

**Minutes of Meeting
September 24, 2014**

I. Consent Calendar

1. Approval of September Council agenda

Action: Council approved the consent calendar.

II. Senate Officer's Announcements

- o *Mary Gilly, Academic Senate Chair*
- o *Dan Hare, Academic Senate Vice Chair*
- o *Hilary Baxter, Senate Executive Director*

New Senate Director: Hilary Baxter, formerly of the UCOP Department of Institutional Research and Academic Planning, has been appointed Academic Senate executive director, effective September 1.

September Regents Meeting: The meeting included an update on the work of the President's Task Force on Preventing and Responding to Sexual Violence and Sexual Assault. Phase I of that effort focused on developing recommendations and best practices; Phase II will identify steps for implementing the recommendations. Several Regents expressed concern that UC has not received the state resources it expected after the passage of Proposition 30 and that the state is not funding employer contributions to UCRP, despite its willingness to do so for CSU through CalPers. The Regents approved pay increases for the lowest paid chancellors, and UCOP reported that it will coordinate individual campus proposals for the Governor's Higher Education Innovative Grant Program, which sets aside \$50 million to reward collaborative intersegmental efforts that increase degree completion, time to degree, and more effective transfer.

UC Ventures: The Regents discussed and approved "UC Ventures," a \$250 million venture-capital fund that will evaluate and finance faculty startup proposals that commercialize university research. Chair Gilly has communicated Senate concerns about the initiative and the need for ongoing Senate involvement to UC's Chief Investment Officer. Some faculty are concerned that UC Ventures could encourage conflicts of commitment and interest, distort the research enterprise, and harm academic freedoms and copyright protections for faculty and graduate students.

Total Remuneration Study: A just-completed [study](#) of total remuneration indicates that the position of UC faculty relative to faculty at the "Comparison 8" group of institutions has decreased since 2009, and that UC's benefits no longer make up for a longstanding gap in cash compensation, suggesting that UC may be losing its competitive edge. The study also highlights differences between newer faculty hired on the "2013 tier" of retirement benefits and faculty on the pre-2013 UCRP tier. A set of [briefing points](#) has been posted online alongside the study. Chair Gilly has asked UCPB, UCFW, and other committees to help the Senate reach a consensus about a specific plan of action to recommend to the Regents.

Strategic Organizational Review of UCOP: The President has asked each UCOP unit, including the Senate office, to demonstrate how its functions and the efforts of each employee FTE align with seven overarching mission statements. The search for a Vice President for Research and Graduate Studies has been suspended pending the outcome of the review. The search for a Vice President for Agriculture and Natural Resources has been delayed until the Chief Operating Officer position is filled.

III. Challenges in Supporting Multi-Campus Research – President’s Response

On August 28, President Napolitano responded to Council Chair Jacob’s [July 18 letter](#) regarding funding for faculty-led centrally-supported research. Chair Jacob’s letter expressed concern that several systemwide research programs took a disproportionate share of cuts during the budget crisis, and asked UCOP to make an ongoing commitment to those programs by establishing a target funding level at 3% of the overall systemwide research budget. The President agreed to restore some of the cuts to the MRPI program, but did not specifically address the 3% request. Since the transmittal of Chair Jacob’s letter, the San Diego division chair and the UCOP Research Grants Programs director have clarified some of the budget information that was included.

IV. University-Industry Relations Policy and “UC Ventures”

In July, the Senate [expressed concern](#) about the President’s [decision](#) to rescind a policy barring the University from direct investing in companies that commercialize research and technology originating at UC. The Provost recently released a letter to chancellors clarifying the scope of the new policy in the context of existing UC policy and practice. The Senate has also raised concerns about UC Ventures and requested more information about the role of the President’s new Innovation Council, a group of business leaders she has empanelled as advisers on technology and entrepreneurship. The Innovation Council does not include UC faculty, but the Senate has been asked to provide names for two of its five working groups.

Discussion: Council members agreed that the Senate needs more information about how UC Ventures and the Innovation Council will interact with the research enterprise and the Senate. There was concern that UC Ventures is intended primarily to make money rather than to support basic research. It was suggested that UC could reinvest some UC Ventures profits into basic research.

VI. Consultation with Senior Managers

- *Janet Napolitano, President*
- *Aimée Dorr, Provost and Executive Vice President*

President Napolitano

Budget Update: UCOP’s preliminary discussions about the 2015-16 UC budget have focused on the revenue needed to run the University and maintain its excellence and accessibility. UCOP anticipates significant mandatory cost increases next year related to retirement and health benefits. It has identified several high priority funding needs – including deferred maintenance, seismic renewal, compensation increases, and enrollment growth. UCOP also wants to reinvest

in the University's academic quality through several well-established measures—reducing the student-faculty ratio; increasing funding for faculty start-up costs; and increasing graduate student support to competitive levels. UCOP assumes that the 4% increase for UC in the Governor's budget will be insufficient and will need to be augmented with revenue from other sources such as tuition and nonresident enrollment. The President continues to push the state to fund UC appropriately while she explores non-state revenue alternatives. UCOP will send the Senate a long-range enrollment plan and the state-mandated cost of instruction report for review next month.

Presidential Initiatives: The President's *UC-Mexico Initiative* seeks to build new academic collaborations and student exchanges between UC and Mexican universities and research centers. In May, the President signed MOUs related to the Initiative with Mexican officials. UC is exploring the feasibility of offering an energy law certificate program for Mexican officials, and will be enrolling several hundred Mexican ESL students at UC Extension programs this fall. This month, several UC campuses and national laboratories are hosting events related to the culture and economy of Mexico. The *UC Global Food Initiative* seeks to leverage UC's leadership on a wide range of issues related to food – including health, economics, water, climate change, and food security – to help ensure a sustainable food future for the world. The Food Initiative is supporting three student fellowships on each campus, and faculty-led project teams are exploring new ways to leverage university research into public policy.

Investment Policy: The President convened the Regent's Task Force on Sustainable Investing to examine the question of UC divestment from fossil fuels. In September, the Regents approved the recommendation of the Task Force to develop a framework for a sustainable investment policy that integrates Environmental, Social, and Governance (ESG) factors into UC's investment strategy decision making, and to allocate \$1 billion directly to renewable and sustainable investments over the next five years. UC will also be the first public university in the U.S. to sign the United Nations-supported Principles for Responsible Investment.

UC Ventures: The Regents approved UC Ventures, an independent investment fund focusing on opportunities arising from UC research. UC Ventures will be funded from \$250 million the campuses already dedicate to venture capital investments. It will allow UC to invest directly in marketable research opportunities, which will help create new collaborative relationships, promote UC research, and generate new revenue.

Sexual Violence Task Force: In September, the President's Task Force on Preventing and Responding to Sexual Violence and Sexual Assault presented its Phase I recommendations to the Regents, which include the adoption of systemwide investigation, adjudication, and data collection standards. In Phase II, the Task Force will consult faculty about such issues as new training modules and accommodation in class for victims and survivors.

Q&A

Q: What is the relationship between UC Ventures and the UC Innovation Council?

A: They are separate and independent entities. The Innovation Council is a group of business leaders who will advise me about potential links between the private sector and the university, issues such as how to streamline agreements with industry, and private sector trends related to job opportunities and workforce development. The Innovation Council has four working groups,

which include faculty, but it is not a decision-making body. UC Ventures will report to the CIO and redirect existing venture capital investments to internal projects.

Q: What is the basis for evaluating the success of UC Ventures over the long-term?

A: One will be its rate of return relative to the market. Another will be how many UC projects it can successfully identify and support. I am not counting on UC Ventures to provide operating revenue for the university; rather, I want to marshal as many resources as possible to enrich the university and open up opportunities for students and faculty.

Q: Are you concerned that the existing budget model could lead to a financial catastrophe?

A: There is no catastrophe on the horizon. We do have to try to manage our costs in a way that makes up for the cuts we took during the recession. Over the last eight years, we have reduced the cost of running the university in part by increasing administrative efficiencies, but also by failing to replace faculty, which we want to fix. We will also need to develop a fair, predictable tuition plan and increase philanthropy.

Q: Tell us about the reorganization of UCOP's research and graduate studies functions.

A: Earlier this year, I reviewed UCOP's business and finance functions and implemented a few organizational changes. We are maintaining two divisions, one under the new Chief Financial Officer, Nathan Brostrom, and one under a Chief Operating Officer, who we are in the process of identifying. I am now reviewing the office of the provost and considering a separate entrepreneurship/innovation function that would report directly to the President, while maintaining research and graduate studies under the provost. I have not made a final decision, and will consult Mary and Dan about the options as they develop.

Q: What is the status of the enrollment management effort?

A: I told the Regents that we would bring them a nonresident enrollment plan in November. UC is also involved in an intersegmental effort with CSU and CCC to calculate statewide need and demand for degree production, freshman and transfer enrollment, as well as enrollment capacity across the three segments. I worry about creating a false expectation among California families about the Master Plan, and I think it is illogical to increase enrollment funding for CCC and CSU, but not for UC.

Q: What is the nonresident enrollment plan that you will present to the Regents, and will there be guidelines in place to protect against the displacement of California residents? In addition, some faculty are concerned about the potential for "tiering" campuses that are less able to attract nonresidents.

A: The proposal has not been drafted, but we are looking at different options, including a systemwide cap, a campus cap, or some combination of the two. In addition, we think the state budget could be constructed to include expectations for nonresident enrollment based on certain funding scenarios. We need a plan that illustrates the choices the state makes by investing or not investing in UC. I am sensitive to the tiering problem, but also sensitive to the need for campuses to be able to keep the revenue they generate.

Provost Dorr

The [Innovative Learning Technology Initiative](#) (ILTI) has released a third RFP to UC faculty for the development of online undergraduate courses. Award decisions will be made by the end of December in a peer review process with input from administrators. Last year, ILTI funded 31 courses and UCOP provided additional funding to campuses to develop new online courses or revise or refresh existing online or hybrid courses. Every ILTI course is offered first to students on its host campus and then opened up to students from other UC campuses. It is up to the non-host campuses to determine how the course will count for credit. ILTI is not expected to save the university money, but it will help students complete degrees and could help campuses manage course loads, and UCOP does require ILTI courses be offered multiple times over several years to help recoup costs. UCOP retired UCOE on July 1 and combined its functions into ILTI.

Provost Dorr hosted a meeting of the campus representatives assigned to coordinate responses to the [Campus Climate Survey](#) results to discuss goals, metrics for determining progress, and issues for which UCOP can offer help. Provost Dorr and Chair Gilly are preparing a presentation for the Regents about the recommendations for supporting doctoral students generated at an April 2014 all-UC Conference, including a proposal to eliminate NRST charged to students in academic doctoral and MFA programs after the first year. In addition, UCOP has been analyzing data on undergraduate time to degree and graduation rates to identify areas in which UC is doing well and where it can improve. Provost Dorr is planning a conference later this year to share the research and discuss best practices for improving student progress. Finally, UCOP is working on a systemwide Long-Range Enrollment Plan, and reviewing next steps for the faculty Total Remuneration Study.

Discussion: It was noted that some UC faculty remain skeptical about online education and the use of technology in classrooms; for some, it has not sunk in that UC online courses are not MOOCs but UC quality and include a residential component. There should be a mechanism to help skeptical faculty sit in on ILTI courses and understand what it means to take the class. It was also noted that innovation is an important part of UC's research enterprise, and it may not make sense to separate it from the Provost's purview.

VII. Executive Session

Notes were not taken for this portion of the meeting.

VIII. October 14 All-Faculty Web Chat with the President

UCOP has asked the Senate to identify panelists to participate in a one-hour web chat that President Napolitano will host for faculty on October 14. The event will be an opportunity for faculty at all UC locations to interact with the President and ask questions. The systemwide Senate is seeking faculty panelists who represent diversity in terms of rank, ethnicity, and discipline. The Senate will also be invited to submit a list of potential topics in advance.

Action: It was agreed that Senate division chairs will send nominees to Chair Gilly and Vice Chair Hare.

IX. Regents Task Force on Sustainable Investing

- *Mary Gilly, Senate Chair*

Chair Varner and President Napolitano convened the Task Force in response to concerns from a student group, Fossil Free UC, and others who want UC to divest from fossil fuels. The Task Force included three Regents, two students, the Chief Investment Officer, two members of the CIO's investment advisory group, and Chair Gilly. The Task Force decided that divestment would be too difficult, as some fossil fuel companies are also among the largest investors in sustainable resources; that divestment would not have a significant economic impact on those firms; and that the loss of resources would harm future students and faculty. It did, however, agree to recommend the establishment of a sustainable investment framework for the evaluation of all future investments, and to direct \$1 billion into sustainable alternative investments over the next five years. Members of the Task Force also raised the idea of carbon pricing, or a tax based on individual carbon usage for UC students, employees, departments, etc. It was decided that because these ideas were not investment-related, they would be passed along to the President's Climate Council for consideration. Over the summer, UCFW, UCFW's Task Force on Investment and Retirement, and UCBP all reviewed and supported a draft version of the proposed framework and \$1 billion sustainable investment proposal.

Discussion: It was noted that TFIR, UCFW and UCPB analyzed the Task Force recommendations on divestment extensively and agreed with its concerns about the problems presented by divestment. It was noted that the UCSB Senate and student associations at a number of UC campuses voted for divestment, and that the entire university community should be represented in discussions about divestment, which was intended in part to be a symbolic act.

X. BOARS Proposal for Adjusting the Eligibility Construct

Issue: BOARS is requesting a systemwide Senate review of its proposal to adjust the "9-by-9" eligibility policy to "7-by-7." The proposal is motivated by the need for UC to accommodate all students eligible for a guarantee of referral admission. It also addresses a miscalculation made in the 2009 eligibility reform policy by more accurately bringing the total number of guaranteed public high school graduates to the 10% policy target. The proposal would need to pass through the Senate and Assembly before moving to the President and Regents. In addition, the Senate has been asked to postpone sending the proposal for systemwide review until later in the fall.

BOARS Chair Aldredge noted that students in the 9x9 are eligible for an admissions "guarantee," which ensures that they receive an offer of referral admission to at least one UC campus if they are not admitted to a campus to which they applied. Today, Merced is the only "referral campus." He noted that moving to 7x7 would decrease the number of students eligible for the guarantee across a variety of demographic groups, but there would not be an equivalent reduction in the actual admission or enrollment numbers for any group. Most applicants will still be admitted to the campus of their choice, as 9x9 eligibility is not the determining admission factor.

Discussion: Council members suggested that BOARS simplify and clarify the proposal to help promote informed discussion at the campuses. It should emphasize that the proposal is intended to comply with the Regents-approved 10% policy target for the guarantee, and to reduce the pressure on Merced to take referral students. Several members expressed concern about the effect the change could have on specific groups, and asked that BOARS clarify those impacts. It was noted that UC is guaranteeing admission to and enrolling more students than it has funding

for, and it was agreed that the proposal could be framed as a response to a lack of resources, highlighting the extent to which budget cuts are impacting UC's ability to honor the Master Plan.

It was noted that only 239 of 11,000 referral pool students accepted Merced's offer last year, but that the popularity of the referral offer will increase if the more UC selective campuses opt to take referral students. There was concern that the university could find itself in the same position in a few years and that a longer term fix is needed. It was noted that there is a tradition of expectation among the faculty and the public for the guarantee. The Senate rejected BOARS' original proposal to eliminate the guarantee in 2008, which led to the 9x9 policy in 2009. It was agreed that the ELC program is one of the only tools UC has available to diversify the applicant pool. It was proposed that Regents policy be simplified to retain language about the 10% target but eliminate the specific mention of the 9x9, which would give BOARS flexibility to make adjustments to achieve the target.

Action: A motion was made and seconded to ask BOARS to clarify the current proposal before sending back to Council for circulation to campuses later in the fall. The motion passed unanimously.

XI. The Meaning of a UC Degree

At the May Regents meeting, Regent Kieffer asked for a report detailing how the Academic Senate establishes the "meaning of a UC undergraduate degree," how the meaning of a UC degree compares to other universities, and how the meaning has changed over time. Chair Gilly and Provost Dorr have proposed separate informational sessions for the Regents covering 1) the history of GE requirements and UC's vision of a broadly educated person; 2) majors, research production, and creative activity; and 3) a TBD topic, such as the learning environment/experiential learning.

It was noted that UCEP will be discussing the request and developing a general response to Chair Gilly by January after it consults with its divisional committees. It was noted that the meaning of a UC degree is to a great extent tied to UC's nature as a research university.

XII. Senate Priorities for 2014-2015

Council members discussed current and pending issues to identify those issues requiring highest-priority attention. Among the topics mentioned were health care benefit costs, UC Care, UCRP funding, capital projects funding, enrollment management, research funding, graduate student support, and the Total Remuneration Study.

Meeting adjourned at 4:00 pm

Attest: Mary Gilly, Academic Council Chair

Minutes prepared by Michael LaBriola, Principal Committee Analyst