

ACADEMIC COUNCIL

Minutes of Meeting
Wednesday, January 23, 2013

I. Senate Officers' Announcements

▪ **Robert Powell, Academic Council Chair**

1. **Update on composite benefit rate project.** Vice Chair Jacob reported progress on the discussions about composite benefit rates. After the federal government rejected a special rate for summer salaries, AVP Peggy Arrivas proposed a 0% rate for summer salaries. Emeriti can be treated in the same way. Postponement of UC Path implementation allows more time to complete the discussions. He noted that medical centers will have a greater burden because they have more highly paid staff than at the general campuses. Benefits will be charged to salary above \$240K. The "Z" portion of medical salaries will be exempt, as well as some of the "Y" portion.
2. **Report on ICAS meeting and SB [1052](#) and [1053](#).** ICAS discussed how to implement the laws on open access textbooks. By end of March, ICAS will form a council to oversee an RFP process with three faculty members from each of the segments. Chair Powell asked Council for suggestions of faculty who understand open access textbooks and who would be willing to serve on the oversight body. Members will be appointed by the Chair and Vice Chair. The oversight committee will then seek subject area experts to help compile or develop open access resources in their fields.
3. **Nominations for 2013-14 Vice Chair.** Chair Powell reminded members to make nominations for the 2013-14 vice chair. The vote will occur in March.
4. **Council iLinc.** There will be a teleconference on January 30 to discuss responses to the review of UCOLASC's open access proposal, as well as any unfinished business.

II. Approval of the Agenda

ACTION: The agenda was unanimously approved, with the following changes: Items IV and V were addressed at the time set aside for item XI, and item XI was addressed in place of IV and V.

III. Consent Calendar

1. **Approve draft minutes of the December 12 Council minutes**
2. **Cancel February 13 Assembly meeting**

ACTION: The consent calendar was unanimously approved.

IV. Review of APM 015

ISSUE: Council discussed its response to the review of APM 015.

DISCUSSION: Most respondents either had no comment or approved of the revision. However, UCFW and some committees at UCR and UCSB strongly object to the phrase “when acting as a member of the faculty” as ambiguous and questioned the need for the qualification. In addition, new regulations by the National Labor Relations Board state that workers have a right to discuss work conditions freely and without fear of retribution and that private employers may not discipline employees for comments about the employer on social media. It was suggested that Council ask the Office of General Counsel if their prior analysis of the disputed language in APM 015 holds in light of the NLRB ruling.

ACTION: Council unanimously voted to request analysis of the proposed language in APM 015 from OGC in light of the new NLRB ruling.

V. Discussion of Regents Meeting

Minutes were not taken for this portion of the meeting.

VI. Preparation for Joint Meeting with the Council of Vice Chancellors

Minutes were not taken for this portion of the meeting.

VII. Consultation with Senior Mangers – President Yudof

President Yudof thanked Council for its work over the past several years on critical issues facing the University. He noted that this is a risky period politically for UC; there are many pressures for reform, some of which address academic matters. However, it is important to be open-minded and consider and evaluate all alternative ideas. The value propositions of higher education are being questioned. We must work to ensure that the public and the legislature understand that the University’s mission is broader than undergraduate instruction. We must work together to preserve the quality of a UC education, including its graduate and professional programs, and the University’s research profile.

Q: Speaker Perez’s comments at the Regents meeting were disquieting. Does this represent a commonly held view?

A: President Yudof said that Speaker Perez has been very helpful to the University in the past. While some of his rhetoric is problematic, they have worked constructively together in the past. He noted that Speaker Perez identifies closely with the students and it is his priority to protect them from tuition hikes. President Yudof suggested that faculty meet with members of the legislature to explain their perspectives.

Q: State politicians do not seem to recognize that research is central to the University’s mission. How do we navigate that?

A: President Yudof stated that in his remarks to the Regents, he noted that quality means that professors not only transmit knowledge, but create knowledge, and students develop cognitive skills. The faculty brings in \$2.9B in research dollars; we have leaders in every field. When he met with a group of legislators, the vast majority of them understood the importance of research. The University’s advertising highlights that UC research changes people’s everyday lives; it makes research less abstract. The more often we can explain it, the better.

Q: One of the things we can do to respond to the LAO report is to create a counter-report with better data. Will this be effective?

A: President Yudof stated that it could be seen as self-promoting, but that Council should consult with AVP for Governmental Relations Steve Juarez.

VIII. Joint Meeting with the Council of Vice Chancellors

Minutes were not taken for this portion of the meeting.

IX. Response to LAO Report on Faculty Compensation

(A) UCFW Request for faculty total remuneration study

ISSUE: UCFW recommended that the administration hire consultants to perform a total remuneration study for faculty.

DISCUSSION: UCFW Chair Hare noted that the LAO study only compared average UC faculty salaries with salaries at the *public* universities in the Comparison 8, and found them to exceed only the average salary of the four public comparators in the Comparison 8. But he noted that the average UC salary at the assistant professor level is below six of publics, and at the associate professor level, it's below seven of them. Also, the report did not take into consideration faculty contributions to UCRP. He noted that the 2009 total remuneration study has been continually referenced at Regents meetings and by the administration, but it is no longer accurate, given the introduction of 6.5% employee contributions to UCRP and the possibility that this will rise to 8%. We need a new analysis of total remuneration to show that UC's benefits no longer compensate for lower salaries. The letter requests a new study on faculty salaries, excluding non-represented staff and health sciences faculty, because a larger study encompassing all employees has been rejected as too expensive. A report would be ready next fall. A member commented that the prior study had many methodological flaws. Chair Hare responded that the 2009 update improved on the methodology of the 2007 study and that UCFW will insist on participating on the study's oversight committee. A member asked if it could be done in-house. He replied that AAU and Comparison 8 provide data on salary, only. Benefits are far more complex and we need consultants to get accurate benefits data.

ACTION: Council unanimously endorsed UCFW's recommendation that the University commission a faculty total remuneration study.

(B) Response to LAO Report

ISSUE: Council discussed whether and how to respond directly to the errors made in the recent LAO report on faculty retention.

DISCUSSION: Chair Powell stated that faculty and divisional chairs have expressed a lot of concern about this report. However, the report got very little press, so it may not be wise to draw more attention to it. A member noted that it could be raised at legislative hearings and suggested preparing a response in case it is needed later and posting it for reference. A member also suggested that Senate leadership should meet with the Legislative Analyst personally. UCFW Chair Hare said his committee will draft a response. Council supported this solution.

X. TFIR recommendation on the Annual Required Contribution for UCRP

ISSUE: UCFW's Task Force on Investment and Retirement (TFIR) recommended that Council reiterate its past statements to the administration on the critical importance of funding the Annual Required Contribution (ARC) on the timeline set by the Regents.

DISCUSSION: UCFW Chair Hare stated that TFIR is very concerned that the administration may decide to recommend to the Regents limiting the Annual Required Contribution to 14%. The University's actuaries believe that UCRP should be between 95 and 105% funded. A member opined that it is not obvious that funding UCRP at that level should be the highest priority when there are many competing needs. Another member agreed that there are opportunity costs that will affect faculty at different stages of their careers differently. A member commented that defined benefit plans are increasingly rare and that paying the debt down on the unfunded liability is the best way to protect the system. A member countered that perhaps we should move to a defined contribution plan, and ask the administration to raise salaries instead. If other institutions can not maintain a defined benefit plan, how can we? Chair Powell replied the problem is not normal cost; it is the unfunded liability. If the University converted to a defined contribution plan tomorrow, the unfunded liability would remain and would require the University to pay 8%, in addition to a normal cost for the employer of 10% and for the employee of 8%. If the University adheres to the plan that the Regents approved, payments will begin to go down in ten years. A member questioned the assumption of a 7.5% return, and discussed historical averages. A member commented that the EVCs say that campuses can not afford this level of contributions. Chair Hare responded that years ago, the EVCs objected to beginning contributions. There is never enough money to do everything that a campus wishes. The EVCs are concerned about their current budgets, not the long-term health of the retirement system. This is an area in which a long view is essential.

ACTION: Council unanimously endorsed TFIR's/UCFW's recommendation that the University adhere to the Regents' plan and timeline to increase the Annual Required Contribution for UCRP.

XI. Rebenching

ISSUE: Council continued to discuss its response to the review of the rebenching report.

Minutes were not taken for this portion of the meeting.

XII. New Business

Council did not discuss any new business.

Meeting adjourned at 4:30 pm

Attest: Robert Powell, Academic Council Chair

Minutes prepared by Clare Sheridan, Principal Committee Analyst