

President's Report to the Academic Assembly  
Supplementary Issues  
June 17, 2009

The University is facing a budget crisis of unprecedented proportions. Over a two year period, we are looking at a shortfall in State revenue in excess of \$600M. Potential strategies to address this enormous problem are being discussed with campus leadership daily, and among other plans, it is likely we will need to implement furloughs and possibly pay reductions.

I will focus my oral remarks on the budget. What follows are a few updates on other immediate issues of potential interest to the Assembly.

Fall 2009 Undergraduate Admissions

Yesterday, the University released preliminary data on fall 2009 freshman Statement of Intent to Register (SIR) and California Community College admissions outcomes. The data shows that the University will be successful in reducing its incoming freshman class by 2,300 students, and that UC is on target to increase California Community College transfer student enrollment by 500 students, as I recommended and as was approved by the Board of Regents at its January 2009 meeting.

For the fall 2009 term, just under 34,300 California resident freshman students have indicated their intent to enroll at the University of California, a 6.5 percent reduction compared to the fall 2008 term (36,700, or 2,400 fewer potential enrollees).

Despite the targeted reductions in freshman enrollment, the University continues to make positive strides in enrolling a freshman class that is broadly representative of California's diverse population. Nearly 25 percent of UC's entering freshman class is African American, American Indian, and Chicano/Latino students, compared to 23.7 percent a year ago. Diversity at the transfer level also is up – increasing to 21.2 percent of the admitted class, compared to 19.8 percent a year ago (+684 additional African American, American Indian and Chicano/Latino admits). UC benefited from a strong, diverse transfer applicant pool this year and campuses were able to take advantage of this by offering admission to a larger number of students.

Additional information can be found at: <http://www.ucop.edu/news/studstaff.html>

## Deans' Salary Structure Proposal: Removal of Deans from the Senior Management Group Program

Together with the Academic Senate and campuses, Academic Personnel has recently submitted a proposal to The Regents that provides a salary structure developed as a correlate to proposed Academic Personnel Manual policy APM-240 (Deans), which places the governance of Deans under the Academic Personnel Program. The proposed Deans Salary Structure places authority with the Chancellors to determine decanal salaries. This proposal will be submitted to The Regents for discussion in July. Following Regental approval, the new APM policy will be issued in the Fall.

As the chief executive and academic officer of a UC School, Deans set the standard for intellectual engagement and accomplishment among faculty and students. In recognition of the academic leadership role that Deans assume to fulfill UC's teaching, research, and public service mission, certain Deans will be removed from the Senior Management Group (SMG) personnel program and placed under the Academic Personnel (AP) program.

Eligibility for governance under APM – 240 is applicable to full-time academic Deans holding a concurrent Academic Senate faculty title, and those who are not members of a Health Sciences Compensation Plan, or appointed within a Health Science Center School. A total of 77 Deans will be moved from SMG to AP under APM – 240.

## Review of the Division of Agricultural and Natural Resources

The Division of Agriculture and Natural Resources has completed a comprehensive academic review under the auspices of the Provost's Office. Review panel members represented universities across the country, business, non-profits, UC Senate leadership, and faculty from UC and CSU. The USDA Cooperative State Research Extension and Education Service conducted a separate review of Cooperative Extension, and both of these reports are now with the Senate for review. The Division has also been engaged in a strategic planning effort, and published its vision for 2025 in late April. The Division is presently developing implementation plans for the reviews and the vision, and expects to make significant administrative and programmatic changes as a result.

## MRPI Review

The MRPI review took place last month. There were 139 proposals for \$346M covering a 5-year period. The current projected budget is approximately \$70M over the same period, but this may be lowered in light of UC's current severe budget shortfalls. Intense budget discussions are underway at the Office of the President

and the campuses. We hope to determine the funding available for the MRPI and, therefore, the number of successful applications by late June.

From this pool, peer review teams produced rank-ordered recommendations equivalent to about \$80M in six subject areas: Arts & Humanities, Biological & Health Sciences, Critical California Issues, Emerging Sciences & Technology, International & Area Studies, and Social & Behavioral Sciences. In addition, the chairs of these six panels subsequently came together to recommend the overall distribution of resources. All of the panel chairs and most of the panel members were from outside the UC system, although several had years of UC experience.

Every proposal was ranked in each panel and we intend to provide each PI with feedback on the proposal along with its ranking to help the investigator understand how the proposal fared. It is important to know that most of the proposals that were not selected were deemed “fundable” by the review teams, and we will encourage the PIs to submit these proposals to outside funding agencies as soon as the opportunity arises. The process is set up to help each proposal team obtain support for their ideas, even if we have inadequate resources from the UC system to fund the work.

Here are a few highlights of the results:

1. Existing MRUs did much better statistically than new proposals: 57 percent of the existing MRUs were recommended for funding; of course, there were many more new proposals than existing MRUs.
2. There was strong support for the arts, humanities, and social sciences. The panels in fields with large federal and State support (biological & health sciences, physical sciences and engineering) were quick to point out the benefits of these areas to UC scholarship and the lack of federal resources in comparison with natural sciences and engineering. The funding pool was balanced somewhat in the panel chairs’ review by limiting the overall requests in the STEM and biological sciences.
3. The panel on Emerging Sciences and Technology, by far the largest in number and size of proposals, stated unequivocally that every proposal in their area was worthy of funding, if we had enough money available. Several other panels also noted the depth of quality of their proposals.
4. The panels uniformly felt that we should provide opportunities more often than once every five years. As a result, there are many recommendations to limit funding to less than five years, even though the proposals asked for the full period allowed. The reviewers felt it was more important to provide opportunities more often than to guarantee security for all the new entities.

5. In all cases, the multi-campus nature of the highly ranked proposals was seen as enabling the proposed research. The reviewers were convinced that multi-campus research has enormous potential in many fields of scholarship to go beyond what is done at a single campus.
6. Several of the groups, particularly Critical California Issues, believed UC research has the potential to make major contributions to public welfare through this program and could garner major publicity from these contributions if properly advertised. The chairs thought that UC should consider offering targeted opportunities for new research.

Final approval for the amount of funding to be allocated and its distribution within the recommended lists will follow briefings of senior administrators at the Office of the President, the MRU Advisory Board, and the leaders of the Academic Council. The briefings should take place this week. The final results will be announced as soon as the Office of Research and Graduate Studies obtains approval for funding.

### EAP Task Force

In April 2009, Interim Provost Pitts convened a joint Senate-Administration EAP Task Force to advise him on EAP's long-term design, and its strategic and business opportunities. Over the past few years, EAP has undergone a number of reviews – the latest being conducted by a Joint Ad Hoc Committee on International Education. It has also adopted a new business plan (the first year's budget for which was approved by the Provost as part of the 2009/10 UCOP budget appropriations process). The Task Force, which is expected to complete its work this month, will make recommendations on several issues including use and level of student fees in supporting the program and the level and extent of systemwide subsidy. It will also address issues of governance, oversight, and responsibility, and approaches to study center administration.

The Task Force's work has benefited from input from the Academic Senate Committee on International Education (UCIE) and other groups will circulate its report widely for comment once it is completed.

### Communications and Advocacy

The Office of the President is nearing completion of a reorganization of its communications functions that for the first time is bringing public communications, student affairs communications, and human resources communications into a single organization. This consolidation is intended to achieve new efficiencies and greater coordination in communication strategy and execution. A similar, though smaller, reorganization is planned for this summer in the areas of alumni relations and advocacy, intended to establish a greater focus at the Office of the President on establishing and cultivating relationships with influential citizens around the state

on issues of common interest. The new Communications organization has been working actively on new ways of building public understanding of the University's contributions to the state amid the challenges of the State budget crisis. The unit also has been focused on conveying a clearer story about, and responding quickly to misinformation in the media about, the funding of the University and the wide variety of reforms the University has implemented in compensation policies and practices. In addition, UCOP has been coordinating advocacy activities with the campuses aimed at mobilizing the support of alumni and friends for UC's State budget objectives. Over a several-day period earlier this month, UC advocates and friends sent 4,000 email messages to State legislators in support of UC's budget needs.

### Governmental Relations

Much of the action in Sacramento has been focused on the challenges associated with the grim State budget situation. I testified on the University's budget needs earlier this month, and the Sacramento office also recently hosted a meeting of the UC President's Board on Science and Innovation, which consists of innovation-industry leaders who met with state legislators on budget and other issues of importance to UC. Separately, UC staff in Sacramento have been working to address a variety of legislative issues. Perhaps the highest-profile are constitutional amendments that have been proposed by Senator Leland Yee and three colleagues to remove UC's autonomy under the California Constitution; UC has responded quickly with outreach through the media and through influential third parties, warning of the dangers to academic quality of such an approach. The bills have not yet been assigned committees or dates for hearing. In Washington, UC staff are working closely with federal agencies as guidelines and grant information is developed for the disbursement of research funds approved through the federal economic stimulus package. A Web site has been established at [www.universityofcalifornia.edu/economicstimulus](http://www.universityofcalifornia.edu/economicstimulus) providing the UC community with the latest information on this front. Attention in Washington is now turning to the FY 2010 appropriations process and the President's FY 2010 budget, which includes a proposal supported by UC requiring that all new federal student loans originate through the government's direct lending program rather than through a separate program administered by banks. UC's federal staff also will be actively engaged in the federal health care reform debate as it heats up in the coming months, while also tracking a range of other federal legislation.