

REGULAR MEETING OF THE ASSEMBLY OF THE ACADEMIC SENATE**December 10, 2008****MINUTES OF MEETING****I. ROLL CALL OF MEMBERS**

Pursuant to call, the Assembly of the Academic Senate met on Wednesday, December 10, 2008. Academic Senate Chair Mary Croughan presided and called the meeting to order at 10:00 a.m. Senate Executive Director Martha Winnacker called the roll of Assembly members. Attendance is listed in Appendix A of these minutes.

II. MINUTES

ACTION: The Assembly approved the minutes of the June 11, 2008 meeting as noticed.

III. ANNOUNCEMENTS BY THE CHAIR**• Mary Croughan**

- Provost search. A formal search will be initiated, using a search firm and looking within, as well as outside of, the UC system. Interim Provost Grey has agreed to stay on part-time next semester, and will continue to oversee the restructuring of Academic Affairs.
- Chancellor searches. The UCSF Chancellor Search Committee was formally announced. The UCD Chancellor Search Committee has received approximately 150 nominations of potential candidates.
- President Yudof is reviewing a preliminary plan to reorganize Academic Affairs. The plan includes rebuilding expertise in policy, analysis and academic planning which will be valuable to the work of the Senate; other areas will likely be cut.
- A call for nominations for Vice Chair of the 2009-10 Academic Senate will be sent shortly. Nominations are due by February 25.
- Due to staffing constraints, the President will no longer provide a written report to the Assembly. Rather, his oral report to the Assembly will be reflected in the minutes.

IV. ANNOUNCEMENTS BY THE PRESIDENT**• Mark G. Yudof**

- The 2008-09 Budget. The state initially reduced UC's operating budget by \$48 million. The governor has proposed an additional \$65.5 million in mid-year cuts, a total of over \$110 million in reductions. In addition, the University has \$100 million in increased costs that are not covered by the State (e.g., higher energy costs, operating costs for virtual centers). So the University's actual deficit is over \$200 million. The challenge for 2009-10 is probably more severe. When the president submitted the 2009-10 budget, he requested a \$900 million increase because he believes that it is important for the State to see the true cost of operating the University.
- President Yudof is meeting with editorial boards of newspapers and with legislators to promote a budget increase for UC. He has directed staff at UCOP to develop a strategic communications plan.
- The University is over-enrolled by nearly 11,000 students, at a cost of \$122 million from general operating funds. If it does not receive funding for enrollment expansion, then it will have to curtail enrollment. President Yudof met with BOARS to discuss a preliminary plan to limit enrollment. Enrollment targets are being set by negotiations between UCOP and the campuses.

President Yudof expects campuses to adhere to them; over-enrollment will not be centrally funded. The Regents will hold a special meeting in mid-January to address the issue of potential enrollment cuts.

- President Yudof has asked EVP Lapp to examine alternative ways to raise revenues, but fees most likely will be increased significantly.
- Faculty merit increases will not be subject to the cuts, but these will be the only salary increases allowed across the system that are not contractually mandated.
- In February, the Board of Regents will vote on restarting employee contributions to UCRP as of July, 2009. The University will not renege on its promises to its retirees. However, the University will not be able to raise salaries to cover the gap in total remuneration, as the Senate requested. The University may consider needs-adjusted contributions. The president plans to form a task force to look at the long-term future of UCRP, with substantial representation from the Senate, as well as from represented and unrepresented employees. President Yudof stated that he wants to preserve all benefits for current, vested members of UCRP, but we may have to move to a tiered system of benefits for future employees.
- Outsourcing of retirement benefits administration. President Yudof noted that he has delayed the outsourcing decision in order to gather additional data on the pros and cons of outsourcing of retirement benefits administration. He will continue to consult with the Senate on this topic. Currently, UC does not have the capacity or business systems to support this function.
- The Animal Researcher Protection Bill became California state law. It provides for some criminal penalties and is a good symbolic first step. President Yudof also is working to enhance security for research facilities and personnel.
- President Yudof participated in a meeting of public university presidents convened by the Carnegie Corporation to propose \$40-50 billion for construction of facilities on campuses as part of a potential federal economic stimulus package.

Questions and Comments:

Comment: I hope that a written report of the remarks of the president will be distributed; it is valuable.

Q: What is the likelihood of a constitutional amendment passing to restructure UCRP?

A: The Senate has proposed that the University establish an advisory committee for UCRP with greater employee participation, which President Yudof supports. He will vigorously oppose any bill or constitutional amendment that restructures the governance of the retirement system.

Q: The University currently has 11,000 students that are not funded by the state. How much of a reduction in enrollment do you anticipate?

A: President Yudof stated that he is considering a reduction of approximately 2,000 freshmen and a simultaneous increase of approximately 750 transfer students.

Q: What efforts are being made to increase funding? Should the University make its case directly to the public, in addition to the legislature?

A: President Yudof responded that the external relations staff is creating a strategic plan for communications, and he has a new team of legislative advocates in Sacramento. Philanthropy can not provide sufficient revenue. The University also is hoping that the federal government will provide stimulus funding for investment in capital projects.

Q: Some other state university systems, such as the University of Delaware, create substantial revenue by accepting larger numbers of out-of-state students who are charged higher tuition. Is UC considering this?

A: President Yudof stated that he will consider all possible options but noted that adopting such a policy would have different effects on different campuses, and involves political risks. But the University must examine a variety of funding models.

Q: What is the likely outcome for the growth of new professional schools and campuses?

A: President Yudof is pessimistic about the possibility of establishing new schools because the University needs state funding to do so. The Office of the President can not fund new schools because that would in essence be a tax on the other campuses and the University is struggling to fund the new ventures it has already undertaken, such as the Medical School at UC Riverside. It is essential to ensure that the financing plan for such enterprises is sound.

Q: What will the employer contribution to UCRP be?

A: President Yudof stated that the employer contribution will be significantly larger than the employee contributions. The University has asked the state for \$250 million to fund UCRP like it does for other public employee systems. If the University does not receive this funding, benefits for future employees will be restructured.

Q: What is your position on differential fees?

A: President Yudof stated that he is not actively supporting any particular position. While he is not philosophically opposed to charging different levels of fees, he worries how it would apply to UC. It could be a source of income, but he understands the arguments against it; he is not ready to endorse either side. It may be a decision for the Board of Regents.

Q: In the budget crisis of the 1990s, there was talk of stratification. How do you view UC as a system?

A: President Yudof commented that UC is the only true system in the country and includes several elite universities; a flagship model is not appropriate. All campuses have distinguished research faculties. But demand is not the same at all of the campuses and being smart about pricing may not necessarily destroy the system. Yet there are enormous symbolic and political consequences of taking such a step.

Q: What is the chance of getting state funding for specific programs such as Riverside's Medical School?

A: President Yudof responded that while it is possible, he could not state the probability, or whether the governor would approve or veto it.

V. SPECIAL ORDERS

A. Consent Calendar

1. Senate Bylaw 337 - Privilege and Tenure: Divisional Committees – Early Termination Cases
2. Variance to SR780/Irvine Division Regulation A365-Change of Grade
3. Variance to SR810A/Irvine Division Regulation A385 Normal Progress Requirement (Undergraduate)

ACTION: Item 2, Variance to SR780/Irvine Division Regulation A365, was removed from the consent calendar and added to New Business. The remaining items were approved as noticed.

B. Legislative Ruling 10.08. Jurisdiction of Divisional Privilege and Tenure Committee

C. Annual Reports (2007-08)

DISCUSSION: A member objected to the tone and some of the content of UCPB's annual report and questioned the process by which committees approve annual reports. A member noted that it is common for the chair to write the report after the final committee meeting and distribute it via email, and that given

the timing, committees may not be thoroughly involved in vetting reports. Another stated that the chair should act as a representative of the body, not as an individual. Parliamentarian Berck clarified that the committee should vote to endorse the report; the Assembly merely receives the reports and does not endorse them. Another member stated that if there are issues with the governance structure of the Senate, as the report suggests, they should be addressed.

ACTION: Members received items B and C as information.

VI. REPORTS ON SPECIAL COMMITTEES (none)

VII. REPORTS OF STANDING COMMITTEES

A. Academic Council

▪ Mary Croughan, Chair

1. Report on the production of plutonium pits. The Senate received the first annual report on the production of plutonium pits at UC-managed national laboratories. Pits are machined spheres of plutonium that can be used to build a bomb. Los Alamos National Laboratory delivered seven pits; five went to the stockpile, one to the destructive testing program; and one to the shelf-life surveillance program. In addition, it produced five pits that were not certified due to anomalies. Although pit production has been lower than expected, it continues to be important for the Senate to monitor pit production. The laboratories are contracted to produce between 44 and 47 pits per year, but Congress has approved the production of only 20 pits per year.

2. Report on the implementation of RE-89. The Senate received a report on the first year of implementation of RE-89, which requires reporting on all research funded by tobacco companies. In 2007-08, there were no new applications for funding from the tobacco industry.

3. Report on the allocation of laboratory management fees. This year, at the urging of the Senate and ACSCOLI, the profit made by UC for managing the national laboratories was allocated to research grants through a university-wide, competitive, peer-reviewed process. The Senate urged the administration to adopt this competitive fee-granting process since the fee belongs to the university, not just the laboratories. The process was a hallmark of shared governance. The review committees received approximately 550 applications from diverse disciplines and from researchers at all levels (including graduate students) for \$220 million in funding.

4. New schools under review in 2008-09. The Senate expects to receive a proposal for a School of Nursing at UC Davis in early 2009, as well as a proposal to establish the first systemwide School, the School of Global Health.

5. General Discussion

(a) Status of UCRP and the restart of contributions

▪ Helen Henry, Chair, UCFW

Chair Henry noted that employee contributions to UCRP must begin not because of mismanagement or market volatility, but because of additional service credit liability. The Senate has maintained that salaries should be raised simultaneously so that there is no decrease in total remuneration. Some unions are objecting to any employee contribution. Also, it is not clear whether the state will provide funds for the employer contribution to fund the Regent's pension obligation, although it has always contributed in the past. The Senate feels that the state is a guarantor and has an obligation to all public employees, including UC employees; the University is an agency of the state. The Regents could sell assets (property) in order to meet our obligations. A member asked how quickly the plan could reach full funding. Chair Henry

stated that there are different amortization scenarios to reach full funding, depending on when we begin to contribute and at what level. Another member asked how employer contributions will be made for faculty and staff who are paid by grant monies, given that contracts are fixed every five years. Chair Croughan responded that benefit rates pay for retirement and that 2009 grants and contracts should have been written to include the anticipated cost of restarting contributions. A member inquired whether the retirement system could withstand mass retirements. Chair Henry responded that taking a lump sum cash-out is not advantageous for most people, so the costs would likely be spread over time. A member expressed concern about the possibility of differential contributions among employee groups, which would effectively impose a tax on some members of UCRP to fund other members. Another noted that employee groups already pay different rates for health care. UCFW members clarified that the way a defined benefit plan is funded is different from the way health benefits are funded. Also, the Senate has opposed an asymmetrical start of contributions for four years. What are the prospects for retirement benefits for future employees? Chair Henry noted that the Regents have a contractual responsibility to those who are already in the system. If there are any future changes in benefits, they only would apply to new employees, but there has been no discussion of such changes, yet. A member asked whether there has been any discussion of restricting retiree health benefits. Chair Henry said that there has not, but noted that retiree health care is not a vested right. Retiree health care operates on a pay-as-you-go system. UC retirees are entitled to participate in UC's health care system on the same basis as active employees, so if the University was to raise the cost of health care, retirees also would have to pay higher health care costs.

(b) Update on the Eligibility Reform Proposal

▪ **Sylvia Hurtado, Chair, BOARS**

Chair Hurtado stated that President Yudof believes in wider access to UC and is supportive of reform; eligibility reform could be his legacy. The Senate recommended a 2.8 unweighted GPA, but the president prefers a 3.0 weighted/capped GPA. Under the latter scenario, UC would review 5,400 fewer applicants. A member commented that the 3.0 scenario will disproportionately affect the rural poor. Chair Hurtado stated that President Yudof is sensitive to this issue, and that he is proposing to use UC-run on-line programs to ensure that AP and honors courses are available to all high school students in the state. A member asked whether a test marketing campaign has been done to gauge how the change will be received by the public. Chair Hurtado said that representatives from her committee have visited all of the campuses and discussed the proposal with admissions counselors, and that they are working with the public relations office at UCOP. A member asked to what extent the proposal will increase the number of applications. BOARS estimates that the volume of applications would increase by 13% under the 2.8 scenario and by 11% under the 3.0 scenario. Chair Hurtado noted that, to put it in perspective, there was a 10% increase last year and the University was able to accommodate the increased volume. However, BOARS can not predict the effect of the change on application behavior.

(c) Year 1 of the Faculty Salary Plan

▪ **Mary Croughan, Chair, Academic Council**

The two goals of the Faculty Salary Plan were to improve the salary scales to reduce disparities among scales, bringing more faculty on-scale, and to bring faculty salaries closer to market standards. By the end of the four-year plan, all faculty would have received market adjustments and only 25% would have off-scale salaries. Year 1 was effective in reducing off-scale salaries from 71% to 58%, and according to CPEC data, the market gap was reduced from 9.6% to 7.1%. However, Year 2 of the plan was not implemented this year due to budget issues. Funding for Year 2 is included in the University's 2009-10 budget request. A member asked what will happen to the percentage of off-scale salaries if Year 2 is not funded? Chair Croughan responded that a 4% lag per year is expected, but that given the economic situation, campuses may not be able to fund off-scale salaries, and other universities are under similar salary pressures. The University receives comparative salary data at the end of November each year. A member noted that off-scale salaries are funded by not filling ladder-rank FTE and instead hiring lecturers, at the expense of educational quality. A member stated that the scale system may no longer be

effective, and that off-scale salaries simply reward merit at the level that comparison institutions pay. Another member countered that the great strength of the University is the peer review system; off-scale salaries are a way around the peer review merit system. Furthermore, there is no regulation of off-scale salaries, which are awarded at the discretion of deans and chancellors.

(d) Graduate student support. The proposed 2009-10 budget includes \$10 million in new (not reallocated) funds for graduate students.

VIII. UNIVERSITY AND FACULTY WELFARE REPORT (none)

IX. PETITIONS OF STUDENTS (none)

X. UNFINISHED BUSINESS (none)

XI. NEW BUSINESS

A. Variance to SR780/Irvine Division Regulation A365-Change of Grade. UC Irvine Assembly representative Kenneth Chew summarized the circumstances which led to the request for a variance. UCLA representative Jonathan Grossman objected to the variance on the basis that it violates the principle that the instructor assigns the grade and that “exceptional circumstances” is too vague to serve as a guideline, and could create a flood of petitions. Members discussed various options, such as vesting the power to change grades in the divisional senate, or by the dean in consultation with the faculty member. But current policy does not allow grade changes except for clerical or procedural error (including allegations of discrimination). Also, the letter grade corresponding to a passing grade varies among campuses and even within campuses (e.g., some majors require higher passing grades for courses taken for credit toward the major). A member stated that his campus would not create systemwide variance for a single individual. Another pointed out that when the student opts to take a course pass/no pass, they make a commitment to that grade basis. In this case, the request was made because another institution did not give credit for pass/fail assessments. Members argued that UC should not change its rules to accommodate another institution.

ACTION: A motion to accept the variance to SR 780 failed (6 in favor; 43 against).

B. Academic support for students. A member noted that while broadening accessibility is a good ideal, UC fails to provide support for students who do not have all the tools they need. In particular, there is little support for transfer students. Chair Croughan responded that she will ask UCOPE, UCEP, and BOARS to address this issue.

C. Differential fees. Members expressed concern about the possibility raised by UC Berkeley’s Chancellor Birgeneau of charging differential fees. Some felt that the uniform fee structure is what makes the University a system. A member objected that differentiating financial aid could very negatively impact UC Merced. Others concurred that this would advantage some campuses and disadvantage others and send a public message that UC offers first-rate and second-rate educational experiences. It also could lead to differential salaries. Another member cautioned that this is just an idea, not a proposal, and that the faculty should not let it divide them.

The meeting adjourned at 4:00 pm.

Attest: Mary Croughan, Academic Senate Chair

Minutes Prepared by: Clare Sheridan, Academic Senate Analyst

Attachment: Appendix A – Assembly Attendance Record, Meeting of December 10, 2008

Appendix A – 2008-2009 Assembly Attendance Record, Meeting of December 10, 2008

President of the University:

Mark G. Yudof

Academic Council Members:

Mary Croughan, Chair

Henry C. Powell, Vice Chair

Mary Firestone, Chair, UCB

Pablo Ortiz (alt. for Robert Powell, Chair, UCD)

Jutta Heckhausen, Chair, UCI

Michael Goldstein, Chair, UCLA

Martha Conklin, Chair UCM

Anthony Norman, Chair, UCR

Daniel J. Donoghue, Chair, UCSD

David Gardner, Chair, UCSF

Henning Bohn (alt. for Joel Michaelsen, Chair, UCSB)

Quentin Williams, Chair, UCSC

Sylvia Hurtado, Chair, BOARS

Farid Chehab, Chair, CCGA

Stephen McLean, Chair, UCEP

Helen Henry, Chair, UCFW

James Carey, Chair, UCORP

Norman Oppenheimer (alt. for Patricia Conrad, Chair, UCPB)

Berkeley (5)

Steven Beissinger

Ralph Catalano

Christopher Kutz (alt. for Suzanne M.J. Fleiszig)

Anthony Long

Pablo Spiller

Davis (6)

Brian Morrissey

Krishnan Nambiar

John Oakley

Donald Price

Daniel L. Simmons

Irvine (4)

Kenneth Chew

Shawn Rosenberg

Los Angeles (9 - 1 TBA)

Robert G. Frank, Jr.

Jonathan H. Grossman

Margaret Haberland

Jody Kreiman

Natik Piri

Merced (1)

Riverside (2)

Manuela Martins-Green

Mart L. Molle

San Diego (4)

Richard Attiyeh

Salah Baouendi

Stephen Cox

Joel Dimsdale

San Francisco (4)

Dan Bikle

Peter Loomer (alt for Deborah Greenspan)

Wendy Max

Girish Vyas (alt. for Sandra Weiss)

Santa Barbara (3 – 1 TBA)

Richard Church

Volker Welter

Santa Cruz (2)

Mark Carr

Lori Kletzer

Secretary/Parliamentarian

Peter Berck