduction techniques
3. Simulation of Stochastic Processes, discretization schemes (Euler, Milstein, etc.), Pricing Securities by Simulation – the first steps. Low-Discrepancy sequences, Applications.
5. Pricing American Options by Simulation, Least Square Monte Carlo (LSMC) method.
8. Interest rate models – Single or Multiple Factors (Vasicek, CIR, Longstaff-Schwartz, G2++, Hull-White), Pricing Options on Discount Bonds, Pricing Options on Coupon-Paying Bonds.
9. Simulation methods of Valuation and Hedging of Mortgage Backed Securities. Prepayment Models, Option-Adjusted Spread– Duration and Convexity. (may take two lectures)
10. Valuation and Hedging of MBS. IOs and POs. Prepayment and Default Models, MBS Embedded Options.

MGMTMFE 406: Derivative Markets (4 units)

Proposed Instructor: Daniel Andrei

**Course Overview**

Introduction to derivative markets and basic concepts, models, analyses, and technical tools of quantitative finance used in these markets. Derivatives are both exchange traded and over-counter securities. Derivative markets are world’s largest and most liquid. Organization and role of put and call option markets, futures and forward markets, and their interrelations, with emphasis on arbitrage relations, valuation, and hedging with derivatives. Implementation of derivatives trading strategies, perspective of corporate securities as derivatives, functions of derivatives in securities markets, and recent innovations in derivative markets. S/U or letter grading.

**Course Topics**

- Weeks 1 & 2. Introduction to derivatives: payoff and profit diagrams, forwards, futures and options
- Weeks 3 & 4. Binomial option pricing, risk-neutral pricing, exotic derivatives, convertible bonds, pricing by simulation
- Week 5 Midterm
- Week 6, 7, & 8. Black-Scholes: basic formula, greeks, delta-hedging, implied volatility, VIX, practical applications, extensions
• Week 9. Financial forwards and futures, commodity forwards and futures, interest rates forwards and futures, options on futures, interest rate swaps, currency swaps, commodity swaps

MGMTMFE 407: Empirical Methods in Finance (4 units)
Proposed Instructor: Lars Lochstoer

Course Overview

The objective of this class is to provide M.F.E. students with the quantitative tools to carry out high quality independent, applied research in finance. The emphasis will be on applying these tools in assignments. Completing these assignments requires writing your own routines in R. In addition, the class will expose students to recent advances in the field of asset pricing. A major part of the class will cover time series analysis, applied to financial and macro-economic data. S/U or letter grading.

Course Topics

Econometric and statistical techniques commonly used in quantitative finance. Use of estimation application software in exercises to estimate volatility, correlations, stability, regressions, and statistical inference using financial time series.

1. Time series properties of stock market returns and prices
2. Time series properties of the cross-section of stock returns
3. Time-dependence and predictability
4. Heteroscedasticity
5. Filtering and state space models

MGMTMFE 408: Fixed-Income Markets (4 units)
Proposed Instructor: Francis Longstaff

Course Overview

Quantitative approach to fixed-income securities and bond portfolio management, with focus on fixed-income security markets. Pricing of bonds and fixed-income derivatives, measurement and hedging of interest rate risk, dynamic models of interest rates, and management of fixed-income portfolio risk. S/U or letter grading.

Course Topics

1. Bond math I, II Forward, Spot and Par rates and yields to maturity. Numerical techniques for fitting curves from market data.
3. Term structure theory, Forwards, Futures, and FRAs. An introduction to generalized present value theory and the various forms of the expectations hypothesis. No-arbitrage models of forward prices and futures and the impact of convexity. Applications to Eurodollar and Treasury bond futures contracts and the FRA market.
4. Equilibrium Models. Introduction to the dynamic term structure models of Merton, Vasicek, Cox Ingersoll and Ross, Chan Karolyi Longstaff and Sanders, Longstaff and Schwartz, Dai and Singleton, etc. Methods of numerical estimation and solution. Closed form solutions and simulation implementations.

5. No-Arbitrage Models. Introduction to no-arbitrage models such as Ho and Lee, Black Derman and Toy, Black Karasinski, Heath Jarrow and Morton, Brace Gatarek and Musciela, Santa-Clara and Sornette, and Longstaff, Santa-Clara and Schwartz. Discrete tree implementations. Calibration to market interest rate option data and simulation implementations.


MGMTMFE 409: Financial Risk Measurement and Management (4 units)
Proposed Instructor: Valentin Haddad

Course Overview

Examination of financial risk measurement and management, including market risk, credit risk, liquidity risk, settlement risk, model risk, volatility risk, and kurtosis risk. S/U or letter grading.

Course Topics

1. Introduction to Class and Risk Management / Volatility Models
2. MLE Estimation / VaR I
3. VaR II / Interest Rate Risk: Duration and Convexity.
4. Market VaR I: Model Building, DeltaGamma Method, Monte Carlo Simulation / Market VaR II: Historical Simulation, Simulation confidence intervals and component attribution
5. Extreme Value Theory / Midterm
6. Credit Risk I – Actuarial and Historical PD, Validation / Credit Risk II – Actuarial and Historical PD, Validation
7. Credit Risk III – Market Implied PD, Real vs. Risk neutral PD / Counterparty Credit Risk
8. Copulas and Dependence I / Copulas and Dependence II
9. Credit VaR I / Credit VaR II
10. Stress Testing / Financial Regulation

MGMTMFE 410: Applied Finance Project (4 units)
Proposed Instructor(s): Various Anderson Faculty

Course Overview

The completion of the M.F.E – Asia Pacific degree requires that the students complete a 4-unit
capstone project during the final quarter of the program. This project requirement is similar to the Applied Management Research (AMR) project for full-time M.B.A. students at Anderson, the Global Access Program project for Fully Employed MBA students and the capstone project for Anderson M.S. in Business Analytics students. The academic purpose of the project is to provide M.F.E. – Asia Pacific degree candidates with the opportunity to apply knowledge acquired through M.F.E. coursework to a practical, real-world business analytics issue. The project is intended to help students develop and showcase their financial engineering knowledge, hone their communication skills, and delve more deeply into an area of interest beyond the opportunities offered in the M.F.E. coursework.

Similar to the AMR project for full-time M.B.A.s, qualified firms participate in the program by submitting a project. The M.F.E. office will match a team of highly qualified and well trained students to the project, along with a UCLA Anderson finance faculty member who is the team’s advisor. The role of the advisor is to provide methodological guidance and assistance to the students. In addition, a PKU professor will also be assigned to each student project to serve as a source of local/regional expertise and networking and locally based support. Given that the students will be based in Beijing during the quarter in which the project occurs, students will have access to faculty guidance and mentoring via e-mail, Skype, chat groups and bulletin boards and other means of online communication.

The students’ work will be supervised by a panel of three UCLA faculty, who will also consider the feedback received from the client. Whenever possible, and conditional on the company’s agreement, students will present in front of the entire M.F.E. class as well.

Elective Courses

Elective courses are housed under the variable topics course MGMTMFE 431: Special Topics in Financial Engineering. This allows faculty the flexibility to bring current topics into the classroom. In the Spring Quarter of their first year, students will be provided with a choice between three variable topics (they will be required to take two of the courses) which are described below. In the final Fall Quarter, students will take a 4-unit variable topic course. At this time, due to the fact that the course will not be taught until Fall 2020, the variable topic for the Fall Quarter has yet to be determined.

MGMTMFE 431: Special Topics in Financial Engineering: Quantitative Asset Management (4 units)
Proposed Instructor: Bernard Herskovic

Course Overview

The objective of the class is to provide you with the knowledge to manage a large portfolio of assets or to knowledgeably select and monitor someone who does so for you. We study how to build a portfolio that optimally uses one’s limited capacity for bearing risk, how to choose actively and passively managed investments and how to measure their performance. Topics other than portfolio optimization include the measurement of alpha, the production of alpha and the underlying economics of alpha production.

Course Topics

Standard portfolio theory tells all investors to choose the same portfolio of risky assets. We start by highlighting the limitations of standard mean-variance analysis, and we describe newer alternatives like
risk parity investing which equalizes the total risk contribution coming from each asset class. We will use real-world examples from the practice of asset management by university endowments, pension funds and others to illustrate these concepts.

The asset management industry is in the business of manufacturing, packaging and selling alpha to its customers, the investors. This class aims to develop an understanding of how alpha is measured, how it is manufactured, how it is packaged and sold, and how much of it ultimately ends up in the pockets of investors. Measuring alpha requires a solid grasp of the different types of risks that investments in equities, bonds, currencies and commodities are exposed to, and how these risks affect returns. Risk comes in many different shapes and sizes. There is standard market risk, but there are other risks to worry about: tail risk, liquidity risk, and there are many more risk flavors.

Once we understand these risks and how we are compensated in the market for bearing each of these, we can analyze the performance of active investors such as mutual funds, hedge funds and private equity. Performance evaluation of actively managed investments requires a risk adjustment of course, and given this plethora of risk factors, this is not an easy task. This toolbox allows us to address a number of questions. Here are just a few examples. Does a hedge fund manager’s track record of consistent, high returns establish that she is skilled (manufacturing alpha) or is she actually delivering exposure to a ‘hidden’ risk factor (manufacturing some sort of beta)? Does private equity provide a superior investment technology compared to publicly traded stocks?

But we also need a basic understanding of how returns reported by managers could be very different from the returns actually earned by investors for a variety of reasons, because of the nature of fees, the timing of buying and selling by the investors.

We need an understanding of how alpha is manufactured. For example, how does scale affect performance? Can asset managers simply scale up and deliver the same alpha? Do alpha producers continue to produce alpha in the future? We also examine the economics of alpha manufacturing: who earns the rents from alpha generation: the managers or the investors? What are the advantages of outside versus in-house managers?

Finally, we discuss limits to arbitrage and slow moving capital as important sources of alpha. Real world capital markets do not always function as advertised in textbooks. In some cases, it takes time for capital markets to reallocate capital in response to a non-fundamental shift in investor demand (e.g. corporate spinoffs, forced sales, etc.). A demand-induced dislocation in capital markets results.

MGMTMFE 431: Special Topics in Financial Engineering: Advanced Stochastic Calculus (4 units)
Proposed Instructor: Stavros Panageas

Course Overview

This course builds and expands on the introductory Stochastic Calculus course. The first weeks cover some mathematical preliminaries such as Stochastic Integration, the Girsanov Theorem and the martingale representation theorem. Then, starting from discrete time models, we develop in great detail the links between the absence of arbitrage, the existence of equivalent martingale measures, as well as the notions of complete (and incomplete) markets and replication. We then introduce the notion of dynamic market equilibrium and then use dynamic programming and portfolio optimization methods to
derive the implications of general market equilibrium for the determination of Sharpe ratios. Several special applications are covered as part of the course, such as affine models, Heath-Jarrow-Morton pricing of fixed income derivatives, super-replication in incomplete markets, and dynamic models of imperfect arbitrage.

Course Topics

- Mathematics of Continuous-Time Models
- Arbitrage and Martingales: The Fundamental Theorem of Asset Pricing
- Applications of the Fundamental Theorem of Asset Pricing
- SPD and EMM
- Applications of FTAP: Continuous Time
- Portfolio Choice
- Portfolio Choice: Continuous Time models
- The Intertemporal CAPM
- Real Options, Dynamic Corporate Finance, and Structural Default models

MGMTMFE 431: Special Topics in Financial Engineering: Financial Innovation (4 units)
Proposed Instructor: John O'Brien

Note: A more detailed description and syllabus is under development for this course. Students will participate in a series of case studies illustrating some of the major successes and failures of modern financial innovation.

The relationship of these courses to specific fields of emphasis and future plans.

M.F.E. – Asia Pacific program graduates will have advanced training in the theory and the application of quantitative methods to important financial issues such as derivatives pricing, risk management, portfolio management, data analytics, etc. They will have hands-on experience with at least one current industry application through the Applied Finance Project, and will be facile with a number of software packages and computer systems specific to financial industry. This combination of skills – computational facility and financial modeling ability – will be extremely attractive to employers. In addition to the traditional career opportunities available to such students in investment banking, sales and trading, trading support, and portfolio management, the increasing complexity of and constant innovation in financial markets continue to create many new opportunities. These opportunities span the entire spectrum of business activities and personnel from division managers seeking to hedge foreign accounts payable, to chief financial officers attempting to time new equity issues, to software developers designing financial engineering platforms.

How will the courses be staffed given existing course loads?

The nature of the program does not require the development of new courses. The curriculum design was based on the existing M.F.E. program. These courses will be staffed by existing ladder and adjunct Anderson faculty. Given that the courses for this degree program are already being taught, the creation of the new program will require that additional sections be created. These additional sections will be
managed as part of the regular workload faculty in accordance with the UCLA Anderson Teaching Load Policy (established November, 2012) and appended in Appendix M of this document. Adding a section to an existing course requires less preparation time for faculty. For this program, the Finance academic area assumes the entire teaching load. In recent years, due to retirements, there has been strong hiring in this academic area which is now at full strength.

Detailed syllabi as well as UCLA General Catalog copy of course descriptions are available in Appendix J. Program Degree Requirements are available in Appendix B.

Section 6. Resource Requirements and Enrollment Plan

Since this is a self-supporting graduate degree program, no campus resources will be required for the administration and staffing. As discussed earlier, we envision strong demand for this degree program that allows us to garner positive returns during the first year of operation. In Appendix E we provide a budget breakdown including revenue details, growth assumptions, projected enrollments, and cost structure.

Year 0 resources will include start-up costs, including hiring of staff and dedicated time from the faculty director. Student FTE for year 1 and beyond, is based on time on campus, which will align with student fee income.

We expect a large proportion of applications from undergraduates with majors in Economics, Mathematics, Statistics, Engineering, and Computer Science. From our experience with the current Master of Financial Engineering degree program as well as the fact that UCLA M.F.E. – Asia Pacific degree is offered in conjunction with PKU M.Fin. in the Asia Pacific region, we also anticipate the majority of applications will come from international students or those currently employed in the Asia-Pacific region who may want to change or enhance their career options. There is also the potential that international students from the Asia Pacific region, who are already studying at UCLA, may also be interested in applying to this degree program.

Section 7. Fee Structure

The M.F.E.- Asia Pacific degree is proposed as a self-supporting graduate degree program with both a fee and cost structure very similar to that of the current successful self-supporting Master of Financial Engineering graduate degree program within the Anderson School.

Each University will collect the student charges and fees for their program separately and use those monies accordingly to fund any and all of their respective program expenses. PKU has agreed to assume the greater share of the marketing costs including funding UCLA faculty and staff travel costs for recruitment activities in the Asia Pacific region. UCLA will fund any travel and accommodation costs related to the UCLA teaching required in Beijing during the final Fall quarter/term.

The M.F.E.-Asia Pacific degree meets the following criteria for a self-supporting graduate degree program:

1. **Primarily serve a non-traditional population**: The degree program will be open to students directly out of undergraduate studies but it will also serve non-traditional student populations such as
international students or individuals currently employed and possibly at mid-level stages that want to change careers and enter the area of financial engineering/quantitative finance.

2. **Be offered through an alternative mode of delivery:** The program will involve in-residence courses at UCLA as well as UCLA Anderson faculty teaching in Beijing at PKU. This will require that UCLA Anderson faculty visit Beijing as well as provide remote oversight and advisement of the Applied Finance Project in the second Fall Quarter through technology to enable the students to complete their degree requirements.

3. **Be offered in an alternative location:** After completing two quarters of study at UCLA, during their final Fall Quarter of study for their UCLA degree requirements, the students will be based in Beijing at PKU.

A projected income statement forecast for the degree program is attached in Appendix E. Some of the key assumptions underlying the income statement forecast are summarized below:

1. **Enrollment growth:** Because it takes time for a degree program’s reputation to mature, we make the conservative assumption that the first year enrollment will be 40 students. We then assume that the enrollment grows linearly until it reaches a size of 60 in its third year. This pattern of growth is similar to that experienced by the current M.F.E. degree program.

2. **Student charges:** We forecast that the initial fee for the degree program will be $44,000 in 2019-20.

3. **Annual cost increase:** We assume a 5 percent annual increase in forecasting all income statement items. This is consistent with economic projections and expectations. Student charges are also assumed to increase at this rate.

4. **Faculty and administrative personnel:** We include realistic cost estimates for faculty staffing the program as well as administrative personnel. If anything, these estimates are on the high side in order to be conservative. In addition, the budget includes the cost of benefits for the faculty and staff. Thus, these forecasts reflect the actual marginal cost of faculty and staff participating in the program.

5. **Overloads, FTEs, and lecturers:** Currently, we do not expect a need for overloads for ladder faculty to cover the teaching needs.

6. **Marketing budget:** The agreement is that PKU will undertake the more significant role and expense in marketing the program. A total of $25,000 has been allocated annually for UCLA to produce some collateral web based materials and paid searches (e.g., AdWords, LinkedIn, and Baidu) and to do some localized recruitment of international students already studying at UCLA.

7. **Computing expenses:** Quantitative Finance is intensive in computing and information technology (IT). The computing hardware is taken as an indirect cost because the program will use the existing bandwidth and IT infrastructure at Anderson (see more on indirect costs here below). Computing software is included explicitly in the budget as a direct cost since there will be software purchases specifically associated with this program.

8. **Student support:** Financial aid amounts to 3% of revenues, which is comparable to the amount provided by the current M.F.E. degree program.
9. **Miscellaneous expenses:** Other expenses shown in the forecast are guided by the actual experience of the M.F.E. degree program which provided a useful benchmark for this new proposed degree program given the similarities in size, structure, and scope.

10. **School and campus indirect costs:** All indirect costs are accounted for in the UCOP template "Cost Analysis for Self-Supporting Program Fee Proposals" that is part of Appendix E. These indirect costs include the use of the existing infrastructure such as buildings and network bandwidth as well as security, janitorial services, etc.

The program requires a small investment of $141,000 prior to its launch and we forecast that it will generate roughly $394,000 in its first year. The annual revenues after expenses reach just over $1,000,000 in the third year, and over $1,243,000 in its fourth year, which represents a 41% profit margin. The reason for the increased profitability over time is that the number of students is projected to increase up to 60. Due to the FTE adjustment for time on campus, similar to the M.F.E. degree program, this will occur in year four. In addition, the administrative costs of the degree program will likely be largely fixed in nature and will not increase linearly as the enrollment increases.

**Section 8. Graduate Student Support**

The self-supporting M.F.E. - Asia Pacific graduate degree program will focus on students who are interested in developing a strong set of marketable skills by completing two Masters’ level degrees in the area of Financial Engineering/Quantitative Finance in a compressed timeframe from two prestigious global universities. We anticipate that most of the students will be able to finance their education without the need to work as teaching assistants. Furthermore, the two quarters in residence at UCLA will be fairly intense (16 unit load each quarter), leaving students with little additional time to work as teaching assistants.

The 40 unit M.F.E. – Asia Pacific degree program is a pared down version of the 60 unit M.F.E. degree already in operation at UCLA Anderson. As proposed, the M.F.E. - Asia Pacific degree does not require four of the initial preparatory courses (taught by PKU in the first Fall Quarter instead), does not require an internship or the attendant career services (also provided by PKU) and has a slightly more limited elective course requirement (the balance being provided by PKU). This contributes to a very focused course of study in a very short two-year timeframe resulting in two degrees and reduced student fees.

We anticipate that there will be some limited funding available for financial aid, but this would be likely directed towards attracting highly qualified applicants who have multiple admission offers to accept our admission invitation. This approach would be very similar to that adopted by the other graduate business degree programs offered by the Anderson School such as the M.F.E., the Fully Employed M.B.A., the Executive M.B.A. and the M.S. in Business Analytics. For the budget planning in Appendix E, we assumed student support at 3% of revenues, in accordance with the UC Policy on Self-Supporting Degrees with the intent that the financial aid will be financed through “return to aid” from program charges and fees. No state funds or student charges and/or fees charged to students in state-supported programs, or funds raised through private philanthropy will be used in the provision of this aid to students in this particular degree program.
Section 9. Professional Development

The Anderson M.F.E.- Asia Pacific degree program will expand our graduates’ abilities to meet the demand for talent in the financial marketplace. During their two quarters in residence at UCLA, the M.F.E.- Asia Pacific students will be immersed in a leading business school environment. The curriculum is based on the business school paradigm of merging theory and principle with up-to-the-minute business practice. The students will benefit from:

(1) Joining educational corporate presentations for networking;
(2) Attending on-campus speaker events that allow students to learn firsthand about financial engineering from successful practitioners who work in quantitative finance at major financial institutions;
(3) Participating in Conversations on Finance, which are weekly sessions that provide a forum for students to close the gap between their quantitative skills and their knowledge of finance and the markets, becoming conversant on topics found in the pages of The Wall Street Journal or The Financial Times;
(4) Participating in academic presentations hosted by Anderson throughout the school year (Finance Seminars); and

Graduates of the UCLA Anderson M.F.E.- Asia Pacific program will join one of the world’s largest and most renowned alumni networks, with more than 37,000 members in over 100 countries.

Section 10. Changes in Senate Regulations

Approval of the M.F.E. – Asia Pacific degree will require an amendment to the Regulations of the Los Angeles Division, in the form of an additional section under Chapter III. Graduate Regulations, Section 2. Requirements for Master’s Degrees.

Chapter III. Graduate Regulation

Master of Financial Engineering – Asia Pacific (MFE-AP). The degree of Master of Financial Engineering – Asia Pacific (M.F.E.- Asia Pacific) will be granted on the following conditions:

(A) The candidate shall have completed the requirements for the Bachelor’s degree in one of the Colleges or Schools of the University of California or at another college or university of approved standing.

(B) The candidate shall have completed a one-year program of graduate study (3 quarters, does not include a summer term) as specified by the Faculty of the Anderson School at UCLA and approved by the Graduate Council. Only courses in which the candidate is assigned grades A, B, or C may be counted in satisfaction of the requirements for the M.F.E.- Asia Pacific degree. The candidate must maintain a “B” average (3.0 GPA) in all courses taken during the candidate’s residence at the University of California as a graduate student.

(C) An applied quantitative finance project is required of each candidate.
Section 11. Abstract

The UCLA Anderson School of Management and the Guanghua School of Management at Peking University (PKU) propose to offer dual degrees in the area of Financial Engineering. Specifically, UCLA Anderson will offer a Master of Financial Engineering – Asia Pacific degree (M.F.E. – Asia Pacific), and the Guanghua School of Management will offer a Master of Finance (M.Fin.) degree.

The School is entering into this partnership with PKU with the intent to:

- Further advance the global strategic priorities of UCLA Anderson and UCLA including global learning, teaching, research and reputation building;
- Prepare graduate level students with the knowledge, training, and skills required to fulfill roles in the business world in the area of financial engineering/quantitative finance;
- Contribute to the growth of this field by developing a rigorous curriculum encapsulating many of the financial theories in this area and making them accessible to students in the Asia Pacific region;
- Develop an international minded dual degree program with pedagogical techniques which can be used to teach key concepts in this rapidly growing area more effectively, including UCLA faculty teaching in Beijing;
- Build upon the existing UCLA relationship with a pre-eminent international university;
- Further expand the UCLA Anderson presence in the Asia Pacific region beyond the School’s current partnership with the National University of Singapore through which a dual degree Executive M.B.A. program is offered;
- Draw on some of the brightest students in the world.

Master of Financial Engineering degrees are highly quantitative and focus on the use of financial calculus and computer science for various purposes, such as deriving the Black-Scholes equation using Ito calculus, running a principal component analysis, and developing hedging portfolios. The M.F.E. – Asia Pacific is essentially an applied mathematics degree that focuses on problems encountered in finance. Graduates are ideally suited to work for hedge funds, quantitative financial groups, and risk management teams. Currently, there is a significant gap between the demand and supply for talented individuals with solid financial theory and quantitative approach training in China. The Anderson-Guanghua dual degree program is seen as a new approach to address this talent deficit.

The proposed M.F.E. – Asia Pacific degree is self-supporting and 12-months in length. For the dual degree program, students will commence their studies with a first term of instruction at PKU’s Guanghua School of Management followed by two quarters (Winter and Spring), and 32 units of on-campus coursework at UCLA Anderson. After completion of the Spring quarter in residence at UCLA, students will return to China to undertake an internship and continue their studies at the Guanghua School of Management. In order for students to satisfy the remaining 8 units of their 40 units of UCLA degree requirements, UCLA Faculty will teach their course material in the following Fall quarter at PKU. The M.F.E. – Asia Pacific degree requirements will be completed at the end of the second Fall Quarter. Subsequently, the students will complete an additional two terms of study in residence at PKU to fulfill their program requirements for their 42-unit PKU Master of Finance degree (M.Fin.) the following Spring.
UCLA Anderson already has considerable expertise and experience in this disciplinary area given the Los Angeles-based Master of Financial Engineering degree program which the School launched in 2009. There is a cadre of distinguished ladder faculty who already teach in the program and conduct research agendas that result in important findings and models for use in industry. The new degree designation allows UCLA Anderson to leverage on the strong reputation of the existing M.F.E. program, while also differentiating the two degree programs which have slightly different constructs and aims by adding the Asia Pacific nomenclature. Within the University of California system, the Haas School of Business, offers the only other Master of Financial Engineering degree, and uses the M.F.E designation for their self-supporting program.

The Guanghua School of Management will be leading the principal recruitment efforts, which will largely be based in the Asia Pacific region. UCLA Anderson faculty and staff will participate in some of those overseas recruitment initiatives. In addition, it is anticipated that there may be some international students completing their undergraduate degree at UCLA or other UC campuses who may be interested in this dual degree program. It is anticipated that the first cohort will consist of 40 students with an anticipated enrollment of 60 per year within three years of the program launch.

**Section 12. Substantive Change Review – Western Association of Schools and Colleges (WASC)**

After a preliminary review of the draft degree proposal, the WASC Senior College and University Commission (WSCUC) advised that the proposal will need to undergo a substantive change review as it is a dual degree.
APPENDIX A: CPEC (California Postsecondary Education Commission)
No longer required – CPEC was dis-established as of November 2011.

APPENDIX B: Proposed Program Requirements for the Graduate Division and General Catalog for the Registrar

2019 – 2020
DRAFT Admission Requirements for the Master of Financial Engineering – Asia Pacific Degree

Deadlines to Apply
May 31, 2019

Admission Limited to
Winter (January)

Exams & GRE Types
GMAT or GRE

Letters of Recommendation
2

UCLA-Wide Graduate Admissions Requirements
See UCLA's minimum requirements for all graduate program applicants.

Degree Specific Admissions Requirements
In addition to the University's minimum requirements and those listed above, all applicants are expected to submit the departmental application.

A strong quantitative background including, at minimum, linear algebra, multivariate calculus, and statistics, is expected. Applicants with prior work in computer programming, differential equations, numerical methods, advanced statistics, and probability theory, are preferred.

Program Name
Management: Master of Financial Engineering – Asia Pacific

Leading to the degree of
M.F.E. – Asia Pacific

Major Code
TBD

Address
110 Westwood Plaza, Suite C401
Box 951481
**Management**

**John E. Anderson School of Management**

**Graduate Degrees**

The John E. Anderson Graduate School of Management offers the Master of Science (M.S.) and Doctoral of Philosophy (Ph.D.) degrees in Management, the Master of Business Administration (M.B.A.) degree, the Master of Financial Engineering (M.F.E.) degree, the Master of Financial Engineering - Asia Pacific (M.F.E. – Asia Pacific) degree and the Master of Science in Business Analytics (M.S.B.A.) degree. In addition, there are a number of degree programs, offered in cooperation with other graduate and professional degree programs on campus, that lead to the M.B.A. and another degree. The School also offers the Executive M.B.A. Program (EMBA) and the M.B.A. for the Fully Employed (FEMBA).

**Master of Financial Engineering – Asia Pacific**

*link to the Admission Requirements

**Master's Degree**

**Advising**

The faculty director of the M.F.E. – Asia Pacific degree program is in charge of student advising.

**Areas of Study**

Financial Engineering

**Foreign Language Requirement**

None.
Course Requirements

The four required elements of the M.F.E. – Asia Pacific degree program are the core courses, the electives, financial institution seminars, and the Applied Finance project. The core courses teach the fundamental techniques and disciplines which underlie the practice of financial engineering. Electives provide specialized knowledge and skills for specialized fields of work. The financial institution seminars showcase finance practitioners and their real world knowledge and experience. The Applied Finance project allows students an opportunity to apply knowledge gained in the program to financial engineering issues in real organizations.

A total of 40 units of course work is required for the degree. All courses must be at the graduate level. In exceptional circumstances, a maximum of four units of 500-series course work may be applied to the course requirements.

Core Courses. The financial engineering core consists of courses, 24 units in total (MGMTMFE 404, 405, 406, 407, 408 and 409), on subjects basic to the practice of financial engineering.

Elective Courses. 12 units of variable topic electives (MGMTMFE 431 courses), provide students with the opportunity to tailor their curriculum to their desired career path.

Financial Institution Seminars. Financial practitioners discuss such topics as the opportunities available to graduates of the program, the skills needed to succeed in financial engineering, and emerging changes in the financial world. No units are assigned to these seminars.

Applied Finance Project. A team project, MGMTMFE 410 (4 units), is the final, professional requirement of the M.F.E. – Asia Pacific program.

Teaching Experience

Not Required.

Field Experience

Not Required.

Capstone Plan

The capstone plan requirement is fulfilled by successful completion of the Applied Finance Project (MGTMFE 410) course with grade of “B” or better. Teams of students complete an original applied research project that will develop or utilize existing quantitative finance tools and techniques. The project is designed to provide an in depth exposure to at least one major task students will be expected to fulfill in the workplace. Students are individually evaluated by three UCLA faculty members who supervise the project to ensure that the students’ work and contributions adhere to the rigorous academic requirements of the program.

Thesis Plan

None.
Time-to-Degree

Approximately 12 months from graduate admission to award of the degree.

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<th>DEGREE</th>
<th>NORMATIVE TIME TO ATC (Quarters)</th>
<th>NORMATIVE TTD</th>
<th>MAXIMUM TTD</th>
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<tr>
<td>M.F.E. – Asia Pacific</td>
<td>3</td>
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<td>6</td>
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Termination of Graduate Study and Appeal of Termination

A student who fails to meet the above requirements may be recommended for termination of graduate study. A graduate student may be disqualified from continuing in the graduate program for a variety of reasons. The most common is failure to maintain the minimum cumulative grade point average (3.00) required by the Academic Senate to remain in good standing (some programs require a higher grade point average). Other examples include failure of examinations, lack of timely progress toward the degree and poor performance in core courses. Probationary students (those with cumulative grade point averages below 3.00) are subject to immediate dismissal upon the recommendation of their department. University guidelines governing termination of graduate students, including the appeal procedure, are outlined in Standards and Procedures for Graduate Study at UCLA.

UCLA is accredited by the Western Association of Schools and Colleges and by numerous special agencies. Information regarding the University’s accreditation may be obtained from the Office of Academic Planning and Budget, 2107 Murphy Hall.
APPENDIX C: Decanal Endorsements

October 31, 2017

Senate Chair Sandra Graham
Academic Senate Office
3125 Murphy Hall
Campus Mail Code: 140801

Dear Senate Chair Graham,

UCLA Anderson School of Management and the Guanghua School of Management at Peking University (PKU), are proposing a dual degree in Financial Engineering/Quantitative Finance. In partnership with PKU, UCLA Anderson proposes to create a 40-unit self-supporting degree program, the Master of Financial Engineering – Asia Pacific (M.F.E.- Asia Pacific), along with Guanghua which will offer a 42-unit Master of Finance (M.Fin.) degree. Our overarching objectives for the proposed M.F.E. – Asia Pacific degree is: (1) to further advance and promote the global mission and reputations of UCLA Anderson, UCLA and UC; (2) to expand the reach of graduate level learning, teaching and research opportunities in financial engineering and quantitative finance; and (3) to expand UCLA Anderson’s presence in the Asia Pacific region in partnership with China’s pre-eminent research university.

The China economy has been experiencing exponential growth, creating urgent demand for technically sophisticated financial industry leaders and professionals. This has created the imperative for an annual increase of 3.5% among prepared finance professionals. Those with global finance credentials and exposure are especially attractive as increasing numbers of Chinese financial institutions expand their business globally, and more international banks conduct business in China. In addition, the Chinese financial sector is currently undergoing structural reform, including the evolution of financial derivatives markets. This has resulted in a huge gap between the demand and availability of qualified individuals with foundational financial theory, strong quantitative technical skills, and an understanding of global financial institutions.

The collaboration to create these dual degrees emerged from a series of meetings and discussions held in the Spring and Summer of 2016. Initially, we were approached by the Dean of Guanghua at that time, Professor Hongbin Cai, who had previously been a faculty member at UCLA Anderson. Dean Cai was seeking an American business school to partner with Guanghua in developing a dual master’s degree in Financial Engineering. He was already familiar with the successful Los Angeles-based UCLA Anderson M.F.E. degree and sought to build off that degree and its high quality. In subsequent months, UCLA Anderson faculty and staff worked with their counterparts at Guanghua to devise a coordinated learning experience for the dual degree, ensuring that the curriculum was appropriately structured and paced for student success. Professor Qiao Liu, a PhD from UCLA who became Dean of Guanghua in Winter 2017, has expressed similar enthusiasm and support for this partnership, most recently during a meeting I had with him in September in Beijing. The first cohort of students would commence their studies in Fall 2019. Beyond the enthusiastic support of our own faculty, we also consulted with faculty from existing
Master of Financial Engineering and Finance programs within the UC system (Berkeley, Irvine, Riverside and San Diego) as well as external programs, and received strong endorsement for this program.

As mentioned, UCLA Anderson already has considerable expertise and experience in this area given our Los Angeles-based Master of Financial Engineering degree program, launched in 2009. The M.F.E. integrates mathematical, statistical, and computer programming tools with finance theory application. We have a cadre of distinguished ladder faculty who already teach in this program and conduct research agendas that result in important findings and models for use in industry. Since its inception, the UCLA Anderson M.F.E. degree program has enjoyed significant applicant demand from the Asia Pacific Region and, beginning with the 2017-2018 academic year, we have added a second section. In addition, UCLA Anderson already has on the ground experience with a dual degree program in the Asia Pacific region. Our highly ranked Global Executive M.B.A. for Asia Pacific (first graduates in 2004) offered in partnership with the National University of Singapore School of Business, is a 15-month dual degree program. Graduates of that program earn two M.B.A. degrees.

Since 2008, UCLA Anderson has pursued a multi-faceted international strategy designed to enhance the global dimensions of students’ experience, the reach and application of faculty research, and the visibility of our brand. Having developed UCLA’s global priorities, I can attest to the alignment of UCLA Anderson’s global strategy with the aspirations of the University to elevate its international engagement and stature. UCLA has a longstanding research relationship with Peking University, the premier research university in China, which attracts the top students in the country, and this would be the first UCLA dual degree with a Chinese partner. This is also a UC-wide goal. President Janet Napolitano, during the UC “International Thinking Day” held in March 2017, stressed the importance of internationalizing the student experience, including dual degree offerings with elite international partners. President Napolitano sees such endeavors as a means of expanding the teaching and service missions of UC to help achieve its international aspirations.

We see the collaboration with Guanghua School of Management as a tremendous opportunity with the expectation of almost certain success. We are counting on existing faculty expertise in financial engineering and quantitative finance, our well established and successful M.F.E. degree, the pre-eminence in China of our partner, and our prior experience with a successful dual degree in the Asia Pacific Region. Of course, I am available to answer any questions.

Sincerely,

Judy D. Olian
Dean and John E. Anderson Chair in Management
November 1, 2017

Senate Chair Sandra Graham
Academic Senate Office
3125 Murphy Hall
Campus Mail Code: 140801

Dear Senate Chair Graham,

As the Dean of the Guanghua School of Management at Peking University, I am delighted to write this letter in support of the proposal for the dual Master’s degree programs in Finance and Financial Engineering with the UCLA Anderson School of Management. Given the strong partnership between Guanghua and the Anderson School, we believe that this dual degree collaboration will strengthen our existing relationship, as well as provide an opportunity to create new teaching and research collaborations and prepare future financial leaders.

Guanghua is dedicated to advancing management knowledge and developing business leaders for China and the global society. In order to fulfill this mission, we focus on educating the most promising global talents. As a leading international business school, Guanghua’s faculty boast doctorates from leading international institutions and have a rich understanding of the Chinese economy and financial sector. The M.Fin. program was ranked #1 for five consecutive years in Asia and ranked #15 globally in the 2016 Financial Times global rankings. The program’s strong reputation is a testament to its outstanding quality and its graduates continue on to serve as successful business leaders at financial institutions and consulting firms both China and internationally.

Guanghua has partnered with more than 100 top business schools in 32 countries. Among those partners, Guanghua works with the Kellogg School of Management on a joint Guanghua-Kellogg Executive M.B.A. Program, and works with Harvard Business School and Oxford University on Executive Education Programs. Guanghua’s main campus is located at Peking University in Beijing and consists of two modern, multi-purpose buildings and one hotel with world-class facilities. Since 2011, the School has established four state-of-the-art branch campuses in Shanghai, Shenzhen, Xi’an and Chengdu.

The rapid acceleration of globalization and the Chinese economy, has led to an increased demand for financial industry leaders and professionals with global perspective. Currently, the significant gap between the demand and supply for talented individuals with solid financial theory and quantitative approach training, makes it an appropriate time to establish the dual Master’s degree programs. The Anderson School is consistently ranked among the leading business schools in the world and has a strong track record in offering the Masters of Financial Engineering program. We are very excited about this opportunity and looking forward to a successful collaboration.

I strongly believe the implementation of this proposed program will greatly benefit both Schools and I am writing to express our full support.

Thank you,

Professor Qiao LIU
Dean, Guanghua School of Management
Peking University
October 27, 2017

Senate Chair Sandra Graham  
Academic Senate Office  
3125 Murphy Hall  
Campus Mail Code: 140801

Dear Senate Chair Graham,

UCLA Anderson School of Management’s proposed dual degree collaboration with the Guanghua School of Management (GSM) at Peking University (PKU) is an opportunity to create new faculty teaching and research collaborations across international borders. UCLA Anderson is developing a strong presence within The Association of Southeast Asian Nations (ASEAN) region through its current partnership with the National University of Singapore with whom they offer a dual degree Executive MBA program. A natural extension of Anderson’s current engagement in Asia is the similarly structured proposed degree program with PKU. One of UCLA’s priorities is to grow partnerships that advance student learning, faculty research, program outreach, extramural funding and brand building globally. The proposed dual degree partnership with PKU is seen as one way to operationalize this particular strategic priority.

To accomplish this vision, UCLA is actively promoting the campus as a global brand that will continue to enhance our global reputation. As peer organizations across the country expand their international activities, particularly in China, UCLA continues to find new and innovative ways to extend this brand without unduly burdening our resources in Los Angeles. Anderson has presented a compelling case that a partnership with PKU will promote its vision to advance educational opportunities globally while channeling revenue from the program back to the Los Angeles campus.

However, the advantages to UCLA and the people of California go far beyond the financial benefits of the proposed degree program. Furthering the relationship between Anderson and GSM will provide opportunities for UCLA faculty and students to learn more about Chinese culture and businesses. This will be highly beneficial for our graduates, beginning with those in Anderson and beyond, who will be working in US companies with significant Chinese investment. In 2015, China invested a record $15.7 billion in US companies and real estate, and 21% of that investment occurred in California.

This program also allows an alternative for Chinese students who would benefit from an education at UCLA, but prefer to stay in their home country, alleviating the pressure to provide housing and support for the growing number of students on campus. A UCLA degree is attractive: UCLA is recognized in international rankings and the University is a consistent draw for Chinese students. In 2015-16, China had the highest number of international students admitted entering the UC system and that demand continues to climb.

In summary, Anderson is well positioned to elevate the standard of education in business management in China and to heighten UCLA’s profile globally. In doing so, many UCLA faculty, staff, and students will have opportunities to engage in a sustainable international UCLA partnership in China.
Sincerely,

C. Cindy Fan  
Vice Provost for International Studies  
& Global Engagement  
UCLA International Institute
APPENDIX D: Faculty Executive Committee Endorsement

The UCLA Anderson Faculty Executive Committee (FEC) reviewed and discussed the Master of Financial Engineering – Asia Pacific degree proposal during its October 6, 2017 meeting. Subsequently, the FEC conducted an online vote in relation to the degree proposal and recorded the following results:

Motion:

“To approve the Master of Financial Engineering – Asia Pacific (M.F.E. – Asia Pacific) degree program proposal which forms one of two degrees in the areas of Financial Engineering/Quantitative Finance to be offered in partnership with the Guanghua School of Management of Peking University for a dual degree program.”

Faculty Executive Committee Vote

In Favor: 6
Opposed: 0
To: Julio Vergara, Chair, 2017-18 Graduate Council
From: Jeff Roth, Associate Vice Chancellor, Academic Planning & Budget
Date: 10/25/17
Re: Resource Analysis of MFE-Asia Pacific

Dear Julio,

I am writing in response to a request for a resource analysis of the UCLA Anderson School of Management’s proposal to establish a self-supporting Master of Financial Engineering – Asia Pacific degree program. The degree program will be offered as part of a dual degree with a Master of Finance degree from Peking University’s Guanghua School of Management. The goal of the program is to meet the industry demand for financial leaders and professionals with a global perspective.

The proposal for the new program states that it will be self-supporting and will not require any additional campus resources. My office has reviewed the proposed budget and has found it to be reasonable and self-supporting.

Please do not hesitate to contact me should you have any additional questions.

Sincerely,

[Signature]

Jeff Roth
Associate Vice Chancellor
Academic Planning and Budget

cc: Scott Waugh, Executive Vice Chancellor and Provost
Steven Olsen, Vice Chancellor and Chief Financial Officer
### Campus Total Academic Support (Cost Analysis for Self-Supporting Program Fee Proposals)

<table>
<thead>
<tr>
<th>Year 0</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,925,950,234</td>
<td>$1,983,728,741</td>
<td>$2,043,240,603</td>
<td>$2,104,537,821</td>
<td>$2,167,673,956</td>
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</tbody>
</table>

#### REVENUE

<table>
<thead>
<tr>
<th>Program Fee</th>
<th>Student Services Fee</th>
<th>Campus-Based Fees</th>
<th>Health Insurance</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$98,560</td>
<td>$154,000</td>
<td>$195,334</td>
<td>$211,892</td>
</tr>
</tbody>
</table>

#### School Indirect Costs

<table>
<thead>
<tr>
<th>Faculty and Staff Benefits</th>
<th>Other Charges paid by Program to Campuswide Units</th>
<th>Year-average Program Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,810</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>$78,131</td>
<td>$0</td>
<td>40</td>
</tr>
<tr>
<td>$234,792</td>
<td>$0</td>
<td>50</td>
</tr>
<tr>
<td>$245,357</td>
<td>$0</td>
<td>60</td>
</tr>
<tr>
<td>$256,416</td>
<td>$0</td>
<td>60</td>
</tr>
</tbody>
</table>

#### Costs

<table>
<thead>
<tr>
<th>A. Program Direct Costs (provided by the School)</th>
<th>B. School Indirect Costs (Schedule C, total funds)</th>
<th>C. Campus Indirect Costs (Schedule B, total funds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty FTE Equivalent*</td>
<td>Student Services Fee</td>
<td>Basic Mission Components</td>
</tr>
<tr>
<td>0.3</td>
<td>$33,090</td>
<td>3%</td>
</tr>
<tr>
<td>10</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

#### Notes

- * Faculty FTE should be based on the FTE reported in Table 13 with faculty paid on overload counted based on the number of courses taught, relative to a normal teaching load for that title code. For example, a ladder-rank faculty member teaching one course on overload in the self-supporting program would be counted as 0.25 FTE, based on a normal 4 course load.

---

### ANNUAL COST PER FTE STUDENT

<table>
<thead>
<tr>
<th>Program Direct Costs (line 22 / line 7)</th>
<th>Program Indirect Costs (line 23 / line 8)</th>
<th>Campus Indirect Costs (line 24 / line 9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$140,060</td>
<td>$33,090</td>
<td>$48,853,864</td>
</tr>
</tbody>
</table>

#### ANNUAL COST PER FTE STUDENT (line 22 / line 7)

| $140,060 | $33,090 | $48,853,864 |

#### ANNUAL COST PER FTE STUDENT (line 23 / line 8)

| $0 | $0 | $0 |

#### ANNUAL COST PER FTE STUDENT (line 24 / line 9)

| $0 | $0 | $0 |

### TOTAL COST PER FTE STUDENT

| $173,153,741 | $173,931,842 | $205,076,206 |

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**DMS 5-183**

UCOP-Budget (Pg 3 - Appendix E - MFE AP Cost Analysis Template_APB.XLSX)

Version: 11/1/2017
### YEAR-AVERAGE ENROLLMENTS

#### State-supported FTE Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Enrollment</td>
<td>74</td>
<td>73</td>
<td>73</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Campus Enrollment (GC + Health Sci)</td>
<td>38,420</td>
<td>38,420</td>
<td>38,420</td>
<td>38,420</td>
<td>38,420</td>
</tr>
</tbody>
</table>

#### Self-supporting FTE Enrollments*

<table>
<thead>
<tr>
<th>Program</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.F.E. Asia Pacific</td>
<td>0</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Master of Science in Business Analytics (MSBA)</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Educational Leadership Program (Ed.D.)</td>
<td>94</td>
<td>94</td>
<td>94</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>Executive Master of Public Health (M.P.H.)</td>
<td>723</td>
<td>723</td>
<td>723</td>
<td>723</td>
<td>723</td>
</tr>
<tr>
<td>M.B.A. Program</td>
<td>142</td>
<td>142</td>
<td>142</td>
<td>142</td>
<td>142</td>
</tr>
<tr>
<td>Executive M.B.A. Program</td>
<td>895</td>
<td>895</td>
<td>895</td>
<td>895</td>
<td>895</td>
</tr>
<tr>
<td>Global Executive M.B.A. Program for Americas</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Global Executive M.B.A. Program for Asia Pacific</td>
<td>42</td>
<td>42</td>
<td>42</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Master of Architecture Program (M.Arch.II)</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Master of Laws Program (LL.M.)</td>
<td>159</td>
<td>159</td>
<td>159</td>
<td>159</td>
<td>159</td>
</tr>
<tr>
<td>Master of Public Health for Health Professionals (M.P.H.)</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Master of Science in Engineering Online Program (M.S.)</td>
<td>202</td>
<td>202</td>
<td>202</td>
<td>202</td>
<td>202</td>
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<tr>
<td>Professional Program for International Dentists</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
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<tr>
<td>Masters of Applied Economics</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Masters of Science in Applied Statistics</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Master of Financial Engineering Program (M.F.E.)</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

*Program is suspended, no current students

**Enrollment shown in FY in which students will complete UCLA portion (in December). Cohorts will not overlap but will extend across fiscal years.

#### Units - UCLA Portion of Program ONLY

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>40</td>
</tr>
<tr>
<td>5</td>
<td>40</td>
</tr>
</tbody>
</table>

#### Cohort Size - Headcount

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>60</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>60</td>
</tr>
</tbody>
</table>

#### Conversion Ratio

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.0000</td>
</tr>
<tr>
<td>2</td>
<td>0.4444</td>
</tr>
<tr>
<td>3</td>
<td>0.4545</td>
</tr>
<tr>
<td>4</td>
<td>0.5000</td>
</tr>
<tr>
<td>5</td>
<td>0.5000</td>
</tr>
</tbody>
</table>

#### Fees by Class - UCLA Portion of Program ONLY

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$44,000</td>
</tr>
<tr>
<td>2</td>
<td>$46,200</td>
</tr>
<tr>
<td>3</td>
<td>$48,510</td>
</tr>
<tr>
<td>4</td>
<td>$50,936</td>
</tr>
<tr>
<td>5</td>
<td>$53,482</td>
</tr>
</tbody>
</table>

### Estimated Fee Revenue - UCLA Portion of Program ONLY

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Revenue ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,408,000</td>
</tr>
<tr>
<td>2</td>
<td>$1,848,000</td>
</tr>
<tr>
<td>3</td>
<td>$2,328,480</td>
</tr>
<tr>
<td>4</td>
<td>$2,444,904</td>
</tr>
<tr>
<td>5</td>
<td>$2,567,149</td>
</tr>
</tbody>
</table>
# Budget Breakdown

<table>
<thead>
<tr>
<th>Year 0 (2018-19)</th>
<th>Year 1 (2019-20)</th>
<th>Year 2 (2020-21)</th>
<th>Year 3 (2021-22)</th>
<th>Year 4 (2022-23)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td>32</td>
<td>48</td>
<td>58</td>
<td>60</td>
</tr>
<tr>
<td>Student Fees</td>
<td>1,408,000</td>
<td>2,200,000</td>
<td>2,790,480</td>
<td>3,027,024</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,408,000</td>
<td>2,200,000</td>
<td>2,790,480</td>
<td>3,027,024</td>
</tr>
<tr>
<td><strong>PERSONNEL EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ladder Faculty Overload Teaching</td>
<td>252,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ladder Faculty Regular Teaching</td>
<td>-</td>
<td>420,000</td>
<td>441,000</td>
<td>463,050</td>
</tr>
<tr>
<td>Ladder Faculty Course Releases</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-Ladder Faculty</td>
<td>118,326</td>
<td>217,423</td>
<td>228,295</td>
<td>239,709</td>
</tr>
<tr>
<td>Academic Other</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Academic Apprentice</td>
<td>50,112</td>
<td>78,926</td>
<td>82,873</td>
<td>87,016</td>
</tr>
<tr>
<td>Staff - Career</td>
<td>49,500</td>
<td>150,000</td>
<td>154,500</td>
<td>159,135</td>
</tr>
<tr>
<td>Staff - Casual</td>
<td>3,500</td>
<td>4,000</td>
<td>4,500</td>
<td>5,000</td>
</tr>
<tr>
<td>Benefits</td>
<td>18,810</td>
<td>57,000</td>
<td>201,510</td>
<td>210,411</td>
</tr>
<tr>
<td>Fee Remissions</td>
<td>21,131</td>
<td>33,282</td>
<td>34,946</td>
<td>36,693</td>
</tr>
<tr>
<td><strong>Total Personnel Expenses</strong></td>
<td>108,310</td>
<td>692,069</td>
<td>1,149,642</td>
<td>1,201,160</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Renovations &amp; Maintenance</td>
<td>25,000</td>
<td>3,500</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Campus Fees Collected for Univ Svs</td>
<td>98,560</td>
<td>154,000</td>
<td>195,334</td>
<td>211,892</td>
</tr>
<tr>
<td>Classroom Materials &amp; Supplies</td>
<td>500</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Communications - Mailing</td>
<td>1,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Communications - Telephone/Fax</td>
<td>1,750</td>
<td>3,500</td>
<td>3,675</td>
<td>3,859</td>
</tr>
<tr>
<td>Computing - Software</td>
<td>30,000</td>
<td>31,500</td>
<td>33,075</td>
<td>34,729</td>
</tr>
<tr>
<td>Computing - Supplies</td>
<td>500</td>
<td>1,000</td>
<td>1,050</td>
<td>1,103</td>
</tr>
<tr>
<td>Consultants/Professional Svcs</td>
<td>25,000</td>
<td>26,250</td>
<td>27,563</td>
<td>28,941</td>
</tr>
<tr>
<td>Equipment - Furniture &amp; Fixtures</td>
<td>2,500</td>
<td>2,500</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Equipment - Office</td>
<td>350</td>
<td>200</td>
<td>200</td>
<td>210</td>
</tr>
<tr>
<td>Food &amp; Beverages, Business Confer &amp; MTGS</td>
<td>20,000</td>
<td>31,500</td>
<td>39,966</td>
<td>43,411</td>
</tr>
<tr>
<td>Freight &amp; Shipping</td>
<td>3,000</td>
<td>3,150</td>
<td>3,308</td>
<td>3,473</td>
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<td>Insurance</td>
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<td>5,250</td>
<td>5,513</td>
<td>5,788</td>
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<td>Marketing Expenses</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Memberships &amp; Licenses</td>
<td>5,000</td>
<td>5,250</td>
<td>5,513</td>
<td>5,788</td>
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<tr>
<td>Parking</td>
<td>750</td>
<td>788</td>
<td>827</td>
<td>868</td>
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<tr>
<td>Printing &amp; Copying</td>
<td>5,000</td>
<td>5,250</td>
<td>5,513</td>
<td>5,788</td>
</tr>
<tr>
<td>Professional &amp; Research Services - Other</td>
<td>5,000</td>
<td>5,250</td>
<td>5,513</td>
<td>5,788</td>
</tr>
<tr>
<td>Student Support</td>
<td>42,240</td>
<td>66,000</td>
<td>83,714</td>
<td>90,811</td>
</tr>
<tr>
<td>Travel</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>5,000</td>
<td>5,250</td>
<td>5,513</td>
<td>5,788</td>
</tr>
<tr>
<td>Visa Applications</td>
<td>18,000</td>
<td>22,500</td>
<td>27,000</td>
<td>27,000</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>31,750</td>
<td>321,900</td>
<td>418,538</td>
<td>495,368</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>140,060</td>
<td>1,013,969</td>
<td>1,568,179</td>
<td>1,696,528</td>
</tr>
<tr>
<td><strong>Revenue minus Expense</strong></td>
<td>(140,060)</td>
<td>394,031</td>
<td>631,821</td>
<td>1,093,952</td>
</tr>
</tbody>
</table>

**Revenue minus Expense** | (140,060) | 394,031         | 631,821         | 1,093,952       |

**41% profit margin in steady state**

*Budget does not include School and Campus indirect costs. Refer to UCOP template. Annual increase 5% over 4 years.

**UCOP template legend**

- **Comments / Notes**
  - Assumes 5% annual increase throughout the spreadsheet.
  - Students are 2/3 in FY1 and 1/3 in FY2.
  - See Estimate Fee Revenue in UCOP template.
  - Faculty salaries - See Teaching details.
  - Faculty salaries - See Teaching details.
  - Faculty salaries - Stipend in place of course release.
  - Faculty salaries - See Teaching details.
  - Faculty salaries - Faculty director stipend.
  - General Assistance - 2 TAs @ 50% time, see Staffing details.
  - Staff salaries - See Staffing details.
  - General Assistance - Yr1 work study students.
  - Faculty & staff benefits - Assumes new UCPath rates.
  - Faculty & staff benefits - Full fee remissions for two TAs, see Staffing details.

**Additional Notes**

- **S&E** adjacent to each category indicates the department responsible.
- **need 'seats'**
- **campus** only grad division - covered in application fees
- **S&E**
- **includes software expenses specific to MFE**
- **Equipment**
  - S&E 2 quarters UCLA YR1 and 1 quarter in China YR2
  - S&E should be a percentage
  - S&E videos, pictures materials of UCL as requested by PKU, local outreach?
  - S&E not needed until Winter quarter - each student at $450
  - Financial Aid 3% of revenues
  - Introduction to new cohorts and graduation participation
  - Financial Aid 3% of revenues
  - Not needed until Winter quarter - each student at $450
  - 41% profit margin in steady state
# Teaching Details

## Ladder Faculty Overload

<table>
<thead>
<tr>
<th>Year</th>
<th>Units Taught</th>
<th>Cost per Course (4 units)</th>
<th>Overload Teaching Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>16</td>
<td>$60,000.00</td>
<td>$ -</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>$63,000.00</td>
<td>$252,000.00</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>$66,150.00</td>
<td>$ -</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>$69,457.50</td>
<td>$ -</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td>$72,930.38</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Comments / Notes:**

- Year 1: overload cap @ $60,000 for 4 unit course
- 6.6666667

## Ladder Faculty Regular Load

<table>
<thead>
<tr>
<th>Year</th>
<th>Units Taught</th>
<th>FTE Salary (12 unit teaching load)</th>
<th>Regular Load Teaching Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>0</td>
<td>$400,000.00</td>
<td>$ -</td>
</tr>
<tr>
<td>3</td>
<td>12</td>
<td>$420,000.00</td>
<td>$420,000.00</td>
</tr>
<tr>
<td>4</td>
<td>12</td>
<td>$441,000.00</td>
<td>$441,000.00</td>
</tr>
<tr>
<td>5</td>
<td>12</td>
<td>$463,050.00</td>
<td>$463,050.00</td>
</tr>
</tbody>
</table>

**Comments / Notes:**

- Year 2: 24 units / 12 unit teaching load = 2 FTE
- Year 2: average FTE salary @ $400,000 including 2 summer 9ths
- 32,534.21 Faulty
- 73,007.60 ninths
- 401,541.81 Total

## Non-Ladder Faculty

<table>
<thead>
<tr>
<th>Year</th>
<th>Units Taught</th>
<th>Cost per Course (4 units)</th>
<th>Non-Ladder Teaching Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>16</td>
<td>$29,581.43</td>
<td>$118,325.71</td>
</tr>
<tr>
<td>4</td>
<td>28</td>
<td>$31,060.50</td>
<td>$217,423.50</td>
</tr>
<tr>
<td>5</td>
<td>28</td>
<td>$32,613.52</td>
<td>$228,294.67</td>
</tr>
<tr>
<td>6</td>
<td>28</td>
<td>$34,244.20</td>
<td>$239,709.41</td>
</tr>
</tbody>
</table>

**Comments / Notes:**

- Year 3 onwards: additional 2-unit electives offered
- Year 2: average non-ladder faculty pay @ $25,000/4-unit course

## Program Director

<table>
<thead>
<tr>
<th>Year</th>
<th>Units Taught</th>
<th>Total Units Offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>5</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

**Comments / Notes:**

- Program director is responsible for Industry Seminars
- FY1 is Winter Spring only

Increase in 2 years time

- 1.0609

---

DMS 5-186
## Staffing Details

<table>
<thead>
<tr>
<th>Staff</th>
<th>Year 0 (2018-19)</th>
<th>Year 1 (2019-20)</th>
<th>Year 2 (2020-21)</th>
<th>Year 3 (2021-22)</th>
<th>Year 4 (2022-23)</th>
<th>Year 5 (2022-23)</th>
<th>Yr 0 - hired time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Director</td>
<td>$24,750.00</td>
<td>$77,250.00</td>
<td>$79,567.50</td>
<td>$81,954.53</td>
<td>$84,413.16</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>SAO II</td>
<td>$24,750.00</td>
<td>$77,250.00</td>
<td>$79,567.50</td>
<td>$81,954.53</td>
<td>$84,413.16</td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>Admin (cross-functional)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>Career Counselor</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>33%</td>
</tr>
</tbody>
</table>

**Total**: $49,500.00 $150,000.00 $154,500.00 $159,135.00 $163,909.05 $168,826.32

### Teaching Associate
Cost in 2017-18 @ 50% Associate Level
$4176 * 9 months
$37,584.00

### Fee Remissions
Assuming 50% teaching in F, W, S
- Health: $1,066.83
- Fee I: $3,740.00
- Fee II: $340.00
- ASE- Non Res: $136.00

$5,282.83 per quarter

$15,848.49 Annual Fee Remission cost

Cost per TA assuming the above $53,432.49
October 16, 2017

John Mamer, Faculty Chair
UCLA Anderson School of Management
Cornell Hall, D-518

RE: UCLA Library Letter of Support for Master of Financial Engineering – Asia Pacific degree

Dear Professor Mamer:

The UCLA Library enthusiastically supports the proposed Master of Financial Engineering – Asia Pacific (M.F.E. – Asia Pacific) degree program, to be administered by UCLA Anderson School of Management in partnership with Peking University’s Guanghua School of Management. This is an exciting opportunity to offer a unique degree that meets the increasing demand for well-educated financial data experts with global experience.

The Library’s resources will offer a strong foundation for the teaching and research needs of this dual-degree program, in concert with the resources offered exclusively by UCLA Anderson’s Rosenfeld Library and those available via Peking University. We expect that the program will not involve or require any increases in Library budgeting, nor modifications in space, equipment, or facilities.

One point I recommend be addressed in the proposal is the critical need for students to have full access to both universities’ library systems throughout their degree programs. It is vital that students in this dual degree program are afforded equal access to the resources available from each university library for the entire period of study, primarily the resources in digital format. At UCLA, a valid Bruin ID will be required. Such simultaneous library access is standard for inter-institutional degrees of this nature.

The mission of the UCLA Library is to provide access to and delivery of information resources to students, faculty, and staff in support of the research and instructional mission of the university. The Library organizes, develops and preserves collections for optimal use and provides connections to information resources. Additionally, we offer a wide array of services including instruction and consultation services in locating, evaluating, and managing information to enable users to fulfill their academic and intellectual needs.

Please feel free to contact me if you have any questions.

Sincerely,

Virginia Steel
Norman and Armena Powell University Librarian
APPENDIX G: Support Letters from Peer Programs

As part of the development of the M.F.E. – Asia Pacific degree proposal, we undertook an external review of the draft proposal with UC and external (non-UC) academic. Specifically, we requested feedback on the draft proposal from the following professors:

University of California Reviewers

Professor Michael Melvin
Executive Director, Master of Finance Program
Rady School of Management, University of California, San Diego

Professor Rick Smith
Master of Finance Program
A. Gary Anderson Graduate School of Management, University of California, Riverside

Professor David Sraer
Chair, Master of Financial Engineering Program
Haas School of Business, University of California, Berkeley

Professor Zheng Sun
Faculty Director, Master of Finance
Paul Merage School of Business, University of California, Irvine

External (non-UC) Reviewers

Professor Michael Johannes
Faculty Director, Master of Science in Financial Economics
Columbia Business School, Columbia University

Professor Marcel Rindisbacher
Faculty Director, Mathematical Finance Programs
Questrom School of Business, Boston University

Below is a sample of the letter that was sent to each of the reviewers to request their feedback on the draft degree proposal:

Dear Professor XXXX,

The UCLA Anderson Graduate School of Management and the Guanghua School of Management at Peking University, are proposing to offer dual degrees in the area of Financial Engineering. Specifically, UCLA Anderson will offer the Master of Financial Engineering – Asia Pacific degree, and the Guanghua School of Management will offer the Master of Finance degree.

I write to ask for your help evaluating our proposal for the Master of Financial Engineering – Asia Pacific degree. This proposal has been developed by the faculty in our existing Master of Financial Engineering degree program in cooperation with the faculty in the Master of Finance degree program at Guanghua School of Management.
The current draft of our proposal is attached for your information. Your evaluation of this proposed graduate degree is part of a preliminary review and consultation process that UCLA Anderson has chosen to conduct as we develop the dual degree program. We anticipate that we will be sending the final proposal to the UCLA Academic Senate and onward for approval later this Fall.

We welcome your comments on all aspects of the degree program including its strengths, as well as any weaknesses. Our intent is to make this program proposal as strong and comprehensive as possible prior to its submission for formal review and approval by UCLA and the University of California system committees. In particular, we are interested in receiving your comments in relation to:

- Quality and academic rigor of the program
- Adequacy of the size and expertise of faculty to administer the program
- Adequacy of the facilities and budgets
- Applicant pool and placement prospects for the graduates

Please note that your feedback will not be confidential. We plan to include the information received from you and the other reviewers in the final proposal as an appendix.

We would appreciate receiving your written evaluation (via e-mail as a PDF letter is fine) of the proposed Master of Financial Engineering – Asia Pacific degree proposal by **Monday, October 23, 2017**. If you are unable to meet this deadline or to provide this written review, please let us know.

If you have any questions regarding this process or the proposal, please feel free to contact Professor Mikhail Chernov, Faculty Director of the Master of Financial Engineering program at: XXXX.

We greatly appreciate your willingness to provide your comments and insights on our proposed Master of Financial Engineering – Asia Pacific degree; this will be extremely valuable to us as we seek to develop a final comprehensive proposal. We look forward to receiving your feedback.

Sincerely,

John W. Mamer
Faculty Chairman, Deputy Dean of Academic Affairs
Professor of Decisions, Operations & Technology Management and Strategy
UCLA Anderson School of Management

The letters submitted by the academic reviewers are provided here below. A brief response to the principal comments that surfaced in the letters is included at the end of this appendix.
Notes on UCLA MFE Asia Pacific proposal
Michael Melvin, Executive Director, Master of Finance Program, Rady School of Management, UC San Diego

Comments on Draft Proposal:

Program name:
p. 6: the description of the difference between MFE and Master of Finance (MFin) programs is not as valid today as it once was. For instance, our new program at the Rady School of Management at UCSD is a quantitative program that only admits students with quantitative backgrounds and high scores on the quantitative side of entrance exams. After the financial crisis, and the bad publicity given to financial engineering, I know that some other schools were discussing changing from an MFE to an MFin. I, personally, think that is all nonsense, as students learn much more in an MFE program than just pricing complex securities (I taught in the Berkeley MFE program for many years before moving to UCSD), but the point is that the characterization of MFin programs as non-technical general finance programs is not as valid as it once was.

UC programs:
I believe that within the UC system, there are 3 quantitative programs at Berkeley, UCSD, and UCLA. The forthcoming Irvine program is focused on wealth management, so it will be quite different in skill requirements than the 3 quant programs. I don’t see the Riverside program as similar to these.

Budget page:
With UCLA campus MFE program fees of $73,608 for next year, are you concerned that the substantial fee price discounting in the new program could cannibalize the current enrollment and adversely affect the current program? With 80% of your MFE applications coming from China, this would concern me.

General comments:

This is an interesting entrepreneurial idea to launch a joint program with Peking U. and the Guanghua School of Management. The allure of Peking U. is sure to be a draw to many Chinese students, so I would expect applications will meet or beat expectations. One concern is with the English speaking and writing ability of the Chinese students when they visit UCLA. I am sure you control the admission to your current program to do your best to assess adequate communication skills in English. This will probably be more of a challenge with the proposed program. It is a concern.

The UCLA finance faculty has a long tradition of excellence with many outstanding achievements in the field. It is certainly recognized as one of the top departments in the world and is a solid foundation on which to base the proposed program. Similarly, the Anderson School is highly regarded and easily capable of supporting high-quality international partnerships. I worry that the partner may gain more than UCLA from such programs, but the fact that the local department is developing the proposal suggests that the balance weighs in favor of the collaboration from the UCLA perspective. Peking University is also the top school in China and has outstanding students (and faculty).
In an era of withering MBA enrollments, the time is certainly right for starting specialty Master’s degree programs. This appears to be the future for graduate business school enrollments and the proposed finance program is sure to be a hit in China. Overall I am quite supportive of the proposal.
October 8, 2017

John W. Mamer  
Faculty Chairman, Deputy Dean of Academic Affairs  
Professor of Decisions, Operations & Technology Management and Strategy  
UCLA Anderson School of Management  
110 Westwood Plaza, Box 951481, Los Angeles, CA 90095-1481

Dear Professor Mamer,

Thank you for requesting my observations about your proposed Master of Financial Engineering – Asia Pacific degree program, which is to be offered as an element of a dual degree collaboration with the Guanghua School of Management at Peking University. I understand that UCLA will be responsible for the MFE – Asia Pacific and Peking U will be responsible for the Master of Finance.

I have reviewed the draft proposal dated October 2, 2017, as well as Appendices E and J to the draft proposal. To provide context for some of my comments, it may be worth noting that while on the Drucker Graduate School of Management faculty of Claremont Graduate University, I was the faculty member who, in collaboration with a member of the Mathematics faculty, developed and launched the MsFE degree program there as a joint venture between management and mathematics. I was co-director of the program for several years. At UCR I oversaw the launch of the Master of Finance degree program and served for several years as academic program director.

My overall assessment of your proposed dual degree program is that the endeavor is worth pursuing and that the UCLA finance faculty are very well qualified and capable of delivering the MFE – Asia Pacific curriculum. I have no concerns as to the quality and rigor of the MFE courses, all of which are indicated to be staffed by UCLA faculty. Nor do I have concerns about the size and expertise of the faculty for delivering the MFE – Asia Pacific curriculum, partly because the faculty are already successfully offering all of the planned courses to students in the existing UCLA MFE. In general, I believe the program budget and facilities are sufficient to support the new program. I also have no concerns as to the ability to place students who complete the dual degrees. Although you have asked for an assessment of the ability to attract a sufficient pool of qualified applicants, and I have no general concerns as to the sufficiency of demand, it is not entirely clear to me how the two universities will collaborate on student recruitment. Given the very substantial demand in China for specialized finance degrees, there is no doubt that the schools should be able to attract a sufficiently large pool of qualified applicants to be able to meet or exceed the MFE – Asia Pacific enrollment targets.

One aspect of the proposal that, in my reading, might be deserving of clarification is the closeness of the relationship between the two schools that are collaborating in offering the dual degrees. While I may have missed something in the draft proposal, the following items are not entirely clear to me:

- Can a student be admitted to the MFE – Asia Pacific program without also being admitted to the Peking Master of Finance program?
- If admission to both programs is required, how will the two schools collaborate on admissions?
If an applicant is admitted to the Master of Finance program, must the student be separately admitted to the MFE – Asia Pacific program?

What happens if an admitted student fails to meet the requirements for continued enrollment in one of the two degree programs?

Is UCLA relying on education of students in the first term of the dual degree program, which courses are taught by Peking U faculty, as background for the MFE – Asia Pacific coursework?

If so, does UCLA have a mechanism to assure that the education is of sufficient quality?

More generally, how will the schools collaborate on issues that affect the dual degree?

What happens if either party wishes to discontinue the dual degree or modify their involvement?

It appears that tuition and fees are separately charged by the two schools. Is there a collaboration on financial aid or on commitments of resources to the dual degree?

UCLA plans to use the 4-unit Applied Project course as its comprehensive exam. What is the separate listing of 2 units of Applied Project by Peking U? Is it a different project, more on the same, or double credit?

The travel expense line item in the budget seems currently to just be a placeholder.

Use of the word “program” in the draft generally seems to refer to the MFE – Asia Pacific program, but at times seems to refer to the dual degrees. This source of potential confusion could be improved by more specific language or use of defined terms.

Other than that students are taking some of their MFE coursework in Beijing, it is not apparent that the name MFE– Asia Pacific has any real meaning.

In conclusion, I fully support the program but would like to have seen more clarity on the collaboration. If you need additional information from me, please let me know.

Regards,

Professor Richard L. Smith
Philip L. Boyd Chair and Professor of Finance
A. Gary Anderson Graduate School of Management

University of California Riverside
Anderson Hall, Rm 141 | 900 University Ave | Riverside CA 92521
Direct: 951.827.3554 Mobile: 909.268.5709 | Fax: 951.827.3970
richard.smith@ucr.edu | http://ssrn.com/author=1879
http://www.sup.org/entrepreneurialfinance/

JOHN W. MAMER
Faculty Chairman, Deputy Dean of Academic Affairs
Professor of Decisions, Operations & Technology
Management and Strategy

RE: Dual degrees in the area of Financial Engineering to be offered by UCLA Anderson and Guanghua School of Management I have gone over and evaluated UCLA Anderson’s draft proposal for the Master of Financial Engineering – Asia Pacific, dated October 2nd, 2017, henceforth denoted “the proposal,” for a joint Guanghua School of Management Masters in Finance / UCLA Master of Financial Engineering – Asia Pacific degree program. My comments should be viewed in light of my experience with our Master of Financial Engineering (MFE) program at UC Berkeley’s Haas School of Business, where I have been teaching since 2015 and where I have become chair of the Program Committee in 2017, as well as my earlier experience with the Masters in Finance program at Princeton University, where I taught from 2009 to 2014.

Overall, the proposal strikes me as being well thought through. It is thorough and makes a persuasive case for what is quite an innovative program that combines a Master in Finance (MF) program offered by Guanghua School of Management and a Masters of Financial Engineering offered by UCLA Anderson. Core strengths of the proposal include:

1. The curriculum is very complete and contains first-rate courses in quantitative finance that will provide the students with all the required tools to succeed in the finance industry (asset management, banking, etc…)
2. The finance faculty currently involved in this proposal are all world-class leaders in the field of finance. Their aura, expertise and international recognition will undoubtedly make the program very attractive to students and recruiters.

3. Guanghua School of Management appears to be a great strategic partner for UCLA Anderson. In the FT rankings, Guanghua has the second-best Masters in Finance program in Asia (after Shanghai Advanced Institute of Finance at SJTU). Its academic excellence is internationally recognized. Guanghua is also in a unique position to allow UCLA Anderson School of Management to get access to some of the best Chinese students.

4. The placement potential for the proposed dual program seems really promising, which is of first-order importance when launching such a new degree. Guanghua has strong ties with Chinese investment and commercial banks, asset management firms, insurers, etc. It also has a very large network of alumni working in the financial industry in China. This makes me very optimistic about opportunities for top placements for graduates of the proposed program.

5. Synergies with the existing MFE program offered at UCLA seem important, and will allow for a successful program financially. Several faculty are already teaching successfully classes with similar content within the current UCLA MFE program. The staff at UCLA Anderson knows how to efficiently support an MFE program.

6. The initial fee for the program, to be $44,000 in the first year, seems competitive.

These core strengths provide the foundation for a successful implementation of the proposal.

I also have a few comments and questions. Neither of these are likely pivotal. Rather they represent areas where it may be worthwhile to push the analysis further, or at least provide more information:

1. Currently, the proposal mostly discusses the possibility of placement of future graduates in quant jobs. In the US market, there has been somewhat of a downward trend in placement in quant jobs (e.g. quantitative hedge funds, derivative pricing, etc) and somewhat of an upward trend in placements in fintechs, risk-management positions at financial institutions, etc. The proposal
could perhaps discuss further the current shape of the Chinese financial sector, and whether quantitative finance should be the unique placement’s target or whether the scope for placement should be broader.

2. The proposal currently views the new program as having very little overlap with the existing MFE program at UCLA – the proposal in particular expect that the students attracted to the new program should be different from the students that currently apply to UCLA’s main MFE program. This part of the proposal could be expended upon. I am guessing that a non-trivial part of the current students in UCLA’s main MFE program are from China and place in China after graduation. As such, it is not entirely clear why these students would not find it more attractive to apply for the new dual degree program instead. The proposal does outline the clear differences between the existing and the new proposed programs (geographic differences, timing differences, etc.), but in the end, there does remain a significant amount of overlap (mostly in terms of academic courses). In my opinion, however, this overlap is not problematic, given how large the demand for such a degree should be in China, and in Asia more generally.

3. I had some questions about the curriculum:

   • The first core course appears to be a corporate finance course. Given the emphasis on quantitative finance displayed early on in the proposal, one wonders why corporate finance is a core course and not an elective. Perhaps a broader course on financial institutions and financial markets could be more adapted to the quant focus of the proposal?

   • The asset-backed security market in China is currently developing at a great pace. The real estate market itself has been very active in the last 10 years. As a result, it could be useful to discuss the potential to introduce an elective in real estate finance / securitization.

   • Relatedly, fintech is becoming a non-trivial source of placement for graduates of MFE programs in the US. I believe this could well be the case in the Chinese market that is the core of this proposal. The current proposal does not contain an elective that could help students who want to place in this industry. It could be interesting to discuss the potential to introduce a fintech-related elective in the program (covering data analytics, banking, etc.)
• For the AFP (applied finance project), the proposal currently foresees that a UCLA faculty will only meet twice in person with the program’s students (on the Peking campus, since the AFP will be in the Fall). I think the proposal should perhaps be more explicit about the frequency of meetings/advising that will take place outside of these two meetings. For example, the AFP’s professor could be holding regular, fixed-hours, Skype interviews with the students to ensure that they are making progress on their project. Advising is key for these AFP projects, and perhaps the proposal could benefit from being more precise about how advising will take place concretely.

• The proposal rightly emphasizes that the students will get beneficial interactions with UCLA faculty on the Peking campus in the Fall. In particular, part of these interactions will take place through MGMTMFE 431 (Special Topics in Financial Engineering), which is the only course offered in the Fall with MGMTMFE 410 (Applied Finance Project). I think it would be useful if the proposal could be more precise on the content of 431, and who will teach this course.

4. The first-year courses are being taught by faculty from Guanghua. These courses serve as the basis and pre-requisites for the courses that will be subsequently taught by UCLA faculty in the Spring and the Fall. I was wondering if there had been some consultation with the Guanghua faculty to ensure that the content of these first-year courses will be adequate and match the expectation of UCLA’s faculty.

Please, do not hesitate to contact me on the phone (+1 501 326 0110) in case you need any more information.

Best Regards,
Zheng Sun  
Associate Professor of Finance  
Faculty Director, Master of Finance  
E-mail: zsun@merage.uci.edu

Paul Merage School of Business  
Irvine, CA 92697  
Phone: 949-824-6907

Prof. John Mamer  
Faculty Chairman, Deputy Dean of Academic Affairs  
Professor of Decisions, Operations & Technology Management and Strategy  
UCLA Anderson School of Management

Dear Prof. Mamer,

I am responding to your request of Oct 2, 2017, for an evaluation of a proposal from UCLA Anderson School of Management to offer a degree of Master of Financial Engineering- Asia Pacific by the Anderson School in conjunction with a degree of Master of Finance by the Guanghua School of Management at Peking University.

My overall evaluation of newly proposed MFE program is that it is well designed, unique and will add considerable value to the student population that the program is seeking to reach. The curriculum design is rigorous. The faculty is of high profile. I believe the program will be successful when launched.

In the interest of helping to improve the program, I have a few items for the planning faculty to consider. I try to focus on the perspectives that you requested me to comment on. However, since I don’t have much experience with budget, I will leave it out of my evaluation.

1. Quality and Academic Rigor of the Program

   Overall, the curriculum design is very rigorous and the materials delivered is highly relevant. However, it appears that relatively high number of cores (7 cores) and low number of electives (3 electives) are offered by this program (It would be helpful to compare side by side with the existing MFE program at UCLA in terms of number of cores and electives offered.) Also, the students will have limited choices for electives. They will choose two electives out of the three offered in the spring quarter of their first year and all students will take the same elective in the fall of their second year. The limited choice of electives might hurt student satisfaction. I would recommend offering more elective choices in both quarters. Since the students will be in PKU
during the fall quarter of the second year, for that quarter, maybe more electives can be offered in the format of online courses.

After their spring quarter at UCLA, the students will return to China for the summer internship. However, there might be students who are interested in doing internship in the US in order gain experience with US companies. The program can consider adding an curriculum practical training (CPT) type of elective in the summer at UCLA, to allow some students do summer internship in the US provided that they receive such an opportunity.

From the curriculum design, the faculty involvement in the capstone course seems to be low. This may not be ideal since the capstone course is hands on and tends to require frequent faculty guidance. I understand that it may be difficult for the UCLA faculty to be in China throughout the time period, so I’d like to suggest this course be jointly taught by the UCLA and PKU faculty. The students can meet with the PKU faculty more frequently and receive timely feedback. Also, it is likely that some of the capstone projects are going to come from companies in China, and the PKU faculty may contribute their local knowledge in addressing some of the issues that are specific to China market.

2. Adequacy of the size and expertise of faculty to administer the program

I believe the size of the faculty is adequate to administer the program. More importantly, the faculty who will be teaching in the program is mainly composed of ladder faculty in the finance area at Anderson School. This is a worldly renowned group of faculty. I believe the students will learn tremendous knowledge from these faculty members.

3. Applicant pool and placement prospect for the graduates

It would be helpful to specify the admission process a bit more clearly. In particular, will there be an admission committee with faculty and staffs from both schools? Will there be an interview by the Anderson school to ensure that the students are proficient in English and have strong communication skills?

If I can be of any additional assistance or if I can answer any questions, please do not hesitate to contact me.

Yours sincerely,

Zheng Sun
11/1/2016

John W. Mamer
Faculty Chairman, Deputy Dean of Academic Affairs
Professor of Decisions, Operations & Technology Management and Strategy
UCLA Anderson School of Management

Dear Professor Mamer,

This is an evaluation letter for the UCLA/PKU-Guanghua dual degree program (UCLA Masters in Financial Engineering- Asia Pacific Degree and Guanghua School of Management, PKU, Masters in Finance).

Before discussing my review, I would like to note that I am the Program Director of Columbia Business School’s Masters in Financial Economics program, which is a competitor, to some degree, to UCLA’s MFE program. I don’t think any conflicts arising from the competing nature of the programs affects my evaluation of this program.

I was asked to specifically comment on four aspects: (1) the quality and academic rigor of the program, (2) the adequacy of the size and expertise of faculty to administer the program, (3) adequacy of the facilities and budgets, and (4) applicant pool and placement prospects for the graduates.

Before discussing these issues, it is important to understand the current ‘state of the industry,’ both in regards to the financial services industry and the universities training students. In my opinion, we’ve seen a major shift in the last 20 years that rewards specialized knowledge and, on the margin, places less emphasize on general skill sets. This is certainly true in finance, but also in many other industries. This creates a tension or even a mismatch between universities, and, in this case, business schools offering generalist degrees--like the masters in business administration (MBA) offered by most business schools—and a job market that requires a high degree of specialization, both by subject matter and skill set (e.g., technology).

This trend is not reversing and, in fact, is growing stronger, creating a growing demand for specialized programs and degrees, thus the importance of programs like UCLA’s MFE and MFE-Asia Pacific degrees. Business schools and universities more generally need to adapt to the changing needs of students are employers, and I applaud UCLA’s efforts along this dimension.
In this regard, I completely agree with the Proposals view of trends in the industry and the strong demand for ‘quantitative analysts’ in finance.

Here are my thoughts regarding the specific questions I was asked to evaluate.

(1) **Quality/rigor of the program.** I have very few, if any, substantive concerns regarding the quality of and academic rigor of the program. UCLA has a very successful MFE program, and since the dual degree program’s academic content is quite similar, the dual degree will have the high quality and rigor. The course offerings are well calibrated, and the quality of the UCLA faculty is extremely high. Few departments have the overall depth and quality of scholars of UCLA’s finance group, which has expertise in all the major areas of finance with a particular focus on faculty with very strong technical and quantitative backgrounds. The high number of applicants and strong increase in applications over the past 5 years is evidence of the quality of the program: students know this program is rigorous and provides the training needed to be competitive in the financial services industry. Faculty at PKU/Guanghua—one of the top 3 schools in China—are also be highly qualified and will additionally have local financial markets/institutions knowledge that will benefit the students.

(2) **Adequacy of the size and expertise of faculty to administer the program.** UCLA has an excellent finance faculty and has recently added a number of very talented members to growth the breadth and depth of the group. In terms of teaching, the finance faculty and more broadly UCLA’s business school faculty seem more than sufficient for this program. Often in masters level programs, a very small number of tenure or tenure-track faculty participate, with adjuncts teaching the majority of the courses. UCLA’s MFE program has broad participation, with most finance faculty teaching courses in either the full UCLA or dual degree MFE. In this regard, I would offer only two recommendations. First, it is important to have additional faculty who are capable of teaching in these programs, but don’t normally in order to fill in when faculty go on leave, on sabbatical or leave the university. It is crucial to have a “deep bench,” and I think this is the one of the main risks with a program like this. Second, the administration component of the program can be quite burdensome and time consuming, and I would recommend providing the faculty director, Mike Chernov, with sufficient resources for this difficult task. Coordinating programs within groups can be hard, and I can imagine coordinating the program with PKU will be even more time consuming.

(3) **Adequacy of the facilities and budgets.** I reviewed the documents on the facilities and budget and had no substantive issues or concerns.
(4) **Applicant pool and placement prospects.** There is an enormous demand for students with specialized training, in the US but especially in countries like China. I can imagine the demand for students from programs like this in China over the coming years and decades is going to be at least an order of magnitude higher than in the US. Chinese financial institutions are not as sophisticated as US financial institutions, but are improving rapidly. Crucial to this improvement is hiring more and better trained financial analysts, risk managers, quantitative researchers, etc. The combination of a well-designed academic program, UCLA’s and PKU’s high quality faculty, and a strong hiring market in China will insure the graduates will have excellent employment opportunities. In fact, I could imagine the scale of this program increasing dramatically in the future.

Overall, I think this program is superbly designed; UCLA has the faculty to administer the program and teach the courses; and the program will be highly successful. The program leverages a huge investment already done in the finance group at UCLA to build a top MFE program. Expanding the scale of the program through a partnership with a top global university like PKU is an excellent strategy, maximizing the impact in China and leveraging PKU’s local knowledge, without diluting the existing MFE program at UCLA. The program is, in my mind, a ‘no-brainer.’ As I mentioned above, I could imagine the program increasing substantially in size in the coming years.

If you have any additional questions or concerns, please feel free to contact me if I can provide any more information.

Sincerely,

Michael Johannes
Asia-Pacific Financial Engineering Program

Report

Marcel Rindisbacher
Faculty Director
Mathematical Finance Program
Questrom School of Business
Boston University

October 24, 2017
I am writing this report in order to evaluate the proposal of the Asia-Pacific Financial Engineering Program at UCLA along the criteria spelled out in the later sent to me.

1 Quality and academic rigor of the program

The quality and the academic program is high. The courses:

1. MGMT/MFE 404 Corporate Finance and Risk Management: Course focuses more on corporate finance than on risk management. Similar to standard class in MBA/Masters of Finance. To understand corporate finance important for security analysis and risk management.

2. MGMTMFE 405 Computational Methods in Finance: Standard financial engineering course with focus on Monte Carlo methods.

3. MGMTMFE 406 Derivative Markets: Course similar to course taught at the MBA level. Does cover typical topics of a course on derivatives.

4. MGMTMFE 407 Empirical Methods in Finance: Typical financial econometrics course. To develop knowledge of R or similar econometrics software packages is important for applicants.

5. MGMTMFE 408 Fixed Income Markets: MBA level fixed income class. Covers standard material.

6. MGMTMFE 409 Financial Risk Measurement & Management: Typical risk management class at MBA level with advanced risk management topics like extreme value theory.

7. MGMTMFE 410 Applied Finance Project: Very valuable for students signalling skills to potential employers.


9. MGMTMFE 431 Advanced Stochastic Calculus: Basic course covering standard topics in continuous time finance.
10. MGMTMFE 431 Special Topics in Financial Engineering Financial Innovation: Great asset that allows to teach current topics of interest.

are all taught by competent faculty with either important scholarly contributions to the field of financial engineering or significant industry experience. All courses cover important aspect of a typical financial engineering program. The curriculum is well balanced and complete. Several additional topics like, algorithmic and high frequency trading, artificial intelligence and machine learning and big data could eventually be added as electives to the program. All these are hot topics in quantitative finance today. However, as it stands, most programs are struggling to design appropriate courses to cover these fashionable topics. Therefore, additional electives should not be added at the expense of foundational courses as those currently delivered in the proposed program structure.

A potential challenge for the program may occur from mixing students of the Asia-Pacific program with those of the regular program. For example, if the level of preparation of entering students is not the same, it may be difficult to pitch the courses at the right level. It is therefore crucial to design admissions standards accordingly. Teaching faculty at the partner institution in China should obtain clear guidelines of what students are expected to know before they take courses at UCLA. If done correctly, the benefits of foreign students to spend time at UCLA Anderson is tremendous. UCLA is a well recognized global university and for Asian students to be affiliated with a first rate US academic institution has great value to advance their careers. To establish a tight partnership with one of the best Chinese universities can generate enormous value to generate other programs. Given the challenges academic institutions face with regard to the finance curriculum in MBA and EMBA programs to enter a strategic partnership and to establish a close working relationship can generate future growth options. The creation of a global brand in a global market for higher education is of first order importance. The need of finance education in Asia is unlikely to be saturated rapidly.
2 Adequacy of the size and expertise of faculty to administer the program

The program seems appropriately staffed. The student to faculty ratio is high compared to other programs. This is an asset that should be stressed in marketing the program.

A big challenge for any master level program is career services and placement, in particular, if the expectation of overseas students is to find jobs in the financial sector in the US or in Europe. As it stands, most students applying to financial engineering programs in the US expect to find a job in the financial industry in Europe or the USA. This should be taken into account when designing and marketing the program. Optimally, it should somehow be made clear where the corresponding markets for employment of the UCLA exclusive and the joint financial engineering students are. Given the growth of financial engineering programs in the US and the growth potential of finance in Asia, it is crucial to develop placement services in Asia to show students clear paths to success in the Asian financial markets. Careful design of the program will prevent potential conflicts between the new Asia-Pacific financial engineering program and the existing program delivered at UCLA exclusively. To avoid possible conflicts between the Asia Pacific Financial Engineering program and the existing program, it will be important for the administration and faculty to clearly communicate the relative scope and placement goals of the two programs. It will also be essential that students to identify with their particular program such that the two programs do not cannibalize each other.

The faculty teaching in Chinese is well trained but relatively inexperienced given that many are assistant professors who have only recently finished their PhD. It will be important to make sure that the teaching of the Fall semester courses is at the appropriate level. To have inadequately trained students in the courses taught in the Winter semester and to mix them with students from the home campus can otherwise create tensions in the program.

3 Adequacy of the facilities and budgets

Budgets are difficult to read from the outside but look appropriate. Facilities look fine as well.
4 Applicant pool and placement prospects for the graduates

Peking University is one of the premier academic institutions in China. To recruit qualified students in China is a challenging task. To have an academic partner with substantial academic reputation is an advantage not only for the Asia-Pacific Financial engineering program but also for the UCLA’s financial engineering program offered exclusively on the UCLA campus. A collaboration with a Chinese Institution allows to capitalize on admission expertise difficult to obtain otherwise. There are significant positive synergies that can be extracted from such a collaboration.

The applicant pool for such a program is strong. The need to form students in quantitative finance in Asia continues to be high. As it stands the financial sector in China is missing qualified human capital. Certain dimensions of the financial system are underdeveloped. To find a large pool students with high GPA and adequate scores in the GMAT and GRE tests should be relatively straightforward. A crucial ingredient in the admissions process will be to make sure that students do indeed meet the requirements in mathematics and statistics classes, in particular, because many lower quality Chinese universities often offer courses whose content is relatively disconnected from the course label and syllabi often are not very reliable. To rely on a qualified Chinese partner institution in evaluating the quality of applicants will be important.

To assess the placement opportunities in Asia are difficult. However, reputation counts for a lot. With an UCLA affiliated degree, students are potentially in high demand in places like Singapore, Hong Kong, Shanghai and Beijing. To develop placement services for Asia is challenging but has considerable upsides. Given the number of students quantitative finance programs in the US accept, to develop placement skills in Asia is necessary for most programs. To collaborate with an academic institution in China can create considerable synergies.

In order to address student satisfaction, it is necessary to manage student expectations with regard to placement appropriately. Students of the Asia-Pacific Financial Engineering Program should understand that they are most likely to find jobs in Asia. It is also important to note that there is growing competition in placement. For example, the Risk Management Institute at the National University of Singapore is offering a joint risk management program with Peking University. Strategic positioning will be crucial for continued placement success.
5 Conclusion

Overall, the program is well designed and very promising. As for any new ventures challenges will emerge. But given the quality of the faculty delivering and overseeing the program, I am confident that the program will be successful and contribute significantly to enhance the UCLA brand in the field of quantitative finance.
Responses to External Faculty Letters (UC and non-UC)

Collaboration Between the Two Partner Schools

Concern: Reviewers requested clarification on how the schools will collaborate on issues that affect the dual degree.
Response: The operational details of the collaboration between the two schools is outlined in Appendix N, a draft Memorandum of Understanding (MOU). This includes, among other things, proposed policy regarding the instance whereby if either party wishes to discontinue the dual degree program or modify their involvement. Once the M.F.E.- Asia Pacific degree proposal receives final approval, the MOU will be formally negotiated between the two schools.

With respect to concerns about collaboration raised by one reviewer in the area of Admissions, additional details have been included in the relevant section in the proposal and are summarized here:

- Can a student be admitted to the UCLA M.F.E. – Asia Pacific degree program without also being admitted to the PKU M.Fin. program?
  - Students will have to meet the admission criteria established individually by UCLA and PKU.
- If admission to both programs is required, how will the two schools collaborate on admissions?
  - PKU will pre-select students based on their admissions criteria; these applicants then apply to the UCLA program and the same rigorous UCLA criteria will be applied to that applicant pool as for anyone applying directly to our programs.
- If an applicant is admitted to the Master of Finance program, must the students be separately admitted to the M.F.E. – Asia Pacific program?
  - Yes, see above response.

Student Recruitment

Concern: Reviewer was not clear on how the two universities will collaborate on student recruitment.
Response: The Guanghua School of Management will be leading the principal recruitment efforts, which will be based in the Asia Pacific region. UCLA Anderson faculty and staff will participate in some of those overseas recruitment initiatives. In addition, it is anticipated that there may be some international students completing their undergraduate degree at UCLA or other UC campuses who may be interested in this dual degree program. This will entail some locally-regionally based recruitment initiatives on the part of UCLA faculty and staff. The two partner schools will also collaborate on web and hard copy recruitment materials as well as initiatives through social media.

Financial Aid

Concern: Appears that tuition and fees are separately charged by the two schools. Is there a collaboration on financial aid or on commitments of resources to the dual degree?
Response: We confirm that each University will collect the student charges and fees for their program separately and use those monies accordingly to fund any and all of their respective program expenses. PKU has agreed to assume the greater share of the marketing costs including funding UCLA faculty and
staff travel costs for recruitment activities in the Asia Pacific region. UCLA will fund any travel and accommodation costs related to the UCLA teaching required in Beijing during the final Fall quarter/term.

**English Language Abilities of Students**

**Concern:** Spoken and written English language abilities of students.

**Response:** As part of their application requirements, prospective students will be required to take either the GMAT/GRE, submit two essays, and take either the TOEFL or IELTS exams. The TOEFL/IELTS exams are required of all applicants whose native language is not English and for those students who attended a university where the medium of instruction was English, but the official language of the country was not English, i.e. India, Singapore, China etc. In addition, all admitted students have to pass an interview conducted in English. These interviews are conducted on an invitation-only basis. These requirements are currently in place for the existing M.F.E. degree program and have provided us with students who are sufficiently fluent to succeed in the program and to obtain employment in the U.S. upon graduation.

**Student Progression**

**Concern:** What happens if an admitted student fails to meet the requirements for continued enrollment in one of the two degree programs?

**Response:** The two schools will keep each other apprised of student progress. If academic concerns arise with a student and remediation is not successful; at that time the decision will have to be made about whether or not a student would continue in the dual degree program. For the UCLA M.F.E. – Asia Pacific degree, students will have fulfill the degree program requirements. These guidelines/rules of collaboration will be more fully outlined in the final MOU.

**Curriculum**

**Concern:** Is UCLA relying on the education of students in the first term of the dual degree program, which courses are taught by Peking University as background for the M.F.E. Asia Pacific coursework? If so, does UCLA have a mechanism to assure that the education is of sufficient quality?

**Response:** The courses taught by PKU in the first Fall term/quarter of instruction will replicate the content that is being taught in the first Fall quarter of the current Anderson M.F.E. program. With respect to the concerns regarding quality of instruction and content, UCLA Anderson has conducted extensive research and deliberation on the merits of pursuing the dual degree program with PKU. UCLA Anderson has been comfortable, from the outset, with the academic rigor of our chosen partner.

**Concern:** UCLA plans to use the 4-unit Applied Project course as its comprehensive exam. What is the separate listing of 2 units of Applied Project by PKU? Is it a different project, more of the same or double credit?

**Response:** We clarified this concern with our partner. They have removed the 2 unit Applied Project from their listing of courses to avoid confusion; this will not be a distinct course offered by them. They advised they will be utilizing some of the units earned in the UCLA Applied Project towards fulfillment of their degree requirements.
Concern: Why the Corporate Finance course is a core course in the UCLA degree.
Response: We are emulating the current construct of the existing M.F.E. degree with this requirement and feel it is suitable to do so for this degree proposal.

Concern: Several reviewers had concerns regarding the number and content of the electives detailed in the proposal.
Response: We expect that our elective offerings will evolve in accordance with market trends, student interests and that as the program matures and expands, we will be able to add more elective offerings. It should be noted that the current M.F.E. degree program, which is one quarter longer, has a total of 4 electives whereas this degree proposal has 3. Finally, we expect to coordinate with our partner on their elective offerings to ensure students have broad exposure to areas of particular interest.

Concern: Provide more explicit details about how meetings/advising for the Applied Finance Project in the second Fall will be conducted.
Response: Further details have been included in the proposal regarding how the advising will be conducted.

Concern: Reviewer would like more precision on the content of the third and final elective in the second Fall term.
Response: This course will not be taught until the Fall of 2020, some three years out from the writing of this proposal. Therefore, the degree designers wanted to indicate that there would be an elective offered in this period but reserved the right to determine the exact content closer to the date so as to be more responsive to market trends/developments and student interests.

Concern: The amount of faculty involvement in the capstone course seems low; suggested that the course be jointly taught by PKU and UCLA faculty.
Response: The Applied Finance Project course is structured in accordance with and meets all UCLA requirements for level of faculty involvement. As outlined above, we have now included additional details on the advising that will occur during this course in the proposal. We have discussed with our partner assigning a PKU and a UCLA faculty member to oversee the project.

Concern: Mixing students from the Asia-Pacific program with those of the regular program.
Response: As previously described, the students in the M.F.E. – Asia Pacific degree program will be required to fulfill rigorous admissions requirements and will have the same level of preparation in the first Fall term in their PKU courses as the UCLA based M.F.E. program.

It should be noted that in relation to the concerns expressed about possible “conflict” between the two UCLA M.F.E. programs, particular care has been taken in the design of the degree proposal to prevent this. Specifically, marketing materials will clearly delineate the differing structures and outcomes, the two programs will have distinct admissions processes, and students will not be able to transfer between the two programs. Most importantly, we created a distinct degree name to signal the difference in programs. We are not just offering another “section” or “track” of the M.F.E. program, rather, we are offering a different degree program, the M.F.E. – Asia Pacific.
**Budget**

**Concern:** Whether the price differential between the existing UCLA Anderson Master of Financial Engineering (M.F.E.) degree program and the dual degree program will have adverse effects; particularly with the significant number of applications coming from China for the current program.

**Response:** The 2017 – 2018 student charges for the M.F.E. program are $73,608. This amount was prorated on a per unit basis to determine the cost of the M.F.E. – Asia Pacific degree. It should be noted that the existing degree program has more units required for completion and also provides students with internship and career placement services. For the proposed dual degree program, the internship and career placement services will be offered by Guanghua School of Management. The projected combined student charges for the two programs in the first year of operation is $65,000.

Regarding the concern that this new dual degree program will negatively impact the applicant pool, we believe that there are sufficient qualified applicants for both programs. For the class that started in September 2017 (Class of 2018), the M.F.E. program received 735 applications. Of those applications, 535 applicants were from China, out of which 77 applicants were admitted and 46 enrolled. There were 458 candidates who were not admitted. We feel there is enough depth and breadth in the applicant pool that many of those candidates who did not receive an offer of admission are qualified to succeed academically in either M.F.E. program. These numbers, coupled with demand estimates from our partners at PKU, provide enough evidence that there is sufficient demand to support a second degree in this discipline.

**Program Name**

In response to concerns raised by one reviewer about the use of the word “program” in the document, we revisited the document and clarified when we were referring specifically to the M.F.E. – Asia Pacific degree versus the dual degree program.

**Concern:** Other than that students are taking some of their M.F.E. coursework in Beijing, it is not apparent that the name M.F.E. – Asia Pacific has any real meaning.

**Response:** We must respectfully disagree with this observation. We made a deliberate choice to create a unique degree name to signal that it was structured differently and had requirements distinct from the existing UCLA Anderson M.F.E. degree. The “Asia-Pacific” identifier is designed to indicate the particular regional focus of the subsequent internship and job placement focus of the dual degree program’s students and graduates. Furthermore, we consulted with Finance Faculty and current M.F.E. students and they validated this degree name. Finally, the “Asia-Pacific” nomenclature is already in use with our Executive M.B.A. dual degree program with the National University of Singapore.

**Student Job Placement**

**Concern:** Reviewer suggested that the proposal discuss further the current shape of the Chinese financial sector and whether quantitative finance should be the unique placement’s target or whether the scope for placement should be broader.

**Response:** Given the volatility of the financial sector in China and other countries and the fact that the first graduates of the program will not enter the job market until 2021, the degree proposal designers
outlined their current understanding of the financial sector. We expect that the scope of placement will evolve over time and be attuned to current market conditions. We also expect that the program design will evolve over time, just as the current UCLA M.F.E. program has in response to changing job market and student needs.

**Student Internship**

**Concern:** The possibility that students will want to do their summer internship in the US to gain experience with US companies.

**Response:** US visa rules prevent M.F.E. – Asia Pacific degree students from pursuing either an internship or full-time position in the US. Since the internship is a requirement of the M.Fin. degree not the M.F.E. – Asia Pacific degree, students cannot meet the requirements of Curricular Practical Training (CPT).

**Faculty**

**Concern:** Whether there are enough faculty to cover off leaves, sabbaticals and resignations.

**Response:** We feel that we have a “deep bench” of faculty resources – ladder and adjunct to support this program.

**Characterization of M.Fin. Program**

**Concern:** That the characterization of M.Fin. programs as non-technical general finance programs is not as valid as it once was.

**Response:** We appreciate this observation and have corrected that language in Section 1, point 5 of the document.
APPENDIX H: Draft Bylaws (For IDP Proposals)
Not applicable (not an IDP proposal).

APPENDIX I: Departmental Commitments (For IDP Proposals)
Not applicable (not an IDP proposal).

APPENDIX J: Syllabi and Curricula Vitae
Course syllabi and faculty CVs are appended to this proposal.
APPENDIX K:
Framework for the Peking University Guanghua School of Management
Master of Finance Dual Degree Program with the UCLA Anderson School of Management

1. Information about Academic Partner—Peking University Guanghua School of Management

Peking University (PKU) was the first modern national university in China, and has been a leading institution of higher education since its establishment. Founded in 1898, the University has been committed to the core values of “patriotism, progress, democracy, and science,” keeping its teaching and research on the cutting-edge of world development. PKU is directly led by the Ministry of Education in China. It is among the earliest universities designated as “211 Project” institutions, a project of National Key Universities initiated in 1995 by the Ministry of Education. It is also a founding member of “C9 League”, an alliance of the top nine universities in China, pitched as China's equivalent of the American Ivy League. According to the “2016 Times Higher Education World University Rankings,” PKU ranks #42 worldwide, #2 in Asia and #18 globally in the Business and Economics subject areas. As a major research university, PKU has 7 broad divisions and 62 departments, covering arts, sciences, engineering, business, law, and medicine.

The Guanghua School of Management (GSM) was established as the Department of Economics and Management in 1985 and was renamed as the “Guanghua School of Management” in 1994. GSM is currently comprised of 110 faculty members, covering a broad spectrum of business disciplines. Grounded in the rich historical and cultural legacy of PKU, GSM is at the forefront of China’s social and economic progress. With over thirty years of experience in top-notch education and cutting-edge research, GSM has played an indispensable part during the reform and opening process of China: on one hand, it serves as a leading think-tank through intensive collaboration with the national financial regulators; on the other hand, it has committed itself to generating management knowledge, nurturing business leaders and advancing social development, as substantiated by its successful track record of offering Master of Finance (M.Fin.), Master of Business Administration (M.B.A.) and Executive M.B.A. (E.M.B.A.) programs. For example, the M.Fin. program ranked 1st for five consecutive years in Asia according to the Financial Times ranking; its M.B.A. program has been leading other universities in China as well. By operating these programs and courses, GSM has accumulated abundant experience in curriculum design and program management. GSM has valuable experience of international collaboration, as evidenced by educational partnerships with Kellogg School of Management (Joint Guanghua-Kellogg E.M.B.A. Program), Harvard Business School, Oxford University, and the Double M.B.A. Degree
Programs with MIT Sloan School of Management, Foster School of Business at the University of Washington, and McCombs School of Business at UT-Austin.

2. Applicant Pool and Demand for the Program

*Expected number of applicants*

We expect the first class to consist of about 50 students. This takes into consideration that the selection ratio for the existing M.Fin. program at Guanghua is 10:1. In addition, based on market research that we have done, we expect that there will be about 300-400 applications for the dual degree program in the first year and it will grow gradually in the following years with the increase of brand awareness.

*Type of applicants sought and from where*

For the first year, we will primarily target promising candidates from the undergraduate programs of key universities in mainland China. In the future we hope to see an increase of applications from Hong Kong, Taiwan and South East Asia including Malaysia and Singapore etc. and the United States, from students who would like to learn about the financial industry of the two most important economies in the world and to seek job opportunities in China or with China. We expect that the age range of the applicants will be between 22 to 30 years. Though we expect that many of the applicants will be recent graduates, we anticipate that there will be some people with work experience seeking to enhance their skills and qualifications or to make a career transition, who will be interested in the program.

All prospective students need to have a strong quantitative background including linear algebra, multivariate calculus, differential equations, numerical analysis, and advanced statistics and probability. In addition, applicants should have some experience or coursework in computer programming plus statistical and econometric modeling.

*Demand for the dual degree program*

With the rapid development of the Chinese economy and financial industry, the demand for financial industry leaders and professionals is significant and has grown exponentially in the past decade. According to the medium and long-term planning on the development of Chinese financial practitioners made by the One Bank, the general headquarters of People’s Bank of China, the China Securities Regulatory Commission, the China Insurance Regulatory Commission, and the China Banking Regulatory Commission, to meet the demands of the development of the financial industry, the number of Chinese financial practitioners needs to grow by 3.5% every year between 2010 - 2020. If this growth target is met, the professionals with master degrees or above will increase by about 40,000 per year, and in total there will be ~160,000 more by the year of 2020. In particular, the professionals with global perspective will be in great demand as more Chinese financial institutions expand their business worldwide and more international banks do business in China.
More importantly, as the Chinese financial sector is currently undergoing a structural reform, more financial derivatives markets will evolve, and there is a huge gap between the demand and supply of talented individuals with foundational financial theory and solid quantitative approach training. It is therefore an appropriate timing to seek the possibility of offering a dual Master’s Degree Program in Finance and Financial Engineering by PKU Guanghua School of Management and the UCLA Anderson School of Management, to help future financial leaders gain global perspective, enhance their knowledge and skills, to create the future of finance and to transform financial theory into practice.

3. Post-Graduation Employment Prospects

Financial Engineering uses tools from finance and economics, engineering, applied mathematics and statistics to address problems such as derivative securities valuation, strategic planning and dynamic investment strategies, risk management etc. Graduates with these skills are of interest to investment and commercial banks, trading companies, hedge funds, insurance companies, corporate risk managers and regulatory agencies etc. in the Greater China Area. Below is a list of the potential employers who could provide internships and jobs for graduates of this program:

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<th>Bank of America Merrill Lynch</th>
<th>ICBC Credit Suisse Asset Management</th>
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<td>Barclays Capital</td>
<td>Jane Street</td>
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<td>Black Rock</td>
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<td>China AMC</td>
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<td>China Galaxy Securities</td>
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<tr>
<td>China Merchants Securities</td>
<td>Moody’s</td>
</tr>
<tr>
<td>CICC</td>
<td>Morgan Stanley</td>
</tr>
<tr>
<td>Citadel</td>
<td>MSCI</td>
</tr>
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<td>CITIC Securities</td>
<td>Nanhua Futures</td>
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<tr>
<td>Citigroup</td>
<td>Optiver</td>
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<td>Credit Suisse</td>
<td>Pingan Securities</td>
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<td>Deutsche Bank</td>
<td>Snow Lake</td>
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<td>E Fund Management</td>
<td>Southern Fund</td>
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<td>Fidelity Investments</td>
<td>State Administration of Foreign Exchange(SAFE)</td>
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<td>First Manhattan</td>
<td>Taikang Asset Management</td>
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<td>Goldman Sachs</td>
<td>UBS</td>
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<tr>
<td>Harvest Fund</td>
<td>Wellington Management Company</td>
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<tr>
<td>Hillhouse Capital Management</td>
<td>World Quant</td>
</tr>
</tbody>
</table>

4. Program Market and Comparable Programs

The dual degree program will be characterized by the following features:
It will be a full time, in residence program for two years;
It will be fully conducted in English;
Students will be required to fulfill the degree requirements of both schools including:
  o Three terms with PKU Guanghua (including one shared term with UCLA Faculty) taking courses, plus complete a summer internship and a thesis (final two terms of the program).
  o Three terms with UCLA Anderson (including one shared term with PKU) taking courses including the completion of the Applied Finance project.
The successful graduates will be conferred two degrees, a Master in Finance from PKU and a Master in Financial Engineering – Asia Pacific from UCLA.
The partners of the dual degree programs are both distinguished business schools from the world’s largest economies, China and the United States, and have distinguished, world renowned faculty in Finance and already provide high-quality programs in Finance.
If we combine all the characteristics of the dual degree program, currently there are no similar programs available in China. However, as a new program entering the market, we aim to draw the potential applicants from the following pools:
  o Undergraduates who plan to obtain overseas study experience and obtain a Master’s degree in Finance in the U.S.
  o At PKU only, about 200 students (33%) apply to a Master in Finance degree program in the U.S. every year. The graduates pursuing a Master in Finance degree at PKU are mainly from the Departments of Science, Information and Engineering Science, Economics and Management; about 600 in total annually.
  o Undergraduates who want to pursue a Master in Finance degree at Guanghua or other top-tier business schools in China. This includes both the local students from key universities in mainland China and those who are based in the Greater China area, Southeast Asia and the United States.

5. PKU Master of Finance Degree Requirements

Academic Credit Hours
Guanghua M.Fin.: 42 credits (640 hours), internship (no credits assigned) and thesis as required by China regulations. Credits earned at Anderson will be recognized by Guanghua.

Note, the Anderson MFE – Asia Pacific degree requires 40 units to be earned through coursework and the Applied Finance Project.

Curriculum
The curriculum for both degrees is comprised of core and elective classes designed to teach advanced level financial quantitative theory and practice. Specific course offerings were
determined based on the existing curricula of the Anderson Master of Financial Engineering and the Guanghua Master of Finance programs.

The following diagram details the degree requirements for both the PKU and UCLA degrees and the student progression through the dual degree program.

**Quarter/Term 1: Fall**

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>PKU</td>
<td>02812080</td>
<td>Fundamentals of Investments (Core)</td>
<td>2</td>
<td>Liu, Yuzhen</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812030</td>
<td>Stochastic Calculus (Core)</td>
<td>2</td>
<td>Li, Chenxu</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812070</td>
<td>Econometrics (Core)</td>
<td>3</td>
<td>Wang, Yaping</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812500</td>
<td>Financial Accounting (Elective)</td>
<td>2</td>
<td>Zhang, Xiaojun</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02810090</td>
<td>Microeconomics (Elective)</td>
<td>3</td>
<td>Meng, Juanjuan</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812010</td>
<td>Macroeconomics (Elective)</td>
<td>3</td>
<td>Chen, Yuyu</td>
<td>Beijing</td>
</tr>
<tr>
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<tr>
<td></td>
<td></td>
<td><strong>Total PKU Units</strong></td>
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</table>

**Quarter/Term 2: Winter**

<table>
<thead>
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<th>Course Taught By</th>
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<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>MGMTMFE 404</td>
<td>Corporate Finance &amp; Risk Management (Core)</td>
<td>4</td>
<td>Welch, Ivo</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 405</td>
<td>Computational Methods in Finance (Core)</td>
<td>4</td>
<td>Goukasian, Levon</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 406</td>
<td>Derivative Markets (Core)</td>
<td>4</td>
<td>Andrei, Daniel</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 407</td>
<td>Empirical Methods in Finance (Core)</td>
<td>4</td>
<td>Lochstoer, Lars</td>
<td>Los Angeles</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total UCLA Units</strong></td>
<td></td>
<td>16</td>
<td></td>
</tr>
</tbody>
</table>
Quarter/Term 3: Spring

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>MGMTMFE 408</td>
<td>Fixed-Income Markets (Core)</td>
<td>4</td>
<td>Longstaff, Francis</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 409</td>
<td>Financial Risk Measurement &amp; Management (Core)</td>
<td>4</td>
<td>Haddad, Valentin</td>
<td>Los Angeles</td>
</tr>
</tbody>
</table>

Choose Two Special Topics in Financial Engineering Electives:

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>MGMTMFE 431</td>
<td>Special Topics in Financial Engineering: Quantitative Asset Management (Elective)</td>
<td>4</td>
<td>Herskovic, Bernard</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 431</td>
<td>Special Topics in Financial Engineering: Financial Innovation</td>
<td>4</td>
<td>O’Brien, John</td>
<td>Los Angeles</td>
</tr>
<tr>
<td>UCLA</td>
<td>MGMTMFE 431</td>
<td>Special Topics in Financial Engineering: Advanced Stochastic Calculus (Elective)</td>
<td>4</td>
<td>Panageas, Stavros</td>
<td>Los Angeles</td>
</tr>
</tbody>
</table>

Total UCLA Units: 16

Summer

Students complete an internship requirement for the PKU degree in China. PKU sources and oversees the internship requirement. Note: PKU does not assign credit for the internship towards the PKU degree.
Quarter/Term 4: Fall

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCLA</td>
<td>MGMTMFE 410</td>
<td>Applied Finance Project (Core)</td>
<td>4</td>
<td>Peleg</td>
<td>Beijing</td>
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<tr>
<td>UCLA</td>
<td>MGMTMFE 431</td>
<td>Special Topics in Financial Engineering: TBD</td>
<td>4</td>
<td>TBD</td>
<td>Beijing</td>
</tr>
</tbody>
</table>

Total UCLA Units 8

*Students will have now completed the 40 units required for the UCLA Degree

<table>
<thead>
<tr>
<th>Course Taught By</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Units</th>
<th>Professor</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>PKU</td>
<td>02812381</td>
<td>Credit Risk Management (Elective)</td>
<td>2</td>
<td>Wang, Zhicheng</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02812310</td>
<td>Special Topics on Financial Engineering (Elective)</td>
<td>2</td>
<td>Xu, Jiangmin</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02838190</td>
<td>Topics on China Market (Elective)</td>
<td>2</td>
<td>Liu, Qiao &amp; Jin, Li</td>
<td>Beijing</td>
</tr>
<tr>
<td>PKU</td>
<td>02802340</td>
<td>Advanced Topic on Asset Pricing (Elective)</td>
<td>2</td>
<td>Liu, Yuzhen</td>
<td>Beijing</td>
</tr>
</tbody>
</table>

Total PKU Units 8

Terms 5 & 6: Winter and Spring

Students will complete a Masters level thesis (A PKU degree requirement) under the guidance of Guanghua faculty members in Beijing. At the end of the second Spring term, students will have completed the 42 units and all other requirements for their PKU M.Fin. Degree.

List of the PKU courses along with a brief description

Fundamentals of Investments
In the context of the overall financial environment in which the company operates, it helps students understand the core concepts and core tools of corporate financial analysis. This course will provide a number of analytical frameworks that can be used to assess the
financial decisions of various companies to help students understand corporate finance theory, and how to apply these theories in actual coM.B.A.t.

**Stochastic Calculus**
This course covers the economic, statistical, and mathematical foundations of derivatives markets. It presents the basic discrete-time and continuous time paradigms used in derivatives finance, including an introduction to stochastic processes, stochastic differential equations, Ito's Lemma, and key elements of stochastic calculus. The economic foundations of the Black-Scholes no arbitrage paradigm are covered, as are Girsanov's theorem and changes of measure, the representation of linear functional, equivalent martingale measures, risk-neutral valuation, fundamental partial differential equation representations of derivatives prices, market prices of risk, and Feynman Kac representations of solutions to derivatives prices. The role of market completeness and its implications for the hedging and replication of derivatives will be covered in depth.

**Corporate Finance**
The course focuses on how companies make important financial decisions in an uncertain environment. The decision related to the course includes corporate valuation; the convertible bond financing decision; the M & A decision; the venture capital decision, etc.

**Econometrics**
This course will review the main contents of the primary econometrics, and then provide the intermediate econometrics theory and how to solve the problems in financial economics. The econometrics theory mainly includes the endogenous problem of linear model, discrete choice model and time series analysis. The application of econometrics will be based on the basic steps, common problems and computer software.

**Financial Accounting**
This course is mainly cover the content not mentioned in "primary financial accounting" and "intermediate financial accounting". This course will provide students a comprehensive understanding of the impact of corporate financial decision on financial statements. The main contents include: recognition and measurement of financial assets; company equity investment accounting; company merger accounting; consolidated financial statements; goodwill; application and disclosure of special purpose entities; leasing business processing etc.

**Microeconomics**
This course aims to cover a broad range of the classical microeconomics theory, including consumer theory, producer theory, market equilibrium, externality and the development of the theory of behavioral economics. The course will start with the basic assumption of rational person, emphasizing on maximizing this method application in individual decision making, as well as the limitations of some traditional assumptions in some applications. The course will involve a large number of mathematical methods, but will also use diagrams to balance accuracy and intuition.
Macroeconomics
The course covers macroeconomic theory and policy, mainly emphasizes the macroeconomic theory analysis framework, fiscal policy, monetary policy, international financial integration and exchange rate policy, growth policy and tax policy, crisis response and lessons in 2007, China economic situation and challenges.

Topics on China Market
This course provides some hot topics of concern Chinese financial market, in-depth analysis of hot issues, application of economic and financial theories into hot events, the combination of theory and practice.

Advanced Topic on Asset Pricing
This course provides some advanced topics to the empirical finance and analytical tools for students to understand how to do finance research. The course covers a broad range of topics including research in finance, from market efficiency to behavioral finance, market microstructure, China research, and asset pricing models.

Credit Risk Management
This course introduces the technical methods of credit risk analysis and measurement, and discusses the theoretical model of credit risk. The credit rating method to analyze the credit risk, the main methods to model the credit risk of companies and organizations using market data and company characteristics data, including the structure model, the simple model and comprehensive model, the portfolio credit risk models and several frequently used methods is introduced between companies.

6. Student Fees
Guanghua M.Fin.: US$ 24,687 (RMB 158,000 Yuan) for the degree

7. Scholarships
Funding will be made available to offer a limited number of merit-based scholarships in order to attract the best students into the program.

8. Resources to be provided at Guanghua School of Management

Staff
The operation of the M.Fin. program is closely coordinated by three offices, including the Undergraduate & Postgraduate Program Office, the Career Development Center, and the International Relations Office. About 7 staff will be involved to carry out the following functions of the new dual-degree program.

• Marketing & Admissions
• Academic Affairs
• Overseas Study
• Extracurricular Activities and Alumni Relations
• Placement

**Faculty**

Please refer to the appendix of faculty who teach in the M.Fin. program at Guanghua at the end of this document.

### 9. Data Resources

The new Bloomberg laboratory has now come into service. The leading research resources will help faculty and students obtain up-to-date domestic and global financial data, and analytical tools that will generate better research results, broaden students’ global vision, and improve their practical skills.

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Content</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance and Economics Database</strong></td>
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<tr>
<td>Bloomberg</td>
<td>Bloomberg Laboratory</td>
<td>Global Financial Info Terminal</td>
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<td>BVD series</td>
<td>PKU Library</td>
<td>Global Bank and Insurance Enterprise Data</td>
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<tr>
<td>Capital IQ</td>
<td>D06 D11-D14</td>
<td>Global Investment Bank Analyses Platform</td>
</tr>
<tr>
<td>CEIC</td>
<td>Service Platform</td>
<td>Macroeconomic and Industrial Data</td>
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<td>CSMAR</td>
<td>Service Platform</td>
<td>China's Stock Market Database</td>
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<td>CVSource</td>
<td>D28</td>
<td>China's Equity Investment Data Terminal</td>
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<td>DataStream</td>
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<td>Global Economy and Stock Market</td>
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<td>HKBA</td>
<td>Disc</td>
<td>Hong Kong High-Frequency Stock Market Data</td>
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<td>C25-C26 D16-D25 E01-E06</td>
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<td>Disc</td>
<td>Chinese Enterprises Above Designated Size Data</td>
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<td>Emerald</td>
<td>PKU Library</td>
<td>Management Journal and Database</td>
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<td>JSTOR</td>
<td>PKU Library</td>
<td>Digitized Back Issues of Academic Journals</td>
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<td>Electronic Journals and Library Database</td>
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<td>IMF Reports and Data</td>
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<td>OECD online Library</td>
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<td>World Bank electronic Library</td>
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<td><strong>ProQuest series</strong></td>
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<tr>
<td>Emerging Market Information Service</td>
<td>PKU Library</td>
<td>Global Emerging Market Business Info</td>
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</tbody>
</table>
Appendix - Faculty of M.Fin. Program
Guanghua School of Management

Chen, Yuyu
Professor of Applied Economics
Chen YuYu is a Professor of Economics at the Guanghua School of Management, Peking University, Director in Institute of Economic Policy Research of Peking University. He received his Ph.D. in 2002 from Australian National University where his majored in Economics. His research interest focuses on inequality, Human capital, health, Productivity and growth. Now his teaching courses are Macroeconomics, Macroeconomic Policy, Applied Econometrics and Labor Economics.

Professional Experience
2013-
Professor of Applied Economics, Guanghua School of Management, Peking University
2008-2013
Associate Professor of Applied Economics, Guanghua School of Management
2002-2008
Assistant Professor, Guanghua School of Management

Liu, Yu-Jane
Professor of Finance
Yu-Jane Liu Is a Professor of Finance at the Guanghua School of Management, Peking University. She has published lots of papers in international journals such as Review of Financial Studies, Management Science, Journal of Financial and Quantitative Analysis, Journal of Corporate Finance, Journal of Financial Markets, Journal of Banking and Finance, and European Finance Management. Professor Yu-Jane Liu has been with Guanghua school of Management since 2007. She has been a Director of Academy of Finance and Development since 2012. Prior to joining Guanghua school of Management, Professor Liu taught at Chengchi University and served as the director of the center on Investment Behavior.

Research Areas
Behavioral Finance
Market Microstructure
Household Finance
Investment

Professional Experience
2007—present
Professor of Finance, Guanghua School of Management
1998—2007
Gong, Liutang  
Associate Dean
Professor of Applied Economics
Gong Liutang is a Professor of Applied Economics at the Guanghua School of management. He graduated from Wuhan University where he achieved his bachelor degree, master degree, and PhD in mathematics. He has published many papers on top academic journals and the research results are well received. His academic interests include Public finance, economic growth, macroeconomics, dynamic economics and China economy. His teaching courses are Dynamic Optimization; Advanced Microeconomics; advanced Macroeconomics; Topics on Macroeconomics; Dynamic Economics Analysis; Public Finance; Marketing Models; Dynamic Programming; Economic Growth and Investment under Uncertainty.

Professional Experience
2004-present
Professor of Economics, Guanghua School of Management, Peking University 1999-2004
Associated Professor of Economics, Guanghua School of Management, Peking University 1997-1999
Associated Professor of Economics, Institute for Advanced Study, Wuhan University

Jin, Li  
Chair Professor of Finance
Dr. Li Jin currently serves as Chair Professor of Finance at Guanghua School of Management in Peking University. He is the Director of the National Centre for Financial Research at Peking University, as well as the Director of the Management Case Research Centre at Peking University, Associate Dean at Guanghua School of Management. He is a recipient of the Prestigious “thousand talent plan” recognition of the Chinese central government.

In the past, he has been a finance professor at the Harvard Business School and also served as an executive committee member of the Fairbank Centre for East Asian Research at Harvard University. He currently also serves as Professor of Finance at Oxford University Said Business School, and is a member of Oxford University China Centre.

Li Jin currently serves as the Founding Academic Director of the Harvard-Oxford-Peking University Family Business and Private Sector Business Program. He is an internationally recognized expert of corporate governance, and serves on the board and scientific committee of Global Corporate Governance Colloquia representing China. He has been serving as the director and senior advisor of many academic and practitioner organizations
around the world, and the independent director or outside director for many listed and non-listed firms, fund management companies and SEOs in China and abroad. He also serves as the senior counselor or the committee in several academic and practical institutions domestic and overseas.

Li Jin has published numerous articles at leading academic journals including Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Journal of Accounting and Economics, Review of Economics and Statistics, etc. He has earned rewards such as FAME Research Prize, PanAgora Quantitative Research Award, and Best Paper Award in TCFA Conference, Financial Management Association European Conference, and Global Financial Association Annual Conference, etc. He has authored or co-authored about two dozen cases studies about Chinese companies.

Li Jin received his Ph.D. in finance from the MIT Sloan School of Management in 2001, and a bachelor's degree in economics from Fudan University in 1992. Before entering graduate school, he was a full time faculty member at Fudan University, Department of International Finance.

Research Areas
Investment and finance
Merger and acquisition
Private equity and venture capital
Corporate governance
Wealth management
Family trust
Family business succession planning
Corporate governance issues for family businesses
Quantitative finance

Professional Experience
2012.7 –
Chair Professor of Finance, Guanghua School of Management, Peking University
Professor of Finance(with tenure), Saïd Business School, Oxford University
2007.7 – 2012.6
Associate Professor of Finance, Harvard Business School
2001.7 – 2007.6
Assistant Professor of Finance, Harvard Business School
Faculty Member, Department of International Finance, Fudan University

Lee, Yi-Tsung
Professor of Accounting
Yi-Tsung Lee a Professor of Accounting at the Guanghua School of Management, Peking University. He joined Guanghua as a Professor in 2009. Yi-Tsung teaches Financial Accounting
in the M.B.A. program and Corporate Finance in the undergraduate program at Guanghua.

Professional Experience
2009–present
Professor of Accounting, Guanghua School of Management, Peking University
2004–2009
Professor of Accounting, National Chengchi University, Taipei, Taiwan, R.O.C.
2008–2008
Visiting Professor, China Center for Economic Research, Peking University
2001–2004
Associate Professor of Accounting, National Chengchi University Taipei, Taiwan, R.O.C
1993–2001
Associate Professor of Accounting, National Chung Cheng University Chai-Yi, Taiwan, R.O.C.

Liu, Qiao
Dean
Professor of Finance
Qiao Liu currently serves as Professor of Finance and Dean in the Guanghua School of Management, Peking University. Before he joined Guanghua, Qiao Liu taught in the Faculty of Business and Economics, University of Hong Kong, and was tenured at HKU. Qiao Liu also worked at McKinsey & Company’s Asia-Pacific Corporate Finance and Strategy Practice from December 2001 to July 2003, where he advised various MNCs and leading Asian companies on issues related to corporate finance and strategies. Qiao Liu holds a Ph.D. in financial economics from UCLA (2000), an MA in international finance from the Graduate School of People’s Bank of China (1993), and a BS in Economics and Mathematics from the Renmin University of China (1991).


Qiao also writes in Chinese. His new book "Big to Brilliant" explores a puzzle challenging Chinese business people and policy makers --- how come China have so many Fortune 500 companies but very few great companies? Qiao provides very detailed analysis on this puzzle and offers his two cents in this bestselling book.
Research Areas
empirical asset pricing
financial markets
Corporate finance
Chinese economy

Professional Experience
2011—present
Professor, department of finance, Guanghua school of management
2003—2010
Assistant professor, Associate professor, college of economics and business administration, Hong Kong university
2001—2003
Consultant, Financial and strategic consultation center, McKinsey Company Asia Pacific
2001—2003
Assistant professor, school of economics and finance, Hong Kong University

Zhou, Li-an
Department Chair
Professor of Economics
Li-An Zhou is a Professor of Economics at Peking University Guanghua School of Management and Chair of Applied Economics Department. Dr. Zhou received his BA and MA in economics from Peking University, and his Ph.D. in economics from Stanford University. He joined Guanghua as an Assistant Professor in 2002 and became a full Professor in 2010. His research interests include political economy, industrial organization, economic development, and Chinese economy. Dr. Zhou has published papers in economics and management journals including Review of Economics and Statistics, Journal of Public Economics, Journal of Health Economics, and Strategic Management Journal. He is also the author of the book Incentives and Governance: China's Local Governments (Cengage Learning, 2010).

Professional Experience
July 2006-January 2011
Associate Chair, Department of Applied Economics, Guanghua School of Management, Peking University
January 2011-present
Chair, Department of Applied Economics, Guanghua School of Management, Peking University
August 2006-present
Associate Director, Institute of Economic Policy Research (IEPR), Peking University

Ma, Zhiming
Assistant Professor of Accounting
Ma Zhiming is now an Assistant Professor of Accounting at Guanghua School of
Management, Peking University. After receiving his PHD in accounting from Hong Kong University of Science and Technology, he joined Guanghua in 2014.

Research Areas
capital market and financial information
Corporate governance
Auditing

Professional Experience
2014-
Assistant Professor of accounting, Guanghua School of Management

Education
2014 Ph.D. Accounting Hong Kong University of Science and Technology
2008 MA Economics Peking University
2005 BA Economics Peking University

Lu, Ruichang
Assistant Professor of Finance
Ruichang Lu, assistant professor at Finance Department, Guanghua School of Management, Peking University. He received the Ph.D. degree in Finance from NUS Business School, National University of Singapore. His research interest covers Banking, Financial Intermediaries, Corporate Finance. His job market paper received the Cubist Systematic Strategies Ph.D. Candidate Award for Outstanding Research at WFA 2014.

Research Areas
Financial Intermediaries
Banking
Corporate Finance

Professional Experience
2014-present: Assistant Professor at Finance Department, Guanghua School of Management, Peking University

Xu, Jiangmin
Assistant Professor of Finance
Research Areas
Asset Pricing
Behavior Finance
Financial Econometrics

Professional Experience
2014-
Assistant Professor of accounting, Guanghua School of Management

Education
Liu, Qi  
*Assistant Professor of Finance*

Professor Liu obtained his PhD in finance from The Wharton School of University of Pennsylvania. His research interests are corporate finance, financial markets and behavioral finance. His coauthored paper “Inside Debt” (with Alex Edmans) has been published in the *Review of Finance*, and has won the runner-up of “2011 Spangler IQAM Best Paper Prize”.

**Research Areas**
- Corporate Finance
- Executive Compensation
- Financial Markets
- Behavioral Finance

**Professional Experience**

2012 –
Assistant Professor of Finance, Guanghua School of Management, Peking University

---

Zheng, Zheng  
Department Vice Chair  
Professor of Finance

Zheng Zhang is a Professor of Finance at the Guanghua School of Management, Peking University. He teaches PEVC, Investment, Derivatives and Empirical Finance courses for M.Fin. and M.B.A. She does research in Empirical Asset Pricing, Behavioral Finance, Risk Management, Wealth Management, Private Equity and Venture Capital. Zheng holds a PhD in Finance from Peking University and a Masters in Mathematics from Nankai University.

**Research Areas**
- Empirical Asset Pricing
- Behavioral Finance
- Risk Management
- Wealth Management
- Private Equity and Venture Capital

**Professional Experience**

2016-Present  
Professor of Finance, Guanghua School of Management  
2009-2016  
Associate Professor of Finance, Guanghua School of Management  
2006-2009  
Assistant Professor of Finance, Guanghua School of Management  
2000-2005
Zhao, Longkai

**Associate Professor of Finance**

Dr. Longkai Zhao is currently Associate Professor of Finance at Guanghua School of Management. He serves as Assistant Dean, Executive Director of M.B.A. program, and Executive Director of M.Sc. in Finance program. Dr. Zhao’s research interests include behavior finance, empirical corporate finance, investments, and international finance. His current research projects investigate the cultural influence on IJV (international joint venture) corporate decision makings. His research works have appeared in Journal of International Business Studies, Journal of Banking and Finance, Journal of Comparative Economics, etc... He is a CFA charter holder. Dr. Zhao received his B. Econ. from Tsinghua University, M.Sc. (Management) from the National University of Singapore, and his Ph.D. in Finance from the University of British Columbia, Canada.

Research Areas
- Theoretical and empirical corporate finance
- Investment
- Asset pricing
- Derivatives

Professional Experience
- 2011-
  - Associate Professor, Guanghua School of Management, Peking University
- 2005-2011
  - Assistant Professor, Guanghua School of Management, Peking University

Chen, Jia

**Assistant Professor of Finance**

Jia Chen is currently an Assistant Professor of Finance at the Guanghua School of Management, Peking University. A researcher in the field of Empirical Asset Pricing, Chen’s research interests also include financial institutions, Financial Crises, and International Finance.

Chen has a unique perspective for finding correlations between often overlooked economic factors. For example, in “Are Firms in 'Boring' Industries Worth Less?” he posits that a positive relation between market-to-book ratios and industry profitability dispersion is economically large and statistically significant. His insightful research and publications will continue to assist those at Guanghua Management school and the academic community as a whole.

With a voracious appetite for education, Chen started working as a teaching assistant and
later as an instructor while working towards his Ph.D. at Ohio State University. CHEN currently teaches Financial Risk Management, International Financial Management, Financial Markets and Institutions, and Fixed Income Securities in both English and Chinese for undergraduate students, Master of Finance students, and M.B.A. students.

He is actively attending academic conferences and making seminar presentations at research institutions.

**Zhang, Xiaojun**  
*Assistant Professor of Accounting*

**Education**

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**Tang, Ya**  
*Assistant Professor of Finance*

Ya Tang is an Assistant Professor of Finance at Guanghua School of Management, Peking University. Her research interests are in asset pricing, financial institutions and information economics. Her current research focuses on information transmission and production in financial markets and related regulation issues. Her research is supported by National Natural Science Foundation of China.

**Research Areas**

- Information transmission and production
- Information cascade
- Asset pricing: Return predictability in financial market

**Professional Experience**

2010–present  
Assistant Professor of Department of Finance at Guanghua School of Management, Peking University
APPENDIX L: Request for a Distinct Program Name

The UCLA Anderson School of Management is writing to request that in addition to establishing a new degree name, Masters of Financial Engineering – Asia Pacific; as proposed in Section 9 of this new degree proposal, that a distinct program name also be established at the campus level for the dual degree program with the Guanghua School of Management, Peking University (PKU).

The reasons behind this request are as follows:

- Dual degree programs emerge from two entirely separate academic institutions, each of which must adhere to their respective degree structures and policies. As a result, each of the degrees emerges with its own distinct name.
- The writers of this proposal feel that it is not appropriate to include the name of another institution in a UCLA degree name, for example, “UCLA-PKU Master of Financial Engineering.” This nomenclature implies that PKU courses are part of the UCLA degree requirements and have some involvement in the conferring of the degree which is a misrepresentation.
- In the instance whereby you are developing a single degree program such as English, Business Administration, or Chemical Engineering, it is quite straightforward to determine the focus of the program and the credential to be obtained, through the degree name. However, when you have two degrees, with two distinct names, from two different academic institutions, it is unclear exactly what the aim of the program is when you do not have any common information. The dual degree program (not just the degrees) needs to be able to have the ability to describe exactly what it is all about, to establish a distinct and marketable identity and brand for itself, and to provide students with a clear understanding of what they can achieve by taking this program.
- Having a distinct program name establishes the dual degree nature of this program; it brings together two disparate programs under one name.

An examination of the current UC new degree proposal and self-supporting degree templates and guidelines did not provide any direction or historical context to assist with this request. Subsequently, the outgoing and incoming Chairs of the UCOP Coordinating Committee on Graduate Affairs, after discussion of the request, advised that in the absence of a clear policy directive at this time, that a decision at the campus level would be most appropriate. In addition, the UCOP Academic Planning Council was consulted and they agreed that this initiative was reasonable and that it could be dealt with at the campus level. Subsequent consultation with the UCLA Graduate Division confirmed that they would not have any issues with the request to create a distinct program name for this dual degree entity.

Therefore, the UCLA Anderson School of Management respectfully requests that the following program name be approved in conjunction with this new degree proposal:

“UCLA Anderson – PKU Guanghua Dual Master’s Degree Program in Financial Engineering & Finance.”
UCLA’s core mission can be expressed in just three words: education, research, service. [...] UCLA endeavors to integrate education, research and service, so that each enriches and extends the others. This integration promotes academic excellence and nurtures innovation and scholarly development.1

This document sets out a revised teaching load policy for UCLA Anderson that is consistent with this mission.

Proposed new teaching load policy

The nominal teaching load for faculty employed at 100% time at UCLA Anderson is 5 quarter courses for Senate faculty, 6 for Adjunct faculty, and 9 for Lecturers. Lecturers are expected only to teach, while Adjunct faculty and Senate faculty are expected to engage in a mix of research (scholarship or other creative activity), teaching and service. The lower teaching load for Senate faculty is in recognition of the substantially higher research and service expectations they face relative to Adjunct faculty and Lecturers.

Senate faculty may earn up to 2 research releases from the standard load of 5 course credits if they are sufficiently active in research or scholarly work as described in the UCLA CALL. In order to be eligible, their teaching contributions must also be strong, in quality of teaching and in quantity of students taught, and their service contributions must be satisfactory. These 2 research releases must be earned every year, they are not an automatic right.

Teaching releases for service will be avoided whenever possible. Administrative tasks with substantial operational responsibilities will be assigned to professional staff or to non-research faculty.

Remaining teaching releases for ladder faculty

A very limited number of service responsibilities will always be performed by ladder faculty and may qualify for additional release from teaching (on top of their research releases), including:

- Department Chair; 3 course release.
- Senior Associate Dean for MBA and/or Professional Programs; up to 3 course release each.
- Vice-Chair; 1 course release.
- Program Director, PhD program; 1 course release.
- Service on CAP; 1 course release per year.

Normal service expectations, which will not (or no longer) receive course release, include serving as area chair, on staffing, on the FEC, and most other forms of service. In other rare cases where service by Senate faculty is deemed essential and substantially exceeds these normal expectations, up to 1 course release may be granted by the Dean and Chair. Such course releases will be reported once a year to the FEC who will review and advise on the merits, based on information about the nature of the service required. The FEC may recommend discontinuance in cases where Senate faculty service is viewed as no longer essential or no longer sufficiently in excess of normal service expectations. Cases for consideration in granting course release include directorships of Centers and other degree programs, though the default compensation for these positions is a monetary stipend and no course release.

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Other reasons for reduction in teaching load in a given year include:

- **Childbirth**: 1 course release per event.
- **New hire**: 1 course release in first year for rookies; the Dean and Chair may grant 1 course release in the first year for non-rookie new hires if deemed necessary for successful recruitment.
- **Sabbaticals**: a faculty member taking 1 quarter sabbatical at full pay receives a 1/3rd reduction of his/her teaching load for that year. Sabbaticals are subject to approval by the Chair and Dean, and will only be granted to faculty who are sufficiently active in research. Faculty whose research does not qualify them for a 3-course teaching load should not expect to be granted a sabbatical.
- **Banked overloads**: a faculty member may draw down banked course credits, within the limits set by prevailing school policy (currently up to 1 per year), and subject to the Chair’s approval.

Examples of activities that will no longer qualify for course release include serving as area chair, coordinating PhD admissions, coordinating seminar series, and new course development. The various types of service that are currently awarded course credit through each area’s seminar series will no longer earn credit. Editorial service to journals will not qualify for teaching release except, in rare instances, service as editor-in-chief of a flagship journal if the corresponding workload is deemed incompatible with a 3-course load.

*Minimum teaching expectations, releases and paid overloads*

Research-active faculty will have a teaching load of 3 sections per year. Faculty who are not research-active will teach more. Reductions from 3 will be granted only due to sabbaticals and banked overloads (within school policy and subject to approval by the Chair and Dean), and the rare remaining administrative releases.

Stacking of teaching load reductions beyond 1 course credit (sabbaticals, banked overloads, administrative releases) will be minimized and permitted only with written approval from the Chair. Senate faculty, except those on sabbatical or serving as department chair or senior associate dean of MBA and/or OPMB, will be expected to teach a minimum of two sections per academic year, and to engage with our students in various ways in addition to classroom teaching.

Following the recommendations in the Compensation Task Force Report (June 2, 2011), all banked and paid overloads must be approved in writing by the Chair after consultation with the area chair and program director, and situations in which a faculty member would receive more than one banked or paid overload will receive a much higher level of review by the Chair before approval.

*Course credits*

All 4-unit courses in all programs will earn 1 course credit. Core courses will no longer earn a premium. All 2-unit courses in all programs will earn 0.5 course credit.

The Chair will cancel electives (excluding PhD courses) if enrollment is below 25, in consultation with the program directors. New course offerings may be given special temporary consideration if the threshold is not met initially. (This threshold may be adjusted in the future.)

The Chair will take the total number of students taught into account in assigning teaching responsibilities, to ensure the most equitable distribution possible of teaching and service across all faculty.
Governance and reporting of releases

The Dean and Chair have joint final authority over releases. Once a year, the Dean and Chair will prepare a report for the FEC, outlining:

- All non-research releases granted to ladder faculty, for all reasons,\(^2\) with justification.
- All situations in which a faculty member received a non-research release and a paid or banked overload in the same academic year, with a justification for the release and for the paid or banked overload.

The FEC will opine on the appropriateness of the releases granted and of the paid or banked overloads earned by faculty receiving teaching release and will so advise the Dean and Chair.

Governance of teaching loads

The Dean and Chair will assign a 5-course load to any Senate faculty member who is not sufficiently active in research, or whose teaching or service record make them ineligible for research release. The Dean and Chair may consider increasing a faculty member’s teaching load based on any of the following factors:

- If a faculty member defers any advancement, including to Step VI, or defers promotion to Full Professor. Above Scale is reserved only for the most outstanding faculty, so deferral or non-advancement at Step IX to Above Scale should not trigger an increased teaching load.
- If a faculty member’s on-time or deferred advancement is denied.
- If a faculty member has a five-year appraisal which is equivocal or negative.
- If the Research Committee recommends less than two ninths for a faculty member. (Even if a faculty member receives ninths from extramural sources, the Research Committee will advise on how many ninths that faculty member should receive in the absence of such extramural ninths.)
- If any of the above apply to the holder of an endowed chair, the Dean and Chair should initiate the procedure to reassign that chair, and subsequently increase the faculty member’s teaching load.

The Staffing Committee and Research Committee must continue to set a consistently high bar for advancements, promotions, and ninths, despite the fact that a negative recommendation now has greater potential consequences for the faculty member concerned.

Increasing a faculty member’s teaching load will take place gradually and with advance warning. A faculty member will be given written notice by December 31 of the Dean and Chair’s intention to increase his/her teaching load for the year starting the next July 1, and an increase will usually be initially from 3 to 4 and in a subsequent year from 4 to 5. A faculty member may appeal the decision to increase his/her teaching load by submitting a written request to the Staffing Committee, who will discuss and vote on the faculty member’s teaching load. The Staffing Committee will opine on the appropriateness of the increase in teaching load and will so advise the Dean and Chair. The Dean and Chair’s decision is final.

Amendments of this teaching load policy

Upon final approval by the FEC, Chair and Dean, this teaching load policy will go into effect for the 2013-14 academic year. This policy is subject to review and reconsideration by the faculty at any time, and any changes to this policy will be brought to the FEC for discussion and vote. This policy will be reviewed during the 2015-16 academic year by the FEC, Chair and Dean.

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\(^2\) Except where prohibited by law, such as medical leave.
APPENDIX N:

Draft Memorandum of Understanding for Collaboration in UCLA Anderson – PKU Guanghua Dual Master’s Degree Program in Financial Engineering & Finance

The working partnership between the UCLA Anderson School of Management and the Guanghua School of Management of PKU to offer dual degrees will necessitate the creation of a series of operational rules and guidelines in order to ensure the success of the students and the program. Therefore, once the M.F.E. – Asia Pacific degree proposal receives approval, a formal Memorandum of Understanding (MOU) with respect to program administration and operations and the partnership between the two schools, will be duly negotiated.

The preliminary draft agreement attached below can be considered as an “agreement in process.” Not all of the necessary operational and administrative details of the dual degree program are known at the time of the writing of this proposal; therefore, in some instances we have inserted placeholders whose exact details and parameters will be discussed and confirmed at a later date. It should also be noted that the UCLA International Office is currently revising all of its MOUs and did not have a finalized template to provide to us at this time. Whatever template the International Office ultimately finalizes, may also impact the information contained in this draft. Ultimately, the respective Legal Counsels of both universities will review and ratify the MOU.

DRAFT

MEMORANDUM OF UNDERSTANDING
FOR COLLABORATION IN
UCLA Anderson – PKU Guanghua Dual Master’s Degree
Program in Financial Engineering & Finance
BETWEEN

Guanghua School of Management
Peking University
Beijing, China
(Hereafter abbreviated as “PKU”)

UCLA Anderson School of Management
University of California, Los Angeles
Los Angeles, CA
(Hereafter abbreviated as “UCLA”)

Purpose

UCLA Anderson School of Management, University of California, Los Angeles (UCLA) and the Guanghua School of Management, Peking University (PKU) agree to establish a dual-degree Master of Financial Engineering - Asia Pacific (UCLA) and Master of Finance (PKU) program (hereafter abbreviated as “Program”).
The UCLA-PKU dual degree program aims to prepare graduate level students with the knowledge, training, and skills required to fulfill roles in the business world in the areas of financial engineering and quantitative finance. Specifically, this dual degree program is designed to contribute to the further growth of these two fields of academic enquiry and expertise and making them accessible to students in the Asia Pacific region.

UCLA and PKU have agreed to collaborate on these two degree programs with the following provisions:

I  Program Requirements & Length

The programs are designed as full-time programs. Candidates are required to complete 40 units for the UCLA Master of Financial Engineering – Asia Pacific degree and 42 credits for the PKU Master of Finance degree.

The minimum period of candidature is 22 months and the maximum period of candidature is 44 months.

II  Admissions

Applicants to the Program must satisfy the stated admission requirements of both degree programs and gain entrance to both universities.

Note: The exact mechanics behind the transmission of admissions information and decisions as well as the timeframe and associated deadlines, and whether there will need to be a formal selection committee with representatives from both schools, will all need to be determined at a future date.

III  Recruitment and Number of Students

Preliminary information on recruitment:

The Guanghua School of Management will be leading the principal recruitment efforts, which will be based in the Asia Pacific region. UCLA Anderson faculty and staff will participate in some of those overseas recruitment initiatives. In addition, it is anticipated that there may be some international students completing their undergraduate degree at UCLA or other UC campuses who may be interested in this dual degree program. This will entail some locally-regionally based recruitment initiatives on the part of UCLA faculty and staff. The two partner schools will also collaborate on web and hard copy recruitment materials as well as initiatives through social media.

Subject to the quality and suitability of candidates, UCLA and PKU will jointly select up to 40 students for the first year and thereafter increase the class size up to 60 by the third year of operations if the number of qualified candidates permits. Any increase in the number of students beyond these projections in subsequent years will be subject to the agreement of both schools.

IV  Program Structure

<table>
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<th>Timing</th>
<th>Location</th>
<th>Responsibility for Instruction</th>
</tr>
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<tbody>
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<td>Fall</td>
<td>September - December</td>
<td>Beijing</td>
<td>PKU</td>
</tr>
<tr>
<td>Winter</td>
<td>January – March</td>
<td>Los Angeles</td>
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</tr>
<tr>
<td>Spring</td>
<td>April – June</td>
<td>Los Angeles</td>
<td>UCLA</td>
</tr>
</tbody>
</table>
V Curriculum, Teaching & Student Progression

A curriculum committee will be set up jointly between the two business schools to oversee the quality of instruction and courses that are taught in both degree programs. The faculty Program Directors from both universities will be responsible for the effective operation of the program to ensure its long-term success.

Teaching faculty will primarily come from the two business schools. External faculty members may be invited to teach in the program with consent from both parties.

The two schools will keep each other apprised of student progress. If academic concerns arise with a student, and remediation is not successful at that time the decision will have to be made about whether or not a student would continue in the dual degree program.

VI Graduation and Conferment of Degrees

Upon satisfactory completion of the respective degree requirements, candidates will be awarded two separate degrees; the UCLA Master of Financial Engineering – Asia Pacific and the PKU Master of Finance degree.

Based on the program schedule, candidates will be awarded the UCLA Master of Financial Engineering – Asia Pacific first after completion of the second Fall quarter of studies. The PKU Master of Finance will be awarded after completion of the second Spring term degree requirements.

The formal graduation ceremony will be held at PKU with representatives from UCLA in attendance.

VII Student Fees & Charges

Students pay their fees and any associated student charges to UCLA for the Master of Financial Engineering – Asia Pacific degree and their fees and any associated student charges to PKU for the Master of Finance degree. The two institutions manage the finances for the two programs independently.

Projected student fees (associated student charges are in addition) for the first offering of the program are $65K total; $44K UCLA and $21K PKU.

VIII Expenses

Expenses related to transportation to/from Beijing and Los Angeles and housing and living expenses in both cities are the responsibility of the student.
IX  Administration

Each institution will staff and manage an office for their respective degree programs and jointly manage any issues arising from the collaboration. It is expected that UCLA and PKU will develop relevant policies related to dispute resolution. Both offices agree to keep each other informed of student academic progress and any concerns arising. In the event that academic or other problems arise during the course of study, each student will be subject to the rules and regulations of the respective university during the completion of that institution’s degree requirements.

PKU will manage all aspects of the summer internship in China during the Summer between the first and second year of the program as well as career placement services in China upon student graduation.

UCLA will be responsible for the travel costs incurred by faculty teaching in the second Fall Quarter in Beijing and for any faculty traveling to Beijing for the graduation ceremony at the conclusion of the Program.

X  Program Marketing & Student Recruitment

PKU will develop, structure and coordinate the marketing plan for the Program in consultation with UCLA. UCLA will review all marketing materials before they are executed to ensure that they are in keeping with UCLA’s desired approach and brand. Both universities will maintain websites with mutually agreed upon language to describe the dual nature of the Program as well as their individual degree requirement specifications.

Program marketing and student recruitment will be conducted and paid for by PKU with some assistance for recruitment and career fairs provided by UCLA staff/faculty upon the request of PKU.

XI  Term of Agreement

This Memorandum of Understanding will remain in effect for an initial minimum three-year period. On expiry, it may be extended with the mutual agreement of both parties. Should either party wish to terminate the agreement, they must notify the other party one year prior to the date of termination.

A. Effective Date: XXXXXXXXXX, 20XX
B. End Date: XXXXX years after the Effective Date.

The Institutions, by their duly authorized representatives, have executed and delivered the Agreement as of Effective Date.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _________________________________________
Name: _______________________________________

DMS  5–243
Title: ______________________________________
Date: ______________________________________

FULL LEGAL NAME OF SCHOOL

By: _______________________________________
Name: ____________________________________
Title: _____________________________________
Date: _______________________________________

DMS 5–244
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, by
and on behalf of the ________ School at its LOS
ANGELES CAMPUS ("UCLA") and ___________________ 
[FULL LEGAL NAME OF SCHOOL] ("School")

DATED: ______________________________

STANDARD TERMS AND CONDITIONS

These standard terms and conditions (the “Standard Terms and Conditions”) are hereby incorporated by
reference into one (1) or more Schedules between UCLA and School as though set forth in full. An
Agreement shall consist of (i) the Standard Terms and Conditions, (ii) any Attachments and (iii) a
Schedule. All capitalized terms are defined in the Standard Terms and Conditions or in the applicable
Schedule. UCLA and School agree as follows:

1. DEFINED TERMS
   1.1. “Agreement” means (i) the Standard Terms and Conditions, (ii) any Attachment(s) and (iii) a
        Schedule.
   1.2. “Attachment(s)” means any document(s) containing supplemental information or provisions
        relating to the Agreement, which are attached to the Standard Terms and Conditions and
        incorporated into the Agreement by reference.
   1.3. “Effective Date” means the date, specified in a Schedule, on which the Term of the Agreement
        commences.
   1.4. “End Date” means the date, specified in a Schedule, on which the Term of the Agreement
        ends.
   1.5. “Facility(ies)” means those facilities, venues, premises and other locations, which are owned,
        leased, controlled, operated and/or staffed by UCLA.
   1.6. “Faculty” means faculty members of either Institution, as determined by context.
   1.7. “Institution(s)” means UCLA and/or School, as indicated by the context.
   1.8. “Law(s)” means applicable laws, rules and regulations, including without limitation, local and
        national laws, rules and regulations pertaining to an Agreement and/or to either Institution’s
        activities under the Agreement, including without limitation, those applicable to safety, data privacy
        and the privacy and protection of personally identifiable information, the protection of employees,
        export control and the United States Foreign Corrupt Practices Act of 1977 and any amendments
        thereto (and any foreign equivalent).
   1.9. “Location(s)” means the locations, other than Facilities, where the Program will take place.
   1.10. “Personal Data” means a Student’s personally identifiable information.
   1.11. “Primary Contact(s)” means the Faculty or Staff appointed by either Institution to
        support the Program and provide guidance to Students, as provided herein.
   1.12. “Program” means the educational program described in the Schedule.
   1.13. “Program Start Date” means the date specified in a Schedule when Students shall begin
        using the Facilities and/or Locations.
   1.14. “Schedule” means the document signed by the Institutions containing the details
        concerning the Program that make reference to the Standard Terms and Conditions.
1.15. “Staff” means the non-Faculty employee of either Institution, as determined by context.
1.16. “Student(s)" means School’s regularly enrolled students in good academic standing who participate in the Program.
1.17. “Term” means the period commencing on the Effective Date of a Schedule, and ending upon the End Date of such Schedule, or upon the earlier termination of the Agreement, including such Schedule.

2. HEALTH INSURANCE AND IMMUNIZATIONS

2.1. Health Insurance: Students may be required to provide proof of full health coverage that meets the insurance requirements of UCLA as a condition of obtaining a visa and/or participating in the Program. If applicable, information concerning health insurance and associated costs at UCLA will be provided to School before applications are approved.

2.1.1. School shall require its Students to maintain comprehensive health insurance coverage for the duration of his/her time at UCLA.

2.1.2. UCLA may require visiting Students to purchase a health insurance policy through UCLA and show proof of insurance while the Student is visiting UCLA.

2.2. Immunizations: School shall confirm and verify that each of its Students has received all immunizations required by UCLA, prior to visiting UCLA. Upon reasonable request by UCLA, and in accordance with applicable Law, School shall provide written documentation reflecting its compliance with this Section.

3. VISAS AND OTHER REQUIREMENTS

3.1. Student Visas: If the Students are visiting UCLA from another country, UCLA will provide School with a list of the documentation required to obtain a visa.

3.2. Language Proficiency: UCLA will inform School of the minimum English language competence (i.e., TOEFL and/or IELTS scores, and/or other evidence of English language competence required for international students), as determined by UCLA in its sole discretion.

3.3. Other Documentation: Other documentation may be required by UCLA, in its absolute discretion. School agrees to require its Students to provide such documentation to UCLA in a timely fashion, as a condition of participating in the Program.

4. TERM AND TERMINATION

4.1. Term: The Term of the Program shall have the Effective Date and End Date specified in the Schedule.

4.2. Termination without Cause: Either Institution may terminate this Agreement without cause, by giving the other Institution written notice no less than six (6) months prior to the Program Start Date. Otherwise, this Agreement may be terminated for convenience, if mutually agreed upon by the Institutions, in writing.

4.3. Termination for Material Breach: This Agreement may be terminated by either Institution with cause upon the breach of a material term of this Agreement by the other Institution, by giving the other Institution thirty (30) days' prior written notice of such breach, subject to the defaulting Institution's right to cure the breach. In the event that the defaulting Institution fails to cure the material breach within thirty (30) days of receipt of such written notice of termination, the non-defaulting Institution may terminate this Agreement, effective as of the expiration of said thirty (30) day notice period.
4.4. **Immediate Termination:** Either Institution may terminate this Agreement immediately upon notice to the other Institution upon any of the following events: (1) the other Institution's loss of licensure, certification and/or funding supporting the Program; (2) the other Institution's loss of insurance coverage as required hereunder, (3) adverse changes in legal and/or political landscape that materially and negatively impact the Program and/or jeopardize the health and/or safety of Faculty, Staff or Students, (4) an unauthorized transfer or assignment of the Agreement by the other Institution or (5) the other Institution's insolvency or bankruptcy filing (or similar action).

4.5. **Student Termination:** UCLA may terminate any Student’s participation if such Student has (or has expressed an intention to) violate any applicable Law, UCLA’s policies, procedures, ethical requirements or disciplinary codes, or is otherwise not making acceptable progress or meeting the requirements of the Program. If practicable, the Institutions shall discuss in good faith the potential dismissal of the Student prior to such dismissal, however, UCLA’s decision to terminate a Student shall be subject to such Institution’s sole discretion.

4.6. **Students’ Interests:** If the Program is terminated, the Institutions agree to act in a manner that takes into consideration the interests of Students.

5. **REPRESENTATIONS, INSURANCE AND INDEMNITY**

5.1. **Representations:** Each Institution covenants to conduct all of its activities relating to the Agreement, in accordance with any and all Laws and applicable policies.

5.2. **Student Compliance:** The School shall direct its Students to comply with all Laws and UCLA’s policies and rules. School acknowledges, and shall inform each Student, that such Students will be subject to the same policies as regular, full-time students at UCLA (e.g., UCLA is a totally smoke-free campus and smoking is prohibited inside UCLA Facilities, including dormitories, and anywhere on campus grounds).

5.3. **Insurance:** Each Institution shall each maintain, in a manner compatible with its local practices, funds or insurance policies of not less than USD $1,000,000 to cover general or public liability with coverage territory inclusive of the United States of America and its territories, and automobile liability coverage for its activities in connection with the Program. Upon written request, each Institution shall provide proof of insurance to the other Institution. In addition, throughout the Term, each Institution will maintain its usual and customary insurance or self-insurance for its own employees and operations.

5.4. **Indemnification by School:** School shall defend, indemnify and hold UCLA, its officers, employees and agents harmless from and against any and all liability, loss expense (including reasonable attorneys’ fees) or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys’ fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of School, its officers, agents or employees.

5.5. **Indemnification by UCLA:** UCLA shall defend, indemnify and hold School its officers, employees and agents harmless from and against any and all liability, loss expense (including reasonable attorneys’ fees) or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys’ fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of UCLA, its officers, agents or employees.

5.6. **Cooperation:** The Institutions agree to make good faith efforts to resolve disputes that may arise between them. In the event of litigation or other claims brought by third parties against either Institution (or its respective officers, agents and employees), each Institution shall use its reasonable efforts to assist the other in the defense of such litigation or claims, including promptly assisting the other in any investigation.
6. **INTELLECTUAL PROPERTY AND USE OF NAME**

Any mark, logo or copyrighted work (including, but not limited to, course materials) or other intellectual property owned by an Institution shall remain the property of such Institution and shall not be duplicated, reproduced, disseminated or used without the prior written permission of such Institution. School agrees that any use of the “University of California” or similar references to the University of California Los Angeles, its employees, programs and/or Facilities, shall be subject to the prior written consent of The Regents of the University of California in accordance with the provisions of applicable Law, including but not limited to California Education Code Section 92000 and University of California policy.

7. **DATA SECURITY AND PRIVACY**

7.1. Should any Institution collect Personal Data and transfer such Personal Data to the other Institution, the transferring Institution shall ensure that such Personal Data will be:

- 7.1.1. provided to the other Institution if and only if the Student has voluntarily consented to the transfer; and
- 7.1.2. shared with the other Institution for the purposes of the Program only.

7.2. Neither Institution shall process or use Personal Data for any purposes except those outlined in this Agreement, unless expressly permitted by the Student, in writing.

7.3. Each Institution shall:

- 7.3.1. to the extent permitted by Law, keep all non-public Personal Data confidential, and handle Personal Data appropriately, in compliance with all Laws and such Institution’s policies concerning privacy (e.g., University of California policies found at https://privacy.ucla.edu/policies/ and http://www.registrar.ucla.edu/catalog/uclacatalog14-15-826h.htm, School’s comparable policies) and processes (e.g., the University of California records retention schedule found at http://recordsretention.ucop.edu and School’s comparable processes), which may be updated from time to time;
- 7.3.2. take appropriate technical and organizational security measures against unauthorized or unlawful disclosure or loss of Personal Data; and
- 7.3.3. promptly respond to any inquiries regarding Personal Data, and assist the other Institution in responding to inquiries concerning Personal Data.

8. **MISCELLANEOUS**

8.1. This Agreement shall be governed by, and its terms construed under, the Laws of the State of California, without regard to its conflict of laws provisions. Each Institution hereby consents to the jurisdiction of courts in Los Angeles County, California. School waives all claims of sovereign immunity and consents to service of all notices (including the service of process) through the mail or as otherwise allowed by Law.

8.2. Neither Institution shall be deemed to be in default of or to have breached this Agreement due to any delay or failure in performance resulting from any “Force Majeure” event, such as acts of God, acts of civil or military authorities, civil disturbances, wars, labor disputes, fires, transportation contingencies, judicial or governmental order or similar occurrences beyond such Institution’s reasonable control. The Institution claiming excusable delay shall promptly notify the other Institution, in writing. If the delay lasts more than thirty (30) days, the Institution not claiming excusable delay shall have the option of terminating this Agreement upon written notice to the
other Institution.

8.3. This Agreement may not be transferred or assigned by either Institution to another entity without the prior written consent of the other Institution.

8.4. The waiver of any performance required hereunder or of any breach of a provision hereunder shall not operate as a waiver of any subsequent failure to perform or breach of the same or any other provision of this Agreement.

8.5. The performance of their respective duties and obligations of both Institutions under this Agreement shall be that of independent contractors and nothing herein shall create or imply an agency relationship between them, nor be deemed to constitute a joint venture or partnership between them.

8.6. The Institutions expressly agree and understand that Students engaged in any Program are participating for educational purposes only and that such Students are not employees of UCLA for any purpose, including but not limited to, compensation for services, employee welfare and pension benefits, or workers’ compensation insurance. School shall notify each Student of the terms of this section, in writing, so that such Student understands that s/he is not an employee of UCLA.

8.7. Nothing contained in this Agreement is intended to or shall make any third party (including any Student) a beneficiary of any rights or obligations of either Institution under this Agreement.

8.8. This Agreement shall be construed as if the Institutions jointly prepared it, and any uncertainty or ambiguity shall not be interpreted against any one Institution. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to Law, then the remaining provisions of this Agreement will remain in full force and effect.

8.9. The controlling language of this Agreement is English. All communications and notices shall be in English. In the event that a translation of this Agreement is prepared and signed by Institutions, this English language version shall be the official version and shall govern in the event of a conflict with the translation.

8.10. This Agreement with its Standard Terms and Conditions, Attachment(s) and Schedule(s), constitutes the entire agreement between UCLA and School regarding its subject matter and may not be amended or changed except by a writing signed by authorized representatives of both Institutions. This Agreement supersedes any previous written or oral communication between the Institutions.

8.11. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. If this Agreement is executed in counterparts, no signatory hereto shall be bound by this Agreement until each Institution named below has executed a counterpart of this Agreement.

The provisions of Sections 5 - 8 shall survive the expiration or earlier termination of this Agreement.

IN WITNESS WHEREOF, the Institutions hereto have executed and delivered, by their duly authorized representatives, the Standard Terms and Conditions as of the Effective Date:
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _________________________________________

Name: _______________________________________

Title: _______________________________________

Date: _______________________________________

FULL LEGAL NAME OF SCHOOL

By: _________________________________________

Name: _______________________________________

Title: _______________________________________

Date: _______________________________________
APPENDIX 0: US-Chinese Language Market Overview

**Mandarin in K-12 Education**


- “Dual language education promises to give students access to key 21st century skills—namely bilingualism, bi-literacy, and global awareness—and because of the expected benefits for ELs, an increasing number of schools are adopting this model.”
- 14 states offered some type of Chinese (includes Chinese, Cantonese, and Mandarin) dual immersion programs in 2012-2013; second only to Spanish at 35 states. [page 52]

“U.S. Wants One Million Students Studying Mandarin by 2020”, August 2, 2016

[http://blogs.edweek.org/edweek/learning-the-language/2016/08/us_aims_to_have_1_million_students_learning_mandarin.html](http://blogs.edweek.org/edweek/learning-the-language/2016/08/us_aims_to_have_1_million_students_learning_mandarin.html)

- “The effort recognizes the growing importance of U.S.-China relations and aims to prepare a new generation of U.S. citizens to engage with China through commerce and culture”
- “Roughly 10 Mandarin dual-language programs existed in the United States before 2009. That number had swelled to nearly 200 by [fall 2015].”

1 Million Strong Initiative: [http://uschinastrong.org/initiatives/1-million-strong/](http://uschinastrong.org/initiatives/1-million-strong/)

- Announced by President Obama at the conclusion of 2015 Chinese State visit
- Focus is on K-12 level.

**Mandarin and the Finance Industry**

“China opens up its finance industry to the world”, November 13, 2017


- “Beijing says it will allow foreign companies to own Chinese banks and investment firms in the latest sign the world’s second-biggest economy is opening up its vast financial industry. China's vice minister for finance Zhu Guangyao revealed the changes during a press briefing Friday. A cap on foreign investment in Chinese banks will be removed. And foreign investors will be allowed to own 51% in securities firms, investment managers and life insurance providers.”

**Mandarin Spoken in U.S. homes**

- +13.8% increase in Chinese spoken in homes from 2012 to 2016.
- [https://factfinder.census.gov/faces/tables services/jsf/pages/productview.xhtml?src=bkmk](https://factfinder.census.gov/faces/tables services/jsf/pages/productview.xhtml?src=bkmk)

<table>
<thead>
<tr>
<th>Year</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,372,930*</td>
</tr>
<tr>
<td>2015</td>
<td>3,333,588</td>
</tr>
<tr>
<td>2014</td>
<td>3,139,432</td>
</tr>
<tr>
<td>2013</td>
<td>3,029,042</td>
</tr>
<tr>
<td>2012</td>
<td>2,964,393</td>
</tr>
</tbody>
</table>

*In 2016 specifically states: “incl. Mandarin, Cantonese”. All other years just specify “Chinese
Dear Colleagues:

The Academic Senate is deeply concerned that all of our members understand what to do should a problem arise in our paychecks, our W-2s, and our benefits statements. The important point to know is that UCLA now has an on-campus crew that can address questions you may have about paychecks and W-2s. The number to call is (310) 825-1089 (select option 5) (M-F, 8.00am-4.00pm). Other questions about such matters as benefits need to be addressed to the UCPath Center: (855) 982-7284 (M-F, 8.00am-5.00pm).

The matrix below provides additional information on how to resolve specific questions.

<table>
<thead>
<tr>
<th>Your Issue/Question</th>
<th>Contact for Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• If you have a pay related issue (e.g., not getting a paycheck, paycheck is not accurate, etc.),</td>
<td>Contact the UCLA Central Resource Unit (CRU):</td>
</tr>
<tr>
<td></td>
<td>• By clicking on the link <strong>CRU Service Request Form – Current Employee.</strong></td>
</tr>
<tr>
<td></td>
<td>• or by calling (310) <strong>825-1089</strong> and select Option 5, Monday – Friday, 8:00 a.m. to 4:00 p.m.</td>
</tr>
<tr>
<td>• If you have non-payroll related issue (e.g., benefits, vacation accruals, etc.),</td>
<td>Contact the UCPath Center:</td>
</tr>
<tr>
<td></td>
<td>• Log in to the <strong>UCPath Portal</strong> and click on the Ask UCPath Center button to generate a ticket.</td>
</tr>
<tr>
<td></td>
<td>• or calling (855) <strong>982-7284</strong>, Monday – Friday, 8:00 a.m. to 5:00 p.m.</td>
</tr>
</tbody>
</table>

Sincerely,

**Julie Bower**
Chair, Faculty Welfare Committee

**Joseph Bristow**
Chair, Academic Senate