

## ACADEMIC COUNCIL

**Minutes of Meeting  
November 24, 2014****I. Consent Calendar**

1. Approve today's agenda items and their priority
2. Approve draft Council minutes of October 22, 2014

**Action: Council approved the consent calendar.**

**II. Senate Officers' Announcements**

- o *Mary Gilly, Academic Council Chair*
- o *Dan Hare, Academic Council Vice Chair*

November Regents Meeting: The Regents approved a [Long-Term Stability Plan for Tuition and Financial Aid](#) over the objections of Governor Brown and other state officials. The plan calls for annual tuition increases of up to 5% in each of the next five years, with the exact increase based on the level of support provided by the state. The proposal passed easily with many Regents criticizing the state for being an unreliable partner. Two days before the meeting, the Governor appointed two new Regents – Outgoing Assembly Speaker John Pérez and Long Beach City College President Eloy Ortiz Oakley – who both voted against the proposal. At the meeting, the Governor criticized the university for not using money wisely, urged it to change its cost structure, and proposed the formation of a commission to study ideas like offering a three-year degree and expanding online education. State Assembly Speaker Toni Atkins also proposed a reform plan that would provide an additional \$50 million in funding for UC, freeze tuition, increase faculty teaching loads and cut executive compensation and nonresident enrollment. Student protestors who attended the meeting criticized UC for raising tuition and the state for not providing UC with more funding. The student Regent also criticized the Governor's three-year degree and online education proposals. UC will continue negotiations with the state until the 2015-16 state budget is finalized in June.

The Regents appointed UCSF Professor and QB3 Director Regis Kelly Senior Advisor to the President for Innovation and Entrepreneurship.

Total Remuneration Study: Chair Gilly has asked Senate division chairs to coordinate meetings between their campus EVC and the chairs (or representatives) of campus CAP, Planning and Budget, Affirmative Action, and Faculty Welfare committees to discuss options for addressing future salary increase distributions and the 10% gap in UC faculty total remuneration outlined in a just-completed [study](#). The intent of these meetings is to better understand faculty and administrators' respective perspectives before the Senate sends the Regents a final recommendation for addressing the gap. To help move the discussion forward, the Office of Academic Personnel is preparing to distribute additional data on campus-specific salary lags and mean off-scale salary by campus and discipline.

UC Path: The Provost hosts a monthly teleconference for Senate and UCOP leaders to discuss budget issues. The October call included an update on UC Path, the systemwide payroll system

that will modernize and replace aging campus systems. UC Path was scheduled to be implemented at UCOP in January 2015 and then at other campuses on a staggered two-year schedule; however, the January starting date has been delayed pending a review of the budget and campus plans for staff reductions. The remainder of the schedule is unknown.

December Assembly Meeting: Council reviewed agenda items for the December 10 meeting of the Assembly of the Academic Senate. In addition to the proposed agenda items, it was suggested that the BOARS chair report on current issues in undergraduate admissions.

Discussion: A Council member noted that some students and members of the public believe that tuition increases will be used exclusively to fund salary increases and pension costs. UC should do more to communicate what they will allow the university to do, and also about the university's efforts to cut costs. There was concern that the tuition increase could harm graduate education, and it was noted that the Governor's and Assembly Speaker's proposals do not include a single recommendation related to research, highlighting the need to educate policymakers about the value of research and the role of faculty at a research university. It was noted that some students want to take online courses, but most students come to UC to interact in person with faculty and students in classrooms and labs.

### **III. UCPB Status Report on 2015-16 and Continuing Budgets**

- *Gary Leal, Chair, University Committee on Planning and Budget*

Issue: The University Committee on Planning and Budget has submitted a report to Council summarizing its initial impressions of the UC budget.

UCPB Chair Leal noted that UCPB has concluded that tuition increases are essential to ensuring a balanced budget if the state fails to provide more than a 4% increase on the State-funded portion of UC's budget. UCPB is also concerned that the assumption that UC will raise 1/3 of its income needs, or \$80 million, from internal sources such as nonresident tuition, philanthropy, and additional efficiencies, is unrealistic and not equally accessible to every campus. The committee is concerned that the \$50 million set-aside in the annual expenditure plan for quality improvements (including addressing the total remuneration gap, deferred maintenance, deferred faculty hiring, and increased support for graduate education) is insufficient and too incremental to be effective. Finally, UCPB questions the degree to which funding for quality improvements will be distributed to campuses via the rebenching formula, in the context of the need to address some quality issues such as total remuneration on a systemwide basis.

Discussion: It was noted that some campuses have argued for "socializing" at least a portion of undergraduate nonresident tuition revenue across campuses due to the unequal ability of campuses to attract nonresidents. It was also noted that nonresident enrollment carries additional costs for the enrolling campus.

### **IV. Consultation with Senior Managers**

- *Aimée Dorr, Provost and Executive Vice President, Academic Affairs*
- *Nathan Brostrom, Executive Vice President and Chief Financial Officer*
- *Patrick Lenz, Vice President, Budget and Capital Resources*
- *Debora Obley, Associate Vice President, Budget and Capital Resources*

The Regents passed a [Long-Term Stability Plan for Tuition and Financial Aid](#) to ensure a greater degree of cost predictability for students and to help UC maintain access, affordability, and quality in the absence of adequate state support. The Regents also passed a [Three-Year Financial Sustainability Plan](#), fulfilling a 2014 Budget Act requirement that UC create a balanced budget based on a 4% increase to the state portion of the budget and no increases to tuition or fees and a three-year plan for enrollment and improved student performance outcomes. UC's plan presents two options: the first based on the assumptions in UC's Stability Plan, and the second based on the state's assumptions, in which UC anticipates decreased access for California residents, low-income students, underrepresented minorities, and transfers. A key difference between the plans is a swing in access for 19,000 California resident undergraduates.

The UC budget assumes a 4% increase in state funding and additional revenue from new efficiencies, liquidity management, and nonresident enrollment growth. The budget also assumes 1% annual undergraduate enrollment growth over five years based on the need to meet UC's Master Plan obligation, reduce unfunded enrollment, and leave room for graduate enrollment growth. The budget assumes academic staffing growth to meet the 1% enrollment target, no growth in non-academic staffing, continued 14% employer contributions to UCRP, 2% non-salary price increases, funding for deferred maintenance and 3% salary increases, \$50 million to support quality reinvestments, and \$15 million in capital projects funding, which over five years will be enough to fund \$150 million in debt service for capital projects.

The Governor has proposed a high-level joint committee to review five new academic delivery models the Governor believes will save money. President Napolitano and the Governor will ask the committee to review these recommendations and other topics suggested by the university. UC disagrees with the Governor's suggestion that UC should compete only with other public universities for faculty and staff, and believes the Governor has underestimated the extent to which students will resist his proposals. The University notes that it has continued to enroll thousands of unfunded California residents through the budget crisis and supported those students with financial aid. It notes that requiring faculty to increase teaching and reduce research will affect research grants, which amount to more than twice the state budget. UC hopes the state will choose to use a portion of the \$2 billion budget surplus to buy-out the tuition increase. If the Governor rescinds the 4% increase, UC will consider other options, including enrollment actions.

***Discussion:*** Council members agreed about the need to educate students and policymakers on UC's efforts to support access for low-income students and California residents. It was noted that UC is competitive in its salary offers to new faculty but risks losing existing faculty. A member asked how rebenching would apply to the distribution of new funding to campuses, noting that campuses have unequal capacities to raise money through philanthropy, nonresident enrollment, and liquidity management. EVP Brostrom said the 4% state funding increase will be distributed through the rebenching formula, and that the benefits of nonresident growth and liquidity will begin to adhere to a broader range of campuses over time. A Council member asked if a 14% employer contribution rate will be sufficient to maintain UCRP's health. EVP Brostrom responded that UCRP is on an upward trajectory [the latest estimate projects 95% funding by 2042 at a 14% employer contribution rate and with additional borrowing]. He added that UC wants the state to recognize that it is not funding UCRP to the same degree that it funds CSU's pension, and that UC has consistently met its commitment to California residents during the budget crisis while CSU cut enrollments by 20,000.

A Council member expressed concern about a lack of access to the least-expensive “UC Select” tier of health care providers at several UC locations including Santa Barbara. EVP Brostrom noted that the Santa Barbara region is in a difficult situation due to a lack of competition and that UC is studying ways to address the problem by expanding the provider network and negotiating with existing providers. A member expressed concern about staffing increases at UCOP and asked if UCOP could do more to reduce costs. Vice President Lenz noted that UCOP has already done much to reduce costs but can also do more. He noted that UC Path, the President’s new initiatives, and increasing reporting demands are all helping to drive the need for additional resources, and that UC Path is expected to save campuses money over time.

Provost Dorr noted that President Napolitano is interested in exploring new revenue sources and recognizes that every UC campus is an engine for innovation. The President wants to enhance the financial opportunities provided by faculty research and leverage them into marketable opportunities that promote UC research and generate new revenue. The President’s new advisor on innovation and entrepreneurship will help energize these efforts. She expects all activities to be grounded in strong science and oriented toward products and services that benefit the social good. Provost Dorr also noted that she hopes every campus can agree to the major goals articulated in the doctoral student support recommendations.

Council members gave Vice President Lenz, who retires from UC in December, a round of applause in appreciation for his service to the University.

## **V. Doctoral Student Support Recommendations**

**Issue:** Council members summarized preliminary discussions on Senate divisions and committees about a set of [proposals and best practices](#) related to non-resident supplemental tuition (NRST), competitiveness in net stipends, professional development, and diversity. The proposals were developed by the Doctoral Student Support Steering Committee. Chair Gilly and the Provost hope to present a final set of recommendations to the Regents in January.

**Professional Development:** Some Senate reviewers are skeptical about the value of a proposed systemwide career “portal.” Reviewers are concerned that developing and maintaining a portal would be costly, unnecessarily duplicative of existing professional development resources on the campuses, and ineffective. Chair Gilly noted that the graduate students on the Steering Committee are the main proponents of the professional development recommendations and expect the career portal to go forward. She said there is some confusion about the nature of the portal, which is envisioned as a repository that aggregates and provides links to existing campus resources, not replaces them. It is envisioned that one individual on each campus would be responsible for gathering information and exploring interactions with industry on an ongoing basis. She said students are concerned that while the PhD confers skills that are applicable beyond the academy, the institution discourages them from pursuing non-academic careers. The portal would facilitate the sharing of information by PhDs who work outside academia.

One Council member noted that UC should do more to help new PhDs find meaningful work, and that the UC system as a whole can be more effective than any single campus in identifying resources. Members noted that it would be important to assess the effectiveness of the portal and that UC should consider how to leverage the opportunities brought by other career websites and

social media. One member noted that a more fundamental question is whether UC is educating the right number of graduate students.

Diversity: Reviewers agree that increasing the diversity of the graduate student population is critical. There is support for the proposal to expand outreach and support to UC LEADS scholars and students at Hispanic-Serving Institutions (HSIs), Tribal Colleges and Universities, and Historically Black Colleges and Universities, in the form of summer research programs for students who are potentially interested in a UC PhD program, and additional grant support for students enrolled in a UC PhD program. There is also support for focusing outreach efforts to CSU campuses, a large number of which are HSIs. However, there is also some concern about the costs associated with meeting these goals, the potential for the goals to become unfunded mandates without additional resources, and the potential for funding inequities to emerge across campuses. A Council member noted the importance of improving the diversity of the pre-college pipeline, although another remarked that K-12 initiatives are remote from the current recommendations and objectives.

Multi-Year Support: There is support for encouraging transparent, multi-year offers as a best practice but also concern about codifying or mandating the practice due to the uncertain availability of resources year-to-year, the legal risk of obligating campuses and departments to fund students over multiple years, and the potential that a mandate could encourage departments to be more conservative in their admission offers. It was agreed that there should be a mechanism for exceptions and that an offer of probable multi-year funding for enrolled PhD students should be contingent on continued funding and on students making sufficient progress. There is some support for the recommendation to provide 100% fellowship support for all first-year students, although it was noted that first-year 100% fellowship support would be unworkable for some programs and disciplines.

Nonresident Supplemental Tuition: In general, reviewers agree that NRST is a problem to the extent that it can deter departments from recruiting the best graduate students; however, they do not support the proposal to change Regental policy to eliminate NRST for academic doctoral students after the first year, preferring instead to maintain existing campus policies and strategies, such as reimbursing faculty grants. Reviewers are concerned that changing Regental policy would have negative political consequences for the University and could disrupt existing individual campus approaches that are working well, although it was noted that the Regents might be persuaded by the inefficiencies inherent in campus discretionary solutions. It was noted that campuses should be encouraged and perhaps expected to develop a local policy for achieving the goal of eliminating the impacts of NRST.

## **VI. Executive Session**

*Notes were not taken for this portion of the meeting.*

## **VII. Consultation with Senior Managers**

- *Janet Napolitano, President*

Chair Gilly thanked President Napolitano for her efforts to pass the Stability Plan. The President noted that the November Regents presentation that resulted in a united stance by the non-elected members of the Regents was the culmination of detailed work and preparation. The Stability

Plan has highlighted the need for UC to move away from the tuition boom and bust cycle, increased the California public's recognition of the value of its public research university, and pivoted attention away from Oakland to Sacramento and the state's lack of commitment. However, the Regents meeting was only the end of the beginning, and the UC community still has much work to do. The Governor's January budget will launch an iterative process of negotiation, and the President will soon be meeting with the Governor about his proposal for a select committee. The President said she continues to think about innovative ways to improve efficiency, raise revenue, and augment public support for UC and California higher education. She said she is considering products, such as certificates, which can make money but also enhance the reach and reputation of the university. She said there is a role for online education done the right way; however, it should not be viewed as a way to cut costs or a replacement for the residential college experience.

The President noted that her new Special Advisor on Innovation and Entrepreneurship Regis Kelly is well-known in Silicon Valley and has extensive experience in the innovation-based economy. He is already working with UC campuses that have business incubators and is reaching out to campuses without them. The President has reviewed Council's [letter](#) commenting on the operational review of the Office of Research and Graduate Studies. She will decide how an innovation position might fit into the organizational structure after the review of Academic Affairs is complete.

The President reviewed the status of some of her initiatives. She said UC is making progress toward its goal of improving and clarifying transfer admission pathways for CCC students; campuses have been hosting events related to the UC-Mexico Initiative; and the Global Climate Leadership Council has been meeting to discuss campus-based sustainability efforts and the status of the President's goal of achieving carbon neutrality for UC by 2025. Finally, the winning Global Food Initiative student fellowships have been announced; Phase II will begin in January after implementation plans and budgets for the projects are submitted.

### O&A

**Q:** UCPB is concerned that UC's goal of generating 1/3 of its revenue target internally has the potential to encourage the "tiering" of campuses due to their unequal ability to generate revenue.

**A:** I think we are ok for the first year of the five-year plan, but I am very aware of the potential for the "rich get richer" in the context of issues like nonresident tuition, and I want to work with you on this. I start from the premise that UC is a system and there has to be relative equivalency. The younger campuses are starting to see increases in nonresident enrollment, and it will be important for them to explore that option and also increase philanthropy to a greater extent.

**Q:** How do you envision the role of the UCOP Innovation office in relation to the campuses on issues like intellectual property?

**A:** Most of the work will have to be campus-based, but the central office will help campuses develop expertise, ensure consistent agreements, and facilitate the exchange of best practices across campuses.

**Q:** What do you expect from the Governor's select committee? And since the scope of the work falls under the authority of the Senate, what should the Senate do to help?

**A:** The committee will discuss the Governor’s specific proposals, but UC is also adding topics we think are worthy of consideration; for example, the Governor’s document does not mention research. The effort will require UC to be thoughtful about potential innovations that may produce better educational outcomes. The faculty can help advise us about how to balance being responsive to the Governor with the need to maintain UC’s mission and the integrity of the academic enterprise. The Senate can also suggest potential members for the committee, particularly “big thinkers” who can help us articulate the nature and role of the public research university.

**Q:** The Regents meeting was an enormously successful first round, but I am concerned that students and members of the public are framing the tuition increase as a way to pay for increased faculty and administrator salaries. We need a communications strategy that tells the real story about what these changes will support.

**A:** Our messaging has to be persistent and persuasive. The facts are that from a cost containment standpoint, UC is one of the best public institutions around, and when normalized, our executive and faculty compensation is the same today as it was in 2006. UCOP can supply the materials and talking points, but we cannot be the only spokespeople. Faculty can help by writing op-eds and meeting with legislators.

A Council member noted concern about the potential to “reinvent the wheel” with regard to the Governor’s three-year degree proposal. The Commission on the Future and the Academic Senate considered this idea in 2010, and their reports summarize arguments for and against. It was noted that pathways to a three year degree that make use of summer session and advanced placement credits already exist. It was noted that there are additional costs associated with increasing the use of summer session and that few students want (or are able) to shorten their educational experience by one year. It was noted that any attempt to reduce the number of credits required for graduation would be very controversial.

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Meeting adjourned at 4:00 pm  
Attest: Mary Gilly, Academic Council Chair  
Minutes prepared by Michael LaBriola, Principal Committee Analyst

**Minutes of Teleconference Meeting  
December 3, 2014**

**I. Doctoral Student Support Recommendations**

**Issue:** Council met to discuss feedback from Senate divisions and committees regarding several proposals and best practices for better supporting doctoral students.

Chair Gilly noted that she recently met with Provost Dorr and the Chair and Vice Chair of the Regents' Committee on Educational Policy to brief them about the proposals. She indicated to them that there is a growing consensus in the Senate for maintaining existing campus policies and practices around NRST and multi-year offers. The Regents expressed disappointment that they would not be presented with a comprehensive action plan for full Regental discussion and a vote. As a result, Chair Gilly believes it would be better to withdraw the item from the January Regents agenda. Instead, the Senate should submit a report to the Regents detailing a plan for working with the campuses on the issues.

**Discussion:** It was noted that there is a -\$1,400 gap between the average net UC doctoral student stipend and the average stipend offered by comparators, and that at least \$30 million is needed to achieve mean competitiveness in this area. It was also noted that the 2015-16 UC budget sets aside \$50 million for reinvestments in quality in four priority areas, one of which is graduate student support. Council members noted that UC and the Senate should consider increases to doctoral support funding against these other priorities and in the context of the overall budget situation, and should not necessarily see it as a higher budget priority than, for example, deferred maintenance and reducing the student-faculty ratio.

Senate reviewers are concerned that introducing a systemwide policy for NRST and multi-year offers could cause departments to be more conservative in their admission offers and that a systemwide "safety net" to shore up multi-year commitments would not be viable. It was noted that the Regents should understand the costs to faculty associated with academic doctoral students, and that campuses want to maintain local solutions but are also concerned about the impermanence of local solutions. It was suggested that campuses be strongly encouraged to make eliminating the impact of NRST a high priority, and Council members agreed that "expecting" campuses to do so would be too strong a mandate; it should be "recommended."

A member suggested that the university tap into other sources – indirect cost revenue, nonresident tuition, PDST, and self-supporting programs – to fund doctoral students; however there was concern that diverting money from some of these sources would be difficult, and that allocating a fixed percentage to graduate support or any specific initiative could tie UC's hands. It was suggested that separating out graduate student tuition for doctoral students from undergraduate tuition (and possibly other graduate student tuition) could result in protection from future increases that affect all tuition. A member said the Senate should revisit the professional development recommendations to increase their specificity about content, sources of content, and funding.



## II. Other Business

**Total Remuneration Study**: Vice Chair Hare noted that the Office of Academic Personnel will provide the Senate with data on UC salary lags by campus and discipline and on the distribution of off-scale salaries by campus and discipline. Several Senate division chairs reported that they are working on scheduling meetings about faculty salary with their EVC/Provost and campus CAP, Planning and Budget, Affirmative Action, and Faculty Welfare committees. Vice Chair Hare noted that the meetings would ideally be scheduled before the winter break and should give faculty and administrators a chance to share perspectives on options for allocating the 3% increase for faculty salaries included in the 2015-16 budget, and options for addressing the overall total remuneration gap.

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Meeting adjourned at 10:00 am

Attest: Mary Gilly, Academic Council Chair

Minutes prepared by Michael LaBriola, Principal Committee Analyst