

ACADEMIC COUNCIL

Minutes of Meeting

May 27, 2015

I. Consent Calendar

1. Approve today's agenda items and their priority
2. Approve draft Council minutes of April 29, 2015
3. Approve Appointment of 2015-16 UCOC Vice Chair
4. Approve 6-10-15 Assembly Teleconference Agenda: Announcements by the President, Announcements by the Provost, Approve Senate Bylaw 128.D.2, Ratify UCOC Vice Chair

ACTION: Council approved the consent calendar.

II. Consultation with Senior Managers

- **Janet Napolitano, President**
- **Nathan Brostrom, Executive Vice President and Chief Financial Officer**
- **Debora Obley, Associate Vice President, Business Operations**

Budget Agreement: Governor Brown's May Budget Revision proposal reflects an agreement between the Governor and the University to increase UC's base budget by 4% in each of the next four years (a total increase of \$507 million), and to provide UC with \$436 million in one-time pension funding over three years, \$25 million in one-time funding for deferred maintenance, and \$25 million in one-time Cap and Trade funds for energy projects. In exchange, the Regents have agreed to freeze resident tuition through 2016-17, increase Nonresident Supplemental Tuition (NRST) by up to 8% in each of the next two years, and implement a new pension tier for employees hired after July 1, 2016. New employees will have the choice between a Defined Contribution (DC) Plan, and a Defined Benefit (DB) Plan that limits pensionable salary to the Social Security Wage Base <http://www.ssa.gov/oact/cola/cbb.html> (\$117,000 in 2015-16) established by the California [Public Employees' Pension Reform Act of 2013 \(PEPRA\)](#). Some employees will have access to a hybrid plan that combines the DB plan with a supplemental DC plan. UCOP views the agreement as a strong framework that provides predictability and stability. UC continues to work with the Legislature to secure additional resources to support enrollment growth. The President will be forming a work group to design the new UCRP tier for the review and approval of the Regents after wide consultation with stakeholder groups.

ANR Vice President: UCOP is interviewing candidates to fill the soon-to-be-vacant Division of Agriculture and Natural Resources Vice President position, and has established a task force to examine ANR's financial and business operations structure.

Thirty-Meter Telescope: The Governor of Hawaii has recommitted to the original lease of land for the telescope and will be enforcing access to the site so that construction can begin.

UC Path: After a reboot and several management changes, the systemwide payroll project is now properly scoped and modeled, and testing is going well. UCOP expects to move its employees to UC Path by the end of the year, followed by other campuses on a staggered basis.

Transfer Pathways: The effort to adopt common systemwide transfer pathways for 21 majors will help UC meet its agreement with the Governor to increase the number of transfer students. Thanks to the efforts of the faculty, the first phase of the project is almost complete.

Q and A:

Q: What does UCOP envision for employees on the new pension tier, and is there room to push back on the PEPRA cap? The DB plan has many benefits: it helps to attract top faculty, retain them mid-career, and encourage retirement at an appropriate age. UC will be losing some of those benefits under the new tier, and may have to spend additional money to encourage retirement under a DC plan.

A: Pension reform is a major priority of the Governor and Legislature; there is no room to push back. The compromise will protect pension competitiveness for faculty, who we expect will have a DB plan with the pensionable cap and a supplemental DC plan with an employer match with specific terms to be decided. UC will retain some of the benefits of the DB through this hybrid model, but we will also need to look at additional strategies for retaining faculty.

Q: Does UC's long term budget plan still include four years of 3% adjustments to the faculty salary pool? What will be the base for these increases?

We have built faculty merit increases and annual 3% salary adjustments into the long-term expenditure plan. The budget also sets aside money for academic quality initiatives, a portion of which we expect campuses to use to address salary lags and for new faculty lines. However, we are not being prescriptive about how campuses should use this money, nor have we established a framework for distributing the 3% beyond this year. Campuses have different needs; the Total Remuneration study showed that salary competitiveness gaps differ by campus and discipline.

Q: One way to address the differing competitiveness gaps is to apply salary increases to the salary scales across the board. Giving campuses total flexibility and applying salary increases to off-scales will exacerbate inequities and cause the salary scales to become less relevant.

A: Opinions differ on the campuses about what the priorities for the money should be.

Q: Could the \$436 million in pension funding be used to reduce the employer contribution to UCRS from 14%?

A: The \$436 million cannot replace the current contribution; it has to be supplemental above Regents-approved contribution rates. However, we are considering ways to augment the contribution, and reduce the employer contribution, through additional borrowing.

Q: What are the Governor's expectations for accountability related to his goals of increasing three-year degrees and reducing the number of upper division courses required for a major (Challenge 45)? Is there a timetable for meeting the different goals?

A: We expect to meet with the Governor's staff regularly to report on UC's progress meeting measurable goals such as transfer enrollments, and campus progress around other activities mentioned in the budget agreement, such as data analytics and Activity Based Costing. The chancellors believe that an overall 5% target for three-year degrees is an achievable goal, and we need to demonstrate that every campus undertook a process to reduce course requirements, similar to UCLA's Challenge 45, without any preconceived notions about outcomes.

III. Update on Campus Review of Proposed Transfer Pathways

o Mary Gilly, Academic Senate Chair

Campuses are currently reviewing the transfer pathway agreements for ten majors reached at three April meetings. The pathways define a set of major-specific lower division coursework for community college students to follow as preparation for transfer admission at all nine campuses. They will make it possible for transfers to prepare simultaneously for the same major at multiple campuses, and help ensure that transfers arrive prepared to compete with native juniors and graduate in two years.

In most cases, participants in the April meetings indicated that no change would be needed on their campus to align with the pathway. Participants also made clear that they do not want the pathways billed as “requirements,” although campuses should not expect students to take more than the pathway to be competitive. The Senate office is waiting for several campuses to confirm their approval of at least one pathway. Chair Gilly has asked UCEP and BOARS members to follow-up with participants to see where campuses are in the review and approval process. Once approved, the pathways will be uploaded onto a systemwide website. The Senate office is scheduling meetings for 11 additional majors in October.

A Council member urged the Senate office to provide more advance notice for future meetings to ensure fuller participation. Another member recommended that the Senate define a mechanism for reviewing and approving future changes individual campuses may propose to a systemwide pathway.

IV. UC Faculty Salary Equity Studies Report to the President, Provost, and Executive Vice President

In July 2012, following a report from a former UCAAD chair that provided evidence that female faculty at UC are paid less than their male colleagues with similar years of experience, the Council recommended to President Yudof that each campus develop an analyses of salary equity and response measures. In response, the President mandated that each campus define a campus-based methodology for assessing salary equity on the basis of gender and ethnicity, conduct a study at least once before 2015, and develop remediation plans. Nine campuses have submitted a study. UCAAD representative Nuru-Jeter joined the meeting by phone. She noted that UCAAD has identified four issues that it wants to pursue with respect to the reports:

- 1) Request more information about how the remediation plans campuses intend to use to resolve inequities identified in the studies will be developed, monitored and enforced.
- 2) Recommend that campuses consider the interaction between rate of advancement and both gender and race/ethnicity.
- 3) Request information about why campuses chose to include certain factors in their analyses (eg, rate of advancement and controlling for step) and to use certain units as a base of measurement (eg, college level).
- 4) Encourage campuses that found inequities to conduct further analyses to tease apart the mechanisms driving them.

UCAAD will send more formal commentary to Council following its June meeting. UCAP also submitted a memo to Council encouraging campuses to consider factors other than gender, race,

and ethnicity in future equity studies and expressing concern that most of the studies do not define an oversight and review role for the Senate. UCAP notes that although some campus CAPs do not opine on salary, they can still have a role in remediation.

V. Consultation with Senior Managers

- **Aimee Dorr, Provost and Executive Vice President**
- **Nathan Brostrom, Executive Vice President and Chief Financial Officer**
- **Debora Obley, Associate Vice President, Business Operations**

Budget Agreement: Consultants reviewed the programmatic elements of the budget agreement with the state. First, the agreement asks UC to decrease time to degree by increasing the proportion of students who graduate in three years from 2.6% to 5%. Campuses will need to develop specifications for three-year degree pathways for 10 of their top 15 majors and find ways to incentivize and remove barriers to summer enrollment. Campuses will also be asked to review curricular requirements for 75% of their majors and reduce, when possible, the number of upper division courses required for a major, similar to UCLA's "Challenge 45" initiative. The agreement asks UC to enhance advising to encourage timely degree completion, adopt systemwide transfer pathways, and increase the number of transfer students to meet the 2:1 ratio in the Master Plan. It asks UC to expand online education, including additional online certificate programs to meet workforce needs identified by industry leaders, and expand the use of "activity-based-costing" to enhance understanding of instructional costs, "predictive analytics" to identify at-risk students, and "adaptive learning technology" to help students master challenging coursework. Many of these innovations are already underway and some will apply to UC campuses differently. The President will also ask the Senate to revisit current policies related to awarding more than unit credit for Advanced Placement courses and no credit for the College-Level Examination Program (CLEP), and to adopt the Course Identification Numbering System (C-ID) as a supplemental numbering system for UC courses.

UCOP estimates that the current budget agreement, combined with additional enrollment funding and internal borrowing strategies, will allow UC to maintain the expenditure assumptions in the November UC budget.

Faculty Salaries: UCOP will ask campuses to report on how they allocated the "flexible" 1.5% component of the 3% increase to faculty salaries, which the President has asked them to use to address issues of equity, inversion, compression, and exceptional merit. The Provost has asked chancellors to engage their campus Senates on plans for using the 1.5%, and to share the reports with the Senate. UCOP is also assembling a task force to discuss how to allocate the increase to faculty on the Health Sciences Compensation Plan and other non-unionized academic personnel.

Discussion: Council members noted that an expansion of summer session will require additional faculty and could increase overall costs. It was also noted that decisions to award more than unit credit for an AP exam or course is made at the department level, that UC already offers certificate programs through Extension, and that activity-based-costing has limited value and can be costly to implement. It was noted that CCGA wants to incorporate input from industry into its review of Self-Supporting Program (SSPs) proposals, and that CCGA, the Academic Planning Council, and others are discussing the extent to which the SSP policy will require programs to include a "compelling" rationale for moving to self-supporting status. It was noted that the

decision to apply 1.5% of the faculty salary pool as an across-the-board increase to total salary – including any off-scale and above scale components – will worsen the overall equity problem.

VI. Proposed Revisions to Senate Bylaw 182

o with Bjorn Birnir, UCIE Chair

Issue: Council reviewed comments submitted by Senate Committees and Divisions in response to [proposed revisions](#) to Senate Bylaw 182, put forward by the University Committee on International Education to formally expand UCIE's charge from Education Abroad Program oversight to an advisory role on a broad range of systemwide international issues and activities. Senate reviewers expressed significant concerns about the extent to which aspects of the proposed charge, primarily related to international research and the status and well-being of international students on campuses, would overlap with the charge of other systemwide committees; infringe on the rights of campuses to address international issues; and require additional resources to implement.

UCIE Chair Birnir joined the meeting by phone. He noted that UCIE wants to expand its focus beyond UCEAP to other international education issues, ensure that UCEAP students have educational experiences that involve research, and help disseminate best practices for engagement in research. The committee has no desire to infringe on the charge of UCORP or other committees. No additional resources would be needed because UCIE plans to delegate new program reviews to faculty external to the committee.

Council members agreed that the proposed charge is too vague, broad, and in some ways unrealistic. There was a particularly negative reaction to any Senate committee inserting themselves into faculty research relationships with international partners. However, Council agreed that there would be value in UCIE reviewing proposals for international activities and in establishing UCIE as a resource for consultation and the exchange of expertise with other Senate committees on overlapping issues. For example, CCGA would find it helpful to have UCIE review proposed graduate programs with an international component. Members expressed openness to reviewing either a more focused bylaw revision or a more informal mechanism for increasing UCIE's participation in the review of international education issues.

ACTION: Council decided to transmit the comments to UCIE and encourage UCIE to explore other ways to meet its goals that may or may not involve a bylaw change.

VII. ICAS Natural Sciences Competency Statement

Issue: Council reviewed comments from BOARS and UCEP about a "[Statement of Competencies in the Natural Sciences Expected of Entering Freshmen](#)" proposed by the Intersegmental Committee of Academic Senates (ICAS), which outlines the competencies expected of high school graduates in the context of the implementation of the Next Generation Science Standards (NGSS). UCEP and BOARS suggested improvements to the content and clarity of the Statement. In particular, BOARS is concerned that the Statement does not align with all of the new content areas in the NGSS, and could be stronger if it more clearly mapped a way to potential changes in area "d" (laboratory science) admission requirement needed to align with NGSS concepts and science education practices.

ACTION: Council agreed to forward the UCEP and BOARS memos to ICAS.

VIII. UCOLASC Letter Supporting Expansion of the Northern Regional Library Facility

Issue: Council reviewed a letter drafted by the University Committee on Library and Scholarly Communication (UCOLASC) to UCLA Vice Chancellor and Provost Waugh, who also chairs the Systemwide Library and Scholarly Information Committee. The memo expresses UCOLASC's support for a proposal to expand the Northern Regional Library Facility in Richmond, and to explore additional storage options in the Central Valley or Southern California to accommodate the long-term storage of physical copies of infrequently used library materials.

ACTION: Council approved UCOLASC's request to transmit its letter to EVC Waugh.

IX. Final Review - Proposed Revisions to APM 210-1-d

Issue: Council reviewed comments from Senate Divisions and Committees in response to the final systemwide review of proposed [revisions](#) to APM 210-d-1 unanimously endorsed by the Council in February.

Council members discussed small editorial suggestions made by two campuses, and agreed to recommend one edit to the wording circulated for final review—changing “due credit” to “due recognition” in the last sentence of the passage, to ensure consistency with the wording of the second sentence. It was noted that a parallel pattern of word usage within the passage will help avoid implying a change in standards or criteria, when no such change is intended.

ACTION: A motion was made and seconded to approve the revision with the wording suggestion. The motion passed unanimously. A letter will be sent to Vice Provost Carlson.

X. Proposed Revisions to APM 360 and 210-4

Issue: Council reviewed comments from Senate Divisions and Committees in response to [proposed revisions](#) to APM – 360 (Librarian Series), and 210-4 (Instructions to Review Committees). The revisions are intended to update the language of the APM sections to conform to the contract between the University and the American Federation of Teachers (AFT), and to ensure that the terms and conditions affecting non-represented librarians are consistent with those affecting represented librarians.

Discussion: It was noted that on at least one campus, the authority for appointments and advancements within the Librarian Series is delegated to the University Librarian. The proposed revisions should include the right to delegate, and should also include a statement about the academic freedom rights of persons within the Librarian Series. It was noted that clarifications are needed to statements in APM 360 regarding the policy, criteria, and rationale for off-cycle and “abbreviated” reviews, the expected timing of a review that follows a remediation period, and the meaning of an “abbreviated” review for Associate Librarians and Librarians at the highest salary point in each series. It was noted that APM 210-4 is unclear in its distinction between professional “achievement” and professional “accomplishment.”

ACTION: A motion was made and seconded to ask the authors to review the comments and circulate the Policy for another systemwide review

XI. Draft Guidelines for Pilot Program to Accept Equity for Access to University Facilities or Services

Issue: Council reviewed comments from Senate Committees and Divisions in response to [draft guidelines](#) for a pilot program that would allow the University to accept equity stakes (stock) for access to University facilities or services (AFS). Under the program, a campus could offer UC-associated individuals the use of certain non-state-funded UC facilities as business incubators or accelerators to help new and early stage start-up companies develop. The campus could accept equity in a company as full or partial payment in return for access to those facilities and/or services.

Senate reviewers expressed substantial concerns about the proposal, related to its lack of alignment with the UC public education mission, potential effect on access to University facilities and services, financial risk, conflict of interest provisions, and absence of faculty oversight. Council members noted that the provision in the Guidelines banning UC employees from serving on the Board of Directors or exercising voting rights in a company in which UC has an equity interest is too restrictive. There was also concern that the specific schedule requiring the disposition of stock along a predetermined timeline is unreasonably rigid and will prevent the University from gaining maximum benefit. One member criticized the approach to venture capital fundraising and equity investment as “unsophisticated.” There was also concern that campuses currently lack individuals with the expertise necessary to take on the DCM role, vet companies for risk and financial potential, and determine equity values.

Council agreed that given the extent of the concerns, the *Guidelines* require a major revision. It was agreed that Council should recommend that the authors employ the legal and financial expertise available at UC, and consult with UC business faculty.

ACTION: A motion was made and seconded to strongly recommend a major revision to the Guidelines based on the input. The motion passed unanimously. A memo summarizing the points made in the review will be circulated to Council for approval.

Meeting adjourned at 4:30 pm

Minutes prepared by Michael LaBriola, Principal Committee Analyst

Attest: Mary Gilly, Academic Council Chair