

ACADEMIC COUNCIL

**Minutes of Meeting
Wednesday, September 30, 2009****I. Announcements****▪ Harry Powell, Academic Council Chair****1. ICAS (Intersegmental Committee of Academic Senates) update**

ICAS held its first meeting on September 1st. It formed a task force on advocacy for public higher education chaired by John Tarjan, CSU Senate chair, and a task force on the master plan, chaired by Harry Powell.

2. Standing committee representation on joint Senate-administrative task forces

Interim Provost Pitts listed nearly ten special task forces to be convened this fall. Chair Powell noted his concern that task forces dilute the Senate's role and marginalize standing committees. As much as possible, he intends to make appointments to task forces from the membership of standing committees. Senate Bylaw 128D requires UCOC to appoint members who are not members of standing committees, but leaves open the possibility that standing committee members can be asked to participate in special committees and requires them to report back to their committees. However, some Council members noted the value of appointing faculty who have not been active in Senate affairs by recruiting them to short-term task forces.

3. Budget reserve myth

Misinformation about the budget and purported reserves that could mitigate the crisis is rampant. Please refer Senate members to an article and video of CFO Peter Taylor on the UCOP home page that explains the ways in which funds designated "unrestricted" by accounting rules are committed for specific purposes. CFO Taylor has been invited to the October 14th Academic Assembly meeting to explain how "reserves" work.

4. Update on the Education Abroad Program (EAP)

UCOP has outlined three alternative scenarios for the future of EAP, including the elimination of the program. The final report of the Joint Administration-Senate Task Force on EAP will be sent for expedited review this week. In the meantime, the administration is going forward with budget actions and is forming a Senate-Administration Oversight Board, as recommended in the task force report.

5. Report on meetings of the UC Commission on the Future

The first meeting of the Commission was held on September 8. The Work Groups are in the process of formation; UCOC will deliver a slate of names by next Monday and appointments will be made rapidly. Work groups will begin meeting in October. Associate Vice President Marsha Kelman, who is staffing the Commission, will attend our meeting later today to answer questions.

6. Post-Employment Benefits Task Force

Members of the president's Post-Employment Benefits task Force will be visiting campuses for "listening sessions." Presentations will be made on prospective changes to the health care benefits of retirees, changes to the retirement system for new hires, etc.

II. Consent Calendar

1. Extend the deadline for the Compendium Task Force.

ACTION: The consent calendar was approved.

III. Approval of the Agenda.

ACTION: The agenda was approved.

IV. Assessing the Impact of Furloughs and Budget Cuts

A. Report on September 24 walkouts

DISCUSSION: Divisional chairs at most campuses reported that while the rallies and walkouts were not large, the day was positive. The various groups joining the rallies discovered common ground. Most classes were held, but many faculty used class time to discuss the budget crisis. At Berkeley, a Wednesday evening teach-in attracted 1,500 people, and 5,000 attended the rally the next day. A pattern throughout the campuses was that the most active faculty members are in the humanities and social sciences, where the furloughs are most strongly felt (many faculty in the sciences can make up the salary reduction through private monies). Several Senate offices supported educational efforts and are serving as conduits of information about the budget.

B. How to monitor and assess the impacts of furloughs and budget cuts on campuses.

DISCUSSION: A Council member noted that the furlough program has been very divisive and has unfortunately resulted in individual faculty members looking out for themselves, rather than for the good of the University. Another noted that the large number of exceptions and loopholes has reduced the amount of money saved by the furlough program significantly. A member noted that faculty and administrators are using funds that would otherwise be available to support other things on campus to mitigate the effects of the furlough and replace lost faculty salary. In terms of monitoring its effects, members suggested tracking increases in requests for off-scale salaries and accelerated merit reviews, successful and failed recruitment and retention cases, and the number of participants in the furlough exchange program. A member stated that UCOP and local Academic Personnel offices are collecting some of this data and that the Senate should not duplicate efforts. Another divisional chair stated that rather than documenting the effects of the pay cut on faculty, it is far more important to assess the impact of the budget cuts on instruction. A divisional chair stated that the data collection should not be overly burdensome on the staff, who are experiencing increases in workload as a result of the reduction in time. However, it is important to document the furlough program's effects with real data for historical purposes. Divisional chairs shared information about the ways in which the furlough has been implemented on their campuses, and discussed some local furlough mitigation programs that are under discussion.

C. Furlough Exchange Program Parameters. This issue was resolved at the campus level. UCOP had given campuses the authority to make exceptions. UCSD enabled non-faculty researchers to participate in the furlough exchange program.

D. UCORP Letter Objecting to the Justification for Prohibiting Furloughs on Instructional Days. UCORP's chair stated that faculty members have an obligation to perform research, which was undermined by statements in the Pitts letter that teaching is the "paramount" responsibility.

ACTION: Council endorsed UCORP's letter, with minor amendments (2 abstentions).

V. Consultation with the Office of the President – Senior Managers

- **Larry Pitts, Interim Provost**
- **Nathan Brostrom, Interim Executive Vice President, Business Operations**

Interim Provost Pitts

- Interim Provost Pitts stated that he is planning to visit the campuses to discuss the budget situation with various groups and to improve communication. He wants to meet both with official Senate and student bodies, and with other groups of non-Senate faculty and non-elected student groups. He will arrange his visits through the EVC offices.

Q&A

Q: When will a decision be made regarding the suspension or continuation of furloughs next year?

A: Interim Provost Pitts responded that the state has promised to restore \$305 million in one-time cuts to the 2009-10 University budget. If that occurs, furloughs will be suspended next year. If those funds are not restored, the President still plans to make every effort to end the furlough program; it is his top priority.

Q: Would you be willing to end furloughs for faculty, but not rule out staff furloughs?

A: We will consider everything, as needed, but the plan is to end the furloughs for everyone.

Q: I heard that the State Director of Finance made an excellent presentation on the budget at the Regents' meeting. Could you make this presentation public?

A: Interim EVP Brostrom responded that State Director of Finance Mike Genest did not release the slides, but he affirmed that the restoration of funds will be in the governor's budget proposal in January. However, the state anticipates a structural deficit of \$7 to \$8 billion due largely to accounting gimmicks this year. In 2010-11, the University will not have stimulus funds to backfill any holes. EVP Brostrom added that the focus is on the current budget crisis, but noted that it occurs in the context of decades-long disinvestment by the state. In actual dollars UC received 2% more in 2008 compared to 2001, while general state expenditures increased 30%. Prison appropriations doubled, but that only accounts for 5% of the increase. K-12 expenditures increased by 42% and health and human services costs increased by 46%.

Q: Is it true that administration operations on the campuses have grown disproportionately vis-à-vis faculty growth trends?

A: Interim Provost Pitts stated that he examined some data gathered by UC Berkeley Professor Emeritus Charlie Schwartz on the subject for the Berkeley campus. It shows a substantial increase in SMG and MSP titles (290% increase since '93 vs. a 30% increase in overall campus FTEs). At the Office of the President, there was a modest decrease over three years, and there have been more reductions since then. A recent Delta Project study shows that from 2002 to 2006 the money that the University expended per student in administrative costs went up less than 1%, but state funding decreased, so the net cost to students went up. The study shows that higher education costs are not increasing; we are efficient, we just have less funding.

Interim EVP Brostrom stated that much of the growth in administration is closely associated with research growth. That said, he noted the opportunity to reduce administrative costs by moving to a model of service centers rather than having individual departments perform human resources and administrative functions. Berkeley has launched a campus wide initiative to reduce administrative expenses by \$150 million by moving to a service center model.

Q: Increasing graduate student fees create pressure on faculty. To the Office of the President, the fee increase is revenue, but to faculty, it is a tax on research. Can you increase block grants to offset the impact of increased fees on graduate students and faculty research?

A: Interim Provost Pitts stated that the EVCs agree with this view and that he plans to discuss the issue at a joint meeting of the EVCs and VCs for Planning and Budget. It may be possible to return to the departments graduate student fee funds for a period of time.

Q: Are you concerned that students will bring a lawsuit against the University if there is a mid-year fee increase?

A: Interim Provost Pitts stated that the University's Office of General Counsel has ensured that all publications state that fees are not guaranteed to be fixed over the course of an academic year. It is unlikely that a legal challenge would be successful.

Comment: The CSU system had a budget plan ready to enact the day after the ballot propositions failed. Why can't UC plan in advance?

A: Interim Provost Pitts agreed that the University needs a "Plan B" and suggested that UCPB could help work on such a plan.

VI. UC Online Education Pilot Prospectus

ISSUE: The Office of the President is seeking external funding for a pilot program that would provide resources to interested faculty to develop high quality online courses that can be integrated into the undergraduate curriculum. If funded, the pilot program would provide tools for assessing the extent and nature of faculty interest and the usefulness of the material developed.

DISCUSSION: Vice Provost Greenstein was present and described the pilot proposal and the ways in which its proponents hope to work with the Senate. He stated that he has been exchanging information with the chair of the Senate special committee on remote and online instruction and that he hopes to establish a joint Senate administrative oversight committee for the pilot project. Once external funding is secured, UCOP will issue an RFP for course development. In the meantime, the Academic Planning, Programs and Coordination unit at UCOP has been conducting a survey of existing online instruction at UC, as well as interviews with other universities which have experimented with such courses. A divisional chair expressed that some faculty members fear that offering online courses may ultimately reduce faculty FTE. The pros and cons of online courses were discussed. A Council member noted that a major conference on online instruction was held ten years ago and asked what has changed since then that could make online instruction successful. Vice Provost Greenstein stated that the advent of social networking has changed the online environment and possibilities for pedagogy.

VII. Proposed New SMG Policies

ISSUE: UCOP is proposing three SMG policies—on Outside Professional Activities, Absence from Work (Including Transition Leave), and Termination of Appointment. These policies will be reviewed systemwide and will be presented to the Regents in November for discussion.

DISCUSSION: Dennis Larsen, Executive Director for Executive Compensation and Management Performance and John Fox, Director of Human Resources Policies, were present and stated that most of the changes are technical in nature. For instance, the policy on outside activities is an attempt to consolidate five different policies into a single document. A Council member asked why the policy on outside professional activities does not apply to those in acting or interim titles, especially given that many leaders serve in interim capacities for long periods of time. Executive Director Larsen stated that he would change the draft policy to include interim titles.

VIII. General Discussion

Council members continued their discussion of furloughs and budget cuts.

IX. October 14 Academic Assembly Meeting

ISSUE: Council must decide whether to hold the October 14 Academic Assembly meeting scheduled for October 14 in person or via teleconference, and agree on agenda items.

DISCUSSION: Several divisional chairs expressed a strong preference to hold an in-person meeting, given the critical budgetary issues facing the University. They particularly felt that it is important for President Yudof to consult with the members of the Academic Assembly.

ACTION: Council passed a motion to hold the Assembly meeting in person (16 in favor, 3 opposed).

X. President's Budget Proposal/Fee Increases

ISSUE: How can the Senate effectively provide guidance to the administration on budget planning for 2009-10?

A. Senate leadership on budget issues. UCPB's chair stated that his committee plans to update the "Cuts" and "Futures" reports this year and hopes to have a draft by the end of the fall term so that it can influence the University's direction. It will be called "Choices."

B. Divisional influence on budget planning. Chair Powell stated that he wants to ensure that every campus CPB has access to budget data and is involved in campus planning. Divisional chairs exchanged information about their involvement in campus-level budget planning. At one campus the CPB meets with the administration and is heavily involved in budget planning. It has developed an educational document on how the budget works for new CPB members. A divisional chair commented about the need for models for communicating the complexities of how the budget works to faculty. A member stated that Senate leadership must be involved in the executive budget committee at all campuses, and the campus administrations must do a better job of communicating with and educating the general faculty about the budget; it is not enough merely to consult Senate leadership. Another division chair stated that the Senate leadership is involved in budget discussions, but that the administration requires that information about the decision making process, such as criteria for determining budget cuts, remains confidential. This approach does not inspire trust in the administration among the faculty. Several members stated that the supposed need for confidentiality is used as a way to conceal information.

C. Differential fees by major. Council members expressed dismay that the administration's proposal to assess differential fees by major was not reviewed by the Senate prior to its placement

on the Regents' agenda. Members stated that they have received no data or rationale for instituting differential fees for particular majors. For example, business and engineering are not the most expensive majors (life sciences are far more expensive than business). Others noted that the University should not discourage participation in STEM fields, and that while the approach assumes that business and engineering majors are more likely to be able to afford higher fees, at some campuses business in particular attracts under-represented minority students. A member stated that the amount of revenue differential fees would raise is small and could put at risk the approval of across-the-board increases that will generate significant revenue. Some members also expressed concern that differential fees by major will lead to differential fees by campus. A member noted that the president's Advisory Group on Budget Strategies that met last year gathered data on this subject, and indicated that it would be sent out for review. Council decided that lacking data, it could not take an informed position on the issue. It was agreed that the Senate office would send a request to the divisions to get feedback from divisional Councils.

XI. UC Commission on the Future

ISSUE: The issues that the UC Commission on the Future will consider significantly intersect with matters within the purview of the Senate. How should the Senate participate in the process? Should the Senate create its own task force to examine these issues and issue a report in parallel? Should the faculty participating in the Commission's work groups meet together regularly to share information and report to the Academic Council and relevant systemwide Senate committees? How should the Senate representatives to the Commission and its work groups report to and receive instruction from Council?

DISCUSSION: Marsha Kelman was present and gave an overview of the Commission, and Council discussed the appointment process for working group membership. Vice Chair Simmons stated that the Work Group co-chairs will be responsible for selecting the people on their committees from a slate submitted by UCOC and by the Chancellors. Council discussed ways to create reporting structures or establish informational liaisons with the faculty who serve on the Work Groups. A divisional chair mentioned that he planned to invite any faculty from his campus who serve on the Work Groups to update the Senate executive committee on a monthly basis. A member suggested that faculty on the Work Groups also be invited to update the relevant systemwide Senate standing committees and Council. A member noted that each faculty participant on the Working Groups represents their own perspective, not that of the Senate. A member commented that it is essential that channels of communication are open throughout the process so that the Senate can respond to and shape ideas as they are raised, and can be better prepared to review the recommendations of the Commission in a timely manner. Council concurred that the composition of the Work Groups and identity of those serving on them should determine the ways in which the Senate receives information on an ongoing basis. For example, if there is a great deal of overlap between the membership of systemwide committees and the Work Groups, then it makes sense to have participants communicate through the committees. Chair Powell stated that the Working Groups should be populated by the next Council meeting and that the subject could be revisited in October.

XII. Assessment of indirect cost recovery practices

ISSUE: In 1997, UCORP issued a report defining indirect cost recovery practices and comparing the relative distribution of such funds across campuses. Given continuing disinvestment by the state and the need for alternative sources of revenue, Council discussed whether to charge UCORP

(and possibly UCPB) to update the report and recommend whether higher rates should be negotiated.

DISCUSSION: A member mentioned that an attempt was made three years ago to update the assessment of indirect cost recovery practices, but that the data was not available.

ACTION: UCORP agreed to study this issue in conjunction with UCPB.

XIII. Determine the composition of Senate representatives for a joint Senate-administrative review examining the University's policy on "days of instruction."

ISSUE: In response to a Senate request to examine the definition, number and character of "days of instruction," Interim Provost Pitts plans to convene a joint Senate-administrative group to develop a recommendation.

DISCUSSION: Chair Powell stated that in addition to the issue described above, Interim Provost Pitts is interested in examining moving to the semester system. UC Merced's chair noted that her campus is considering the "Dartmouth model," or three equal 14-week semesters per year, in order to use classroom space more efficiently. This also could facilitate three-year degree programs. UC Davis' chair stated that his campus considered moving to the semester system in 1997-98 and noted that the idea was extremely unpopular with faculty, and that it would generate little in budgetary savings. A member noted that Oregon State University is in the midst of making the transition from quarters to semesters, and ought to have data on projected costs of the transition. A member suggested that there may be significant student interest in taking impacted courses, but less student response in other areas. BOARS' chair noted that it could facilitate ease of access and transfer, and improve time to degree. A member asked whether the Senate wishes to dedicate its resources to examine this issue in a crisis year. Several members opined that it may be better to limit the scope of the task force to the definition and character of days of instruction.

XIV. New Business.

ISSUE: Many faculty members have objected to the recent interview with President Yudof published in the *New York Times*. A divisional chair presented a draft letter to the *New York Times* in response and asked if the other divisional chairs wished to sign it.

ACTION: Council unanimously endorsed a letter to the *New York Times* signed by the divisional chairs and asserting that the faculty continues to expect the state to honor its commitment to its public universities.

Meeting adjourned at 4:30 p.m.

Attest: Henry Powell, Academic Council Chair

Minutes prepared by Clare Sheridan, Senior Policy Analyst