

ACADEMIC COUNCIL

**Minutes of Meeting**  
**Wednesday, July 27, 2011**

**I. Approval of the Agenda**

**ACTION:** The agenda was modified by moving Item IX, Allocation of Budget Cuts, to follow the Consent Calendar.

**II. Chair's Announcements**

▪ **Daniel Simmons, Academic Council Chair**

1. **Report on the Regents' meeting.** Chair Simmons reported that there will be a cut of 4% to the UCOP budget. The Regents adopted a recommendation to change the policy on the allocation of fees collected for UC's management of the national laboratories to benefit research, writ broadly, rather than only to collaborative research with the laboratories.
2. **Letters received on revision of BOARS' Non-Resident Principle #6 and NAGPRA.** The Senate office received letters from the president responding to Council's letters on these issues.
3. **Executive Session**

**III. Consent Calendar**

1. **Approve June draft Council minutes**
2. **Approve forwarding UC Press Editorial Committee resolution on shared governance to the president**
3. **Approve revision to the Chancellor Review Process**
4. **Approve draft charge and membership for a Council Task Force on Competitiveness in Academic Graduate Student Support, and appoint incoming CCGA chair Rachael Goodhue as the Task Force Chair**
5. **Approve appointment of Mary Gauvain as 2011-12 Chair of the Academic Council Special Committee on Agriculture and Natural Resources**
6. **Approve appointment of incoming Vice Chair Powell and incoming UCLA Chair Leuchter as members of the Rebenching Task Force replacing outgoing members Simmons and Karagozian**

**ACTION:** The consent calendar was approved.

**IV. Executive Session**

**ACTION:** Darrell Long (UCSC) and Ram Shesadri (UCSB) were elected as at-large members of ACSOLI.

**V. Responses to review of Library Planning Task Force Report**

**ISSUE:** The Senate was asked to opine on a report of the Library Planning Task Force. Council received comments from six divisions and four committees.

**ACTION:** Council unanimously endorsed a draft response to the Library Planning Task Force Report.

## **VI. Consultation with the Office of the President – Senior Managers**

- **Lawrence Pitts, Provost and Executive Vice President**
- **Nathan Brostrom, Executive Vice President, Business Operations**
- **Patrick Lenz, Vice President, Budget and Capital Resources**

VP Lenz. VP Lenz stated that while the outcome of the state budget process could have been worse, UC had hoped to avoid the additional \$150M cut. The governor needed only two more votes in each house to avoid the cut. The budget assumes \$4B in revenue which, if it does not materialize, will result in an additional \$100M cut to UC. The University was successful in eliminating a provision which would have shifted UC funding to the next fiscal year. VP Lenz noted that the state is planning to borrow from UC to cover its short-term cash needs. This practice has cost UC \$40M over the past four years and curtailed the University's ability to borrow. His office worked with the Department of Finance and the Regents to develop a guarantee that the state will repay the University within a certain timeframe in an amount no less than the University could have made from investing the funds in STIP. In addition, the University is developing a memorandum of understanding on the sale of \$426M in bonds to address UC's capital improvement projects that have been approved by the legislature, but have not been funded due to the state's inability to access the capital market at a good rate.

**Q:** Is the MOU with the state on the sale of bonds for UC capital improvements a contractual agreement creating a liability for the state?

**A:** VP Lenz stated that this is correct.

**Q:** The language in the state budget bill describing the trigger that would result in greater cuts to the University is vague. Could it be met if the Department of Finance cut UC by \$1? Is there any possibility that they might cut us less than \$100M?

**A:** VP Lenz stated that the cut could, indeed, be less than \$100M; it is not an automatic trigger. He thinks there are other budget cutting options that the administration could pursue.

**Q:** What happens if the state does cut UC further?

**A:** EVP Brostrom replied that it is doubtful that the University would request a mid-year fee increase, and instead probably would cover the cut through bridging strategies and by increasing tuition in the following year.

**A:** Provost Pitts added that an example of such bridging strategies is a 2% tax on unrestricted "carry forwards" (unspent funds). He noted that some campuses do this already.

**Comment:** A member stated that this would upset the faculty, and noted that this would provide incentives for faculty to spend their balances in June, creating unwise spending patterns. Is faculty anger worth it?

**A:** Provost Pitts said he thinks it is worth a conversation, noting that many faculty complain about the lack of services they receive. This strategy would give campuses the option to tax, but some may decide not to do so.

**Q:** Previously, UCOP said that it would raise tuition dollar for dollar if it suffered additional state funding cuts. Bridging strategies renege on that statement.

**A:** EVP Brostrom acknowledged that UCOP's strategy has shifted. He stated that the administration hopes to get the Regents' approval to pursue a multi-year budget with the state, which would compensate for the cuts to UC over the past three years.

**Q:** What has Sacramento's reaction to the tuition increase been?

**A:** VP Lenz commented that there has been little pushback by legislators, with the exception of AB 970 (Fong), which would require six month's notice for raising fees and prescribes student consultation procedures. It does not, however, make any commitments about the state's general fund contribution.

**Q:** Do you think next year is going to be worse than this year?

**A:** VP Lenz affirmed that unless the economy dramatically recovers, general funds will be down, so it is likely that the University will suffer. He noted his disappointment with the definition of priorities in this year's budget process and stated that the \$100M cut could have been avoided by targeting more appropriate areas for cuts. However, if the Regents enact the five year plan, the University will be able to fund its priorities regardless of the level of state funding, and it will put pressure on the state to adequately fund the University. The plan recognizes \$2.5M in cost drivers and provides a way to address them. In the past, compacts with the state amounted to fee buyouts or direct trades (dollar for dollar tuition decreases for increases in general funds).

**Q:** Could you comment on the way the \$100M cut is being allocated among the campuses?

**A:** EVP Brostrom replied that two issues affect allocations of the cut. First, the Funding Streams proposal recommended that we should use a different formula for state general fund augmentations and cuts. It is a progressive formula that does not take non-resident tuition or professional degree fees into account when there is an augmentation, but does take them into account when there is a cut. President Yudof thinks the policy should be consistent. The second issue is how to fund UCSF, which, due to its small student body, gets one-quarter of its revenues from tuition and three-quarters from state general funds.

**Comment:** Symmetry is not a principle; it is a convenience. We need to stress to the president that the allocation of the cuts is enmeshed with rebenching.

**Q:** Why wasn't the change in strategy on the allocation of the additional cut communicated to us?

**A:** EVP Brostrom stated that the president changed his opinion based on the feedback he received on the draft funding streams proposal. He added that the new approach to the allocation of cuts is only on the additional \$150M cut, not the initial \$450M cut. He stated that the approach will be revisited for future years in the joint Senate-administrative rebenching discussions.

**Comment:** We need a document from UCOP to the campuses that describes what funding streams is and how it is to be implemented.

**A:** We can send you a document on funding streams.

## **VII. Reports from Standing Committee Chairs**

**(A) UCAP Letter on Replacing “Above Scale” title with “Distinguished Professor”**

**ISSUE:** UCAP proposed replacing the “above scale” title with “distinguished professor” in all relevant APM sections.

**DISCUSSION:** UCAP Chair Palazoglu reported that his committee recommended this change to align UC’s terminology with that of other universities. UCAP recommends asking the administration to initiate a systemwide review of its suggested revision to the APM. Berkeley’s divisional chair stated that on her campus, the term “Distinguished Professor” denotes that the faculty member holds a special endowed chair, and would oppose such a change. Moreover, so many professors are above scale that the term “distinguished professor” would have little meaning.

**ACTION:** Council endorsed UCAP’s proposal recommending replacing “above scale” with “distinguished professor” (17 in favor, 1 opposed, 1 abstention).

**(B) BOARS’ Proposal for Review of Transfer Admission Application**

**ISSUE:** BOARS drafted a proposal regarding transfer admissions policy which treats major preparation as the key component in a comprehensive review of transfer applications. It asked for advice from relevant committees with the goal of finalizing a proposal for formal systemwide review next year.

**DISCUSSION:** BOARS Chair Jacob explained that the proposal would entitle transfer students to a comprehensive review of their application with an emphasis on major preparation. He requested that divisions and the relevant committees provide feedback to BOARS on the proposal by November 2011.

**ACTION:** Council unanimously agreed to a preliminary review to provide feedback on the draft proposal to BOARS.

**(C) UCFW Request for Revision of APM 510 (Intercampus Transfers)**

**ISSUE:** UCFW submitted a request that Academic Personnel undertake a revision of APM 510 to ease restrictions on step or salary increases for such recruitments.

**DISCUSSION:** UCFW Chair Dimsdale argued that this provision restrains trade in that a marketable faculty member either would not receive what s/he is worth or would leave the system. He noted that although the step system is the same across the system, off-scale salaries are not and programmatic needs and markets vary from campus to campus. UCAP Chair Palazoglu stated that the proposal restricts the number of steps that a faculty member is allowed to advance when transferring to another campus and it limits the amount of off-scale salary. He reported that UCAP was unanimously against changes to the restriction on step advancement, and was split on the issue of limits to off-scale salaries. A division chair noted that there have been bidding wars between campuses and expressed concern that if the restrictions were relaxed, more money would be spent on “campus hopping.” A member noted that it is advantageous for faculty members to retain their UC retirement package.

**ACTION:** Council endorsed UCFW’s request to review APM 510 (14 in favor, 3 opposed, 1 abstention).

**(D) UCFW letter on CUCEA Request to the Regents.**

**ISSUE:** UCFW submitted a letter outlining concerns about a proposal by the Council of University of California Emeriti Associations (CUCEA) and the Council of University of California Retiree Associations (CUCRA) seeking Regental recognition of those associations.

**DISCUSSION:** UCFW Chair Dimsdale stated that this proposal to change a regulation of the Regents will affect emeriti Senate faculty and urged caution and careful consideration. Moreover, the proposed language contradicts the Regents standing order that empowers the Senate to determine its own membership. A member urged that the draft letter take a stronger position against the proposal and explicitly take exception to the lack of consultation with the Senate about emeriti membership rights on Senate committees.

---

**ACTION:** Council unanimously approved a letter requesting that the president delay action until it is reviewed formally by the Academic Senate in the fall.

**(E) UCFW letter on the Working Smarter Project Teams**

**ISSUE:** To facilitate cooperation between the Working Smarter Project Teams and relevant Senate standing committees, UCFW has developed a matrix indicating Senate committees with an interest in and jurisdiction over the subjects addressed by the Working Smarter Project Teams.

**ACTION:** Council unanimously approved sending UCFW's letter and matrix to EVP Brostrom and CFO Taylor and request that beginning in the fall the Working Smarter Project Teams consult directly with the relevant committees listed in the matrix.

---

**(F) UCEP Update on UC Online Education pilot project**

**ISSUE:** UCEP Chair Kay provided an update on the RFP process for a common technology platform for UCOE courses, as well as on other developments in the pilot project.

**DISCUSSION:** Chair Kay stated that UC received three bids for a common learning management platform, but wanted more flexibility, so it is now considering hosting the platform within UC. He noted that a few courses are being offered in the summer and a few more are planned for the fall. Last month Council asked the pilot project evaluators to produce a document on the evaluation process; they are close to finishing one. There are concerns about determining eligibility for the courses. Should there be open enrollment, like Extension courses, or should a threshold be defined? A member commented that BOARS should monitor the plans. Chair Kay added that a market research group is working on a final draft of a questionnaire for prospective students. UCOE also is also searching for an administrative organization to handle the enrollment of non-UC students, possibly one of the campus Extensions. UCPB Chair Chalfant said he is participating in a group with Vice Chancellors for Planning and Budget that is considering how to allocate costs and revenues for students enrolled at one campus but taking UCOE courses at a different campus.

**VIII. Implementation Task Force Final Report**

**ISSUE:** The Implementation Task Force submitted its final report for consideration and endorsement.

**DISCUSSION:** Chair Chalfant noted that Council previously adopted a number of recommendations made in the report. He requested that Council adopt three additional recommendations and forward the recommendations to the president with the final report as background to the recommendations, noting that the report, itself, was not endorsed by Council. Council members suggested minor wording changes, which were accepted.

**ACTION:** Council unanimously (A) adopted the additional recommendations; (B) approved forwarding a letter communicating the recommendations to the president along with the final report as background to the recommendations; and (C) requested that the provost circulate the final report to the Rebenching Task Force.

## **IX. Allocation of Budget Cuts**

**ISSUE:** Council discussed the methodology for allocating 2011-12 budget cuts in the context of the Funding Streams budget model and offsetting fee increases.

**DISCUSSION:** Chair Simmons stated that treating augmentations and reductions in the same way advantages those campuses that have greater ability to raise revenue via non-resident tuition and professional degree fees. He added that the president is inclined toward doing this. He stated that three choices must be made. First, whether funding streams should be implemented as originally intended on the \$500 M, and second, how to allocate the additional \$150M cut (i.e., should non-resident tuition and professional degree fees be included when allocating the cut). Finally, UCOP must decide whether UCSF should receive a special provision because they do not have any undergraduates to provide a tuition increase off-set. Chair Simmons proposed a list of resolutions. Council members made suggestions to amend the language in particular resolutions. A member stated that it is not fair to allocate cuts on a different basis than augmentations. A member countered that Council should take a position based on principles, reiterating its original position on funding streams. She argued that Council should consider the system as a whole, not individual campuses' self-interest, noting that the Senate is the only remaining centripetal force in the University. A member asserted that the administration should have issued a document stating that they were planning to amend funding streams. A member noted that because of its special situations, UCSD and UCM must receive some accommodation.

**ACTION:** Council rejected a motion to replace the proposed document with a single paragraph affirming Council's statement on funding streams made in March regarding cuts and augmentation, and objecting to the lack of communication (9 opposed, 3 in favor, 4 abstentions).

**ACTION:** Council adopted the following resolutions (14 in favor, 3 opposed, 1 abstention).

1. The Council protests the lack of formal consultation between UCOP and the Academic Senate on modifications to the Funding Streams Proposal in the allocation of the 2011-12 budget cuts.
2. The Council registers its concern that any ad hoc funding decisions at odds with Funding Streams principles will undermine the goals of the Funding Streams Proposal and rebenching as well as set problematic precedents for enacting these initiatives.
3. Council advises that UC Merced not be allocated budget reductions attributable to the \$650 million reduction in State funding.

4. Council affirms its previous position and advises that \$500 million of budget reductions (less savings achieved in the budget of the Office of the President) be allocated to campuses under the Funding Streams Proposal provisions allocating reductions in State funding.
5. Council advises that the second \$150 million of budget reductions be allocated to the campuses under the Funding Streams Proposal provisions adopted to allocate the initial \$500 million reduction.
6. If a decision is made to allocate state funding cuts that are accompanied by tuition increases on the basis of tuition only, then tuition should be excluded from the basis used for allocating funding cuts not accompanied by tuition increases.

#### **X. Senate Membership Task Force**

**ISSUE:** The Senate Membership Task Force examined the essential principles underlying Academic Senate membership and assessed the degree to which current practices reflect those principles. It recommended: not extending the list of titles conferring membership in the Senate; reviewing the duties and responsibilities of non-Senate academic appointees and reclassifying them when needed within the divisions; retaining the historical separation of curricular authority for undergraduate and professional school education; and revising the list of administrative titles that automatically confer Senate membership. The Task Force report was reviewed systemwide. Council discussed the review responses.

**DISCUSSION:** A member argued that there is no correlation between faculty titles and job duties at health sciences schools; this is a source of inequities and causes lack of representation and must be addressed. A divisional chair noted that if clinical faculty became part of the Senate, their perspective would overwhelm Senate committees. Some members expressed dissatisfaction with the report and offered two options: Council could receive the report, but not endorse it, or Council could constitute a new group to consider the issue. In the past, broadly representative groups have considered the issue and in attempting to reach consensus, no action is taken. A member proposed that a small group could make a case for a solution that the Council could then consider more broadly. The health sciences members of Council whose terms are ending are willing to develop a proposal from an advocate's perspective and bring it back to Council. A member objected to undermining the work of the task force and all of the Senate bodies that reviewed its report. A member stated that the way the issue was posed tied the hands of the task force. The recommendations did not address the underlying problems that precipitated the issue. The problems go beyond the issue of Senate membership. Such issues include that clinical faculty have less protection against arbitrary administrative actions and incomplete pension coverage. The major issues for health science faculty are: 1) No representation by anyone in terms of interest, career structure; 2) Many faculty are misclassified; they are Senate members except in name; 3) They have no recourse to abusive administrative treatment; 4) They do not feel respected; and 5) It is not in the Senate's interest to allow the growth of provisional faculty. To what extent can we resolve those problems without addressing Senate membership? A member argued that the Senate must incorporate non-Senate faculty in Senate governance to the extent that medical school faculty issues can be integrated into divisional governance. He suggested that the Senate convene a special committee focused on health sciences school issues. A member countered that perhaps there should be health sciences representation on the standing committees. A member noted that Senate membership is not only a medical center issue; there are many non-Senate faculty who do Senate types of work on other campuses, e.g., in-residence faculty (research funded faculty who teach graduate students), lecturers who have passed their six-year hurdle but are not LSOEs, and other

academic titles that evolved long after the rules of Senate membership were ensconced in the Standing Orders of the Regents. A member stated that the task force's documentation of the historical evolution of Senate membership is a valuable contribution.

**ACTION: Council voted unanimously to accept the report and post it with the review comments on the Senate website.**

**XI. New Business**

*Council did not discuss any new business.*

Meeting adjourned at 4:30 p.m.

Attest: Daniel Simmons, Academic Council Chair

Minutes prepared by Clare Sheridan, Senior Policy Analyst