

- **Wyatt R. Hume, Provost and Chief Operating Officer**
- **Bruce Darling, Executive Vice President, University Affairs**
- **Katherine N. Lapp, Executive Vice President, Business Operations**

President Dynes

- Budget: The Governor will honor the Compact, but he has proposed a 10% cut to UC's 2008-09 budget (a \$400 million reduction from the budget approved by The Regents). The Governor anticipates that 10% of the 10% cut will come from administrative savings. UCOP will make a decision regarding its 2008-09 enrollment growth within the next few weeks.
- [The Report of the Working Group on the Roles of the Office of the President](#) was presented at the January Regents meeting, which made recommendations regarding the relative roles of The Regents, UCOP, and the campuses with respect to UC governance. This report articulated that the role of The Regents primarily lies in fiduciary responsibility and policy-making.
- WASC Report: The WASC report on the UC system has been released. It also comments on the relative roles of the campuses, Chancellors, UCOP, and The Regents. There is also a clear implication within the report that shared governance is an integral part of the University.
- Advocacy: UC needs to become more aggressive in this area. UCOP has recently set up a new web site for advocacy, called 'UC for California (www.ucforcalifornia.edu).

Provost Hume

- Budget: UCOP is partnering with CSU, as well as UC advocates in biotechnology, agriculture, information technology sectors, in an advocacy campaign to push back against the proposed budget cuts. At the same time, UCOP is preparing for budget cuts. Raising undergraduate and graduate fees is one option; the faculty salary plan is certainly another area that could be affected. UC is working vigorously to capture administrative savings at both UCOP and the campuses through restructuring efforts, but these savings will not cover the budget cuts alone. A little more than \$100 million per year comes to the University in the form of ear-marked research initiatives; UCOP is investigating the possibility of shifting some or all of this money towards UC's stated priorities. Similarly, UC will try to encourage the State to reexamine some 'administrative burdens' that have been placed on the University over the years.
- Academic Planning: Academic planning activities are continuing; Merced is the last campus scheduled for this year. Enrollment planning out to 2020 is also moving forward.
- Budget Planning: EVP Lapp has outlined to The Regents where the budget trade-offs are. At the same time, work continues on an improved budget planning process.

EVP Bruce Darling

- Advocacy: University Affairs is working with Provost Hume to construct a set of initial message points for an advocacy campaign. Primary components include how the budget cuts will impact UC's contribution to California in terms of undergraduate and K-12 education, research, clinical programs, and the economy in general. Key legislators are being identified, that UC can count on in the final negotiations around the budget.
- Proposition 92: UC has sent out informational materials describing The Regents' position against Proposition 92 to UC alumni and staff this week.
- Labs: The Berkeley Lab was recently rated 'extremely high' in its performance evaluation. It is the hope that the contract will be extended. 500 temporary and contract workers have been

laid off LLNL. Los Alamos was able to absorb cut-backs through voluntary lay-offs and attrition.

EVP Katie Lapp

- Budget Task Force: A budget task force, which meets at least once a week, is advising Provost Hume (includes Chancellors, EVCs, etc.).
- EVP Lapp will testify before the State Assembly next week. Questions may arise as to why UC was not included in the mid-year budget cuts.
- Patrick Lentz, the new Vice President for Budget, was approved by The Regents at their January meeting.
- Kristine Hafner, Associate Vice President for Information Resources and Communications, will retire at the end of June. UCOP is beginning a search for a new chief information officer.
- The Regents will consider a student fee hike at their March meeting.

Questions/Answers and Comments

Q: UC has not been very effective in its own advocacy. How much advocacy is being done with business leaders? How are The Regents being deployed in advocacy efforts?

A: Pres. Dynes responded that UC maintains close relations with business leaders. There have been events, in which business leaders in agriculture, biotech, and information technology have spoken out on behalf of UC in Sacramento. The key issue is how to deploy them over the next five to six months. However, a sustained effort is required; strategic advocacy will be needed in June and July as well. Partnering with CSU is also important. The Governor is also someone who does understand the benefit of UC. However, the University does not have a strategic plan yet. Provost EVP Darling remarked that there are very senior business leaders who are actively involved with UC campuses. UCOP's advocacy office in Sacramento, campus governmental relations directors, and the Vice Chancellors for External Relations jointly developed an action plan for this year; it lays out a series of activities for both The Regents and business leaders. Timing is crucial, and advocacy will be needed for the May Revise and the budget negotiations after that.

Q: When will there be television ads for UC?

A: EVP Darling remarked that UC has traditionally focused on editorial boards to develop a wider consciousness, and the University has not taken out any television ads. Editorials have already appeared in such newspapers as the San Jose Mercury and the Sacramento Bee. EVP Darling added that UC would have to use private funds to run ads (state money could not be used).

Q: Some Ivy League universities have decided to start to use their endowments to lower their tuition for middle class students. What impact will this type of action have on UC?

A: Provost Hume responded that Chancellor Birgeneau presented to The Regents a proposal for changing financial aid to address affordability. He noted that UC's current financial aid policies simply will not be sufficient for the future. Currently, UC's financial aid only covers fees; it does not cover living expenses, which are relatively high at most UC campuses.

Statement: It was noted that the Senate is opposed to a position of a Chief Financial Officer (CFO), and the recruitment for such a position, which would be compensated at approximately \$600,000 plus. The search committee should consider the fact that qualified candidates may want to come to the University for reasons other than gross financial remuneration.

A: President Dynes responded that he believes that a position dedicated to the monitoring and evaluation of the broad financials of the University could realize substantial financial savings for the institution. STIP is evidence of this. That said, he does agree that such a high rate of compensation is worrisome.

Statement: In the proposed Governor's budget, the Compact is funded, but then the funding is cut. UC should not be forced to take students that it is not being funded for.

A: Provost Hume remarked that instituting an enrollment freeze would be costly in terms of public support. The public sees UC as a place of support for its children. On a related point, UC has allowed certain campuses to over-enroll in the past; UCOP has funded such over-enrollment. This will not be allowed this year. If it froze enrollment growth, UC would essentially break the Compact. There is a spectrum of choices available to the University: Enroll an additional 1,000 students, thereby honoring the Compact. UC could also cut enrollment by 10%. There are costs in even saying that we are even thinking about it. This is a political decision.

Q: The Senate has said that its top priority is faculty salaries. However, the historical record shows that the University generally limits faculty salary increases in hard economic times. However, 75% of the faculty are off-scale, which indicates that individual salary increases will continue to happen with or without a reasonable and transparent process. In EVP Lapp's presentation to The Regents, the base budget was mentioned only once as a candidate for cuts. Another related issue is the appropriate faculty-student ratio that the University should maintain.

A: Provost Hume responded that the faculty-student ratio is often allowed to slip in hard times. President Dynes added that other parts of the base budget are open for discussion as well. A workgroup is being put together to study faculty-student ratios. It was noted that student-faculty ratios can differ by as much as 20% from campus to campus. The funded ratio (17.86:1) is different than the actual ratio.

Q: UCPB has provided statistics on how UC fares with other state-funded entities (e.g., prisons). In fact, education is the only sector whose funding has decreased over the last 10-15 years. Are such statistics used in making UC's case before the Governor and the state legislature?

A: President Dynes responded that the University is making this case. Most people are aware that the higher education budget has been decreasing relative to General Fund for decades. EVP Darling added that the state legislature has in essence made a decision to shift the financial burden for higher education from tax payers to parents.

Statement: The campuses seem well-skilled in local UC advocacy. Perhaps they should be included as part of the advocacy effort.

A: EVP Darling reported that in advance of the Governor's budget proposal, University Affairs put together a plan for dealing with a negative budget; it is now being used as a base for forming a message and increased advocacy. There is a concern on how you do this; one needs to be both strategic and focused. In past years, there was a hesitancy to be proactive in budget advocacy.

Q: What are some of the themes being considered for an advocacy campaign? Would it be appropriate to state publicly that UC's relative overall quality, as well as the quality of life of its faculty members, has already plummeted, and will most likely decline further?

A: EVP Darling responded that this is one of the themes that are being considered. In the past, there has been a general concern publicly stating that UC's quality is declining, or has declined, for the purposes of faculty recruitment, etc.

Q: Have you found any errors in UCPB's analysis in the draft Cuts Report? What is your view of its political recommendations? Although the current political situation can be appreciated, if enrollments are not frozen then you are essentially asking staff and faculty to work that much harder once again.

A: Both Provost Hume and EVP Lapp said that they did not find any errors in the data. However, the political recommendations are rather stark and may not be politically wise, but Provost Hume appreciated the clarity of the vision and expression. He awaits Council action on the UCPB report before considering it further.

Q: Given the worsening budget deficit, what are the chances of a second year of the salary plan?

A: EVP Lapp responded that the second year of the faculty salary plan will cost the University \$20 million, which is on top of the faculty 5% compensation package (\$170 million). The first question for The Regents is whether UC can afford the compensation package for all staff and faculty. If not, can the institution afford the 5% compensation package only for the faculty? Provost Hume remarked that we really do not know how bad this is really going to be because this is only the Governor's proposal. The most horrible circumstance is cutting faculty salaries. If this were to happen, could we still save the scales? The long-term financial health of this institution depends on the peer-review process. In November 2008, The Regents will consider the second year funding for the faculty salary plan; by that time, UC will have a better idea of where it is financially. However, faculty salaries would be the last thing UCOP would trade away.

Q: Campuses make independent decisions regarding admissions offers, which are based on their enrollment targets. How would UCOP disallow campuses to over-enroll? Does this imply that all of the campuses will be under-enrolled? Will it be possible to honor the current eligibility policy simply by modulating the enrollments targets at the more selective campuses? Where is UCOP now in negotiating with campuses over their enrollment targets and figures?

A: Provost Hume remarked that meeting enrollment targets is an inexact science. The more sought-after campuses will likely be more conservative. The unintended benefit is a larger referral pool. UC does not have a centrally-controlled enrollment system. Provost Hume has told the campuses that if they do over-enroll, they will not be getting any additional funds to support that over-enrollment. President Dynes added that as a system, UC is currently over-enrolled. This means that in order to meet its commitment to eligibility, it would only have to increase enrollment by a little (approximately 1,000 students or so).

Q: One of the consequences of the budget cuts might be increased pressure for external funding for certain campus programs (e.g., SMI, the educational imperatives, etc.). If there is more pressure on the campuses to prioritize funding levels, would campuses begin to under-fund local programs that are not at the top of their priority lists? Can UCOP keep campuses from competing against each other for funds? Does the Governor feel any responsibility for funding SMI?

A: President Dynes remarked that he has not spoken with the Governor specifically about the SMI; however, the loan forgiveness program is a program that does not impact current budgets. The SMI is such a small budget item that President Dynes would pressure the campuses not to

slash it. Some local SMI funding does come from private companies; he would be happy to work with the campuses to reinvigorate those sources. Provost Hume added that the SMI program is going very well overall. The major corporate sponsors have also been retained through the transition from central fundraising to local fundraising.

Q: If UC were to freeze enrollments, would there be a way to mobilize parents of potential UC students to come to the defense of UC's funding?

A: Provost Hume said that it is possible, but probably not within this budget cycle. Freezing enrollments could potentially hurt the University in the eyes of the public. UC can mobilize this type of support over the long-term though.

Statement: Television ads are a kind of advocacy, but should be thought of in terms of public education. An initiative along these lines should be both state-wide and local, thereby involving the communication offices of the campuses.

A: EVP Darling agreed, and reported that campus communication offices have been involved in the larger messaging initiative as well as part of the budget advocacy mission.

Q: Given the concerns around governance mentioned in the WASC report and the fact that The Regents seem to be taking on an advocacy role in the appointment of the new Secretary of The Regents, will it be problematic for UC not to have its advocacy steered by one hand? Do you share these concerns?

A: President Dynes responded that he does share these concerns, but this was not the 'spirit' of this appointment. A need was articulated to have better staffing for Regental committees, thereby moving away from simply 'rubber-stamping,' which informed the appointment of this position. That said, it would be dangerous for The Regents to engage in any sort of independent advocacy. Better informed and prepared Regental committee chairs, and the Board of Regents more generally, should benefit UC. Both President Dynes and Provost Hume stated that the chief officer be the single voice of the institution.

VIII. Executive Session

IX. General Discussion

ISSUE: Members went into executive session.

X. Ongoing Agenda Item: "Senate Issues/Topics of Concern"

ACTION: There were not any "Senate Issues/Topics of Concern."

XI. New Business

ACTION: There was not any new business

Meeting adjourned at 4:30 p.m.

Attest: Michael T. Brown, Academic Council Chair

Minutes prepared by Todd Giedt, Policy Analyst

Academic Council Minutes – January 23, 2008

ACADEMIC COUNCIL		Key: X=In attendance, \=Absent, Alt=Alternate, T=Teleconference										
Attendance 2007-2008		9/26	10/31	11/28	12/19	1/23	2/27	3/26	4/23	5/28	6/25	7/23
<u>Officers</u>												
Michael Brown, Chair		X	X	X	X	X						
Mary Croughan, Vice Chair		X	X	X	X	X						
<u>Divisional Chairs</u>												
William Drummond	UCB	X	X	X	X	X						
Linda Bisson	UCD	X	X	X	X	X						
Timothy Bradley	UCI	X	X	X	X	X						
Elizabeth Bjork	UCLA	X	X	X	X	X						
Shawn Kantor	UCM	X	X	X	X	X						
Thomas Cogswell	UCR	X	X	X	X	X						
James Posakony	UCSD	X	X	X	\	X						
David Gardner	UCSF	X	X	X	X	X						
Joel Michaelsen	UCSB	X	X	X	\	X						
Quentin Williams	UCSC	X	X	X	X	X						
<u>Committee Chairs</u>												
Mark Rashid	BOARS	X	X	X	X	X						
Bruce Schumm	CCGA	X	X	X	X	X						
Pauline Yahr	UCAAD	X	X	X	X	X						
James Hunt	UCAP	X	X	X	X	X						
Keith Williams	UCEP	X	X	X	X	X						
James Chalfant	UCFW	X	X	X	X	X						
Jose Wudka	UCORP	X	X	X	X	X						
Christopher Newfield	UCPB	X	Alt	X	\	T						
<u>Guests</u>												
Henry Powell	UCSD											X
Daniel Simmons	UCD											X
<u>President & Senior Management</u>												
Robert Dynes, President		X	X		X	X						
Rory Hume, Provost		X	X	X	\	X						
Bruce Darling, Exec. VP-UR		X		X	X	X						
Katie Lapp, Exec VP, Bus Ops		X	X	X	\	X						
<u>Council Staff</u>												
Maria Bertero-Barcelo, Director		X	X	X	X	X						
Todd Giedt, Policy Analyst		X	X	X	X	X						