

DRAFT

ACADEMIC COUNCIL

**Minutes of Meeting
Monday, February 25, 2009****I. Announcements**

- **Mary Croughan, Academic Council Chair**
- The Senate's eligibility reform proposal was passed by the Regents in February. Chair Croughan thanked all of the faculty and staff members who worked on the proposal over the years, including BOARS Chair Sylvia Hurtado, former BOARS Chair Mark Rashid, former Academic Senate (and BOARS) Chair Michael Brown, Student Affairs staff members Sam Agronow, Nina Robinson, and Sue Wilbur, Senate Analyst Michael LaBriola, and President Yudof. BOARS is drafting regulations to implement the proposal, which will be presented to Council in April or May.
- The Regents unanimously approved the Blue and Gold Opportunity Plan. The chair of the UC student association expressed support for both the eligibility reform proposal and the Blue and Gold Opportunity Plan.
- The Regents voted to restart contributions to UCRP. Chair Croughan thanked UCFW Chair Helen Henry for her leadership on this issue. At that time, \$20 million was allocated in the state budget to fund UCRP; however, these funds were not in the final state budget. UCOP will undertake a campaign to get the legislature to recognize its responsibility to contribute to the retirement plan, just as it does for CalPERS.
- EVP Lapp's office is analyzing how and to what extent the federal economic stimulus money may offset some of UC's budget gap.
- Interim Provost Pitts has suggested that instead of hiring outside consultants, UCOP should issue RFPs for faculty to perform consulting services.
- Academic Council will meet with the EVCs on April 29.
- Academic Council has received a letter from UC Riverside EVC Wartella responding to Council's questions about the Anderson Graduate School of Management.
- Assemblyman Hernandez has proposed ACA 7, a constitutional amendment that would exempt public educational institutions from Proposition 209 and allow them to take race, ethnicity and gender into consideration in admissions, outreach and retention programs.
- SMG Policy 505 now includes a 5-year performance review of the President; Academic Council had requested this revision for several years. Therefore the proposed Stewardship Review Task Force may not be necessary. However, the Senate may wish to standardize stewardship review processes for Chancellors.

II. Consent Calendar

- 1. Approval of the January 28, 2009 Minutes**
- 2. Cancel the Assembly meeting on March 11, 2009.**
- 3. Forward UCEP Statement on Enrollment Cuts.**
- 4. Forward UCFW/TFIR Informational Statement on Evaluating UCRP Investment Returns**

ACTION: The consent calendar was approved, with minor changes to the January minutes, and with the exception of Item 4, UCFW/TFIR Informational Statement on Evaluating UCRP Investment Returns, which will be addressed under New Business.

III. Approval of the Agenda.

ACTION: The agenda was approved with the following change: Item 4 of the consent calendar will be addressed under New Business.

IV. Advisory Group on Budget

ISSUE: President Yudof asked Chair Croughan to co-chair an advisory group with Santa Barbara EVC Gene Lucas that will examine creative funding strategies to address the University's short and long-term financial health in this period of economic crisis and budgetary uncertainty. UCPB Chair Conrad, UCAP Chair Plaxe, and UCSB Division Chair Joel Michaelsen serve as members, along with Chair Croughan.

DISCUSSION: This committee is examining strategies for enhancing revenue and decreasing costs. Chair Croughan asked Division chairs to arrange Town Hall meetings in conjunction with their Planning and Budget Chairs, EVCs, and Vice Chancellors for Finance or Budget. The Town Hall meetings should be held every one to two months and should be open to all UC employees and students. She requested that ideas generated at these meetings be communicated to the Advisory Group. Chair Conrad suggested that communication and transparency is essential and that the Advisory Group should set up a website with the most up-to-date budget information available. Council members engaged in a wide-ranging discussion of budgetary issues.

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

- **Mark G. Yudof, President**
- **Katherine N. Lapp, Executive Vice President, Business Operations**

President Yudof

- Considering the calamitous circumstances of the state, UC did not fare too poorly in the final budget. UC will absorb \$215 million in cuts over two years. If California receives \$9.1 billion in fiscal stabilization funds from the economic stimulus package, \$50 million will be automatically restored to the UC budget; that would provide a slight increase over the 08-09 budget. However, the total economic impact of the budget on UC is a \$450 million dollar deficit (this includes the lack of funding for 11,000 students). There are other potential sources of funds in the economic stimulus bill from which UC could benefit. The biggest disappointment in the state budget was that state contributions to UCRP were eliminated. This is fundamentally unfair; the state should contribute, as it does for CSU and community college employees. UC needs to galvanize the business community and reach out to the labor unions and to faculty and staff as private citizens to encourage them to advocate for the retirement system.
- The search for a new provost continues. A CFO will be announced in the next month, and interviews for the VP of Human Resources and Benefits are being conducted.
- President Yudof stated that he is receiving negative feedback on the eligibility proposal from Asian American/ Pacific Islander groups and that he is meeting with members of the

Asian American Pacific Islander Caucus. He is working with the Senate to address these concerns.

Vice President Lapp

- EVP Lapp stated that by April 1 UC will know if the economic stimulus package will be sufficient to buy back the \$50 million cut.
- The President has formed a task force to examine post-employment benefits. EVP Lapp will chair the group's Steering Committee; Chair Croughan and Vice Chair Powell will serve on it. In addition, a Work Group will be formed to perform analysis for the Steering Committee; several Senate representatives will serve on the Work Group.
- Two areas of opportunity for UC to garner funds through the stimulus package are in research and the health sciences. Vice President Beckwith is gathering information and will disseminate it to the campuses. He will ask Chair Croughan to help facilitate cross-campus collaborations on big research issues. In the health sciences, the stimulus package includes money for facilities, research and electronic medical records.
- The stimulus bill also may require financial outlays by the University (e.g., the extension of COBRA benefits).

Q&A

Q: The state contribution to UCRP is an issue of fairness. What is UC's contingency plan if the state refuses to contribute in this era of budgetary crisis? Will employee contributions be started before employer contributions? What is the possibility of the University or the campus assuming all or part of the employer match?

A: President Yudof noted that the legislature did not want to make any new commitments, especially a multiple-year commitment; they rejected all new appropriations. Nevertheless, UC has a strong case. Over the past 18 years, the state has saved \$1.1 billion dollars (assuming a 4% contribution) in contributions it otherwise would have made. President Yudof stated that he has not yet considered asking employees to contribute without employer contributions. The task force on post-employment benefits will examine all alternatives, and any changes will be made in full consultation with faculty and staff. However, he stated that he is reluctant to use University operating funds as a match because UC's operating funds are very limited and because it would set a precedent, effectively releasing the state from responsibility. In addition, the employer portion of employee health benefits already is paid from operating funds and is rising precipitously, which will significantly challenge UC's budget.

President Yudof noted that UCRP will not experience a liquidity problem for quite some time (roughly five to eight years), so the solutions may not be as dire as one might think. There are many options. For example, UC could change the vesting period, restructure benefits for new employees, or eliminate COLAs. The Senate offers considerable faculty expertise in this area. President Yudof noted that he would welcome additional input and analysis.

Q: The legislature appears to believe that funding UCRP is negotiable. Should UC take more forceful steps such as suing the state?

A: President Yudof responded that he did not feel that would be productive. However, there are other strategies that UC could pursue. One strategy is to attempt to move UC's funding to the automatic portion of the state budget.

Q: How will NIH funds from the stimulus package be allocated?

A: EVP Lapp responded that NIH authorities have not yet decided the criteria for distribution. One option is to fund projects that already are in the pipeline. Vice President Beckwith is trying to ensure that UC will benefit from these funds.

Q: Is UC considering furloughs?

A: EVP Lapp responded that there will not be furloughs in this fiscal year. The administration will examine all other options in the budget before resorting to furloughs in future years. However, the President has requested that staff clarify his legal authority to enact furloughs and develop clear policies governing furloughs. These policies will undergo Senate review. President Yudof added that at this point in time, the situation does not seem so extreme that UC will have to furlough staff.

Comment: The federal stimulus funds could help parts of the University flourish while other parts, such as the instructional mission, are starved; we need to look out for the Humanities and Social Sciences.

A: President Yudof commented that he had not thought about internal inequities, but will discuss them with the Chancellors. He views allocations as issues to be determined by the campuses.

Q: It seems that the \$50 million in federal stimulus funds that UC could receive will be used as operating funds, but building renovations and capital projects may be a better use of the money than a one-year boost in operating funds.

A: EVP Lapp responded that as a result of the state budget passage, 13 UC projects have been approved to go forward. We expect that over the next month, the Pooled Money Investment Board will release the frozen funds. UC also has submitted lists of projects to the state that could use stimulus money and are shovel-ready.

Q: If voters reject the governor's budget proposals in the May election, what will be the impact on the University's budget, and what is its contingency plan?

A: If the governor's proposal to borrow \$5 billion dollars against future lottery proceeds does not pass, there will be serious consequences. If any of the other monetarily smaller proposals do not pass, the governor and legislature still will have to renegotiate the budget.

Comment: UCOP should encourage faculty, staff and students to vote for the ballot propositions in the May election. Students can engage in advocacy and political action and they multiply the vote of the UC community.

Q: How do we get the legislators to see the whole University and to understand that graduate studies is not just a privilege for a few, but benefits the entire state.

A: The public and the legislature pay far more attention to undergraduate education than to graduate studies, research, or UC's clinical enterprise. UC must do more to publicize its entire mission and accomplishments.

Comment: There may be faculty who can share expertise in marketing UC's accomplishments.

VI. General Discussion

A member asked for an update on the UAW-UC negotiations for post-doctoral scholars. Does the Senate have any input on this? Chair Croughan responded that in the past, the Senate has not had sufficient influence in labor negotiations for academic personnel. Provost Pitts is now considering whether the Senate's interests should be represented in labor negotiations with unions working on behalf of TAs, lecturers, and other academic personnel. A member commented that the Senate should take a leadership role in galvanizing a grassroots movement to support state funding of the retirement system. There should be an organized outreach effort to all UC students and employees, providing letter templates and identifying the appropriate Senator and Assembly member recipients. Chair Croughan responded that UCOP is beginning to plan an advocacy effort; while UC can not violate lobbying rules; faculty, students and staff can take action as citizens. She stated that SVP Dooley has invigorated External Affairs and recently hired Lynn Tierney, who was in charge of communications for the New York Fire Department on September 11, 2001.

VII. Executive Session

Minutes were not taken for this portion of the meeting.

VIII. Graduate Student Support Funds and Accountability

ISSUE: CCGA asked local Graduate Councils and graduate students through their representatives for input on: (1) priorities for future allocations for graduate student support; and (2) accountability of the allocated funds.

DISCUSSION: Chair Chehab explained that CCGA felt that each campus should decide on the allocation mechanism, but that graduate deans would be responsible for providing annual reports to their Graduate Councils. This letter outlines a plan for allocation and reporting should funds become available in the future. A Council member suggested that the Senate may want to consider making graduate funding its top priority, since a smaller amount of money would be needed to fund it than to fund faculty salaries and therefore this goal may be comparatively achievable.

ACTION: Council unanimously endorsed CCGA's recommendations that: (1) new funds be used for fees, stipends and tuition; (2) allocations for graduate student support be incorporated into the permanent budget at each campus; (3) any additional future funds should be used to increase competitive recruitment packages; (4) support for graduate students should come from newly allocated funds and not be redirected from other sources; and (5) graduate deans should report annually to their divisional Graduate Council or Divisional Senate on the expenditure of these funds.

IX. Graduate Academic Certificate Programs

ISSUE: In response to the proliferation of graduate academic certificate programs, CCGA voted to require that: 1) all new and existing SR735-certificate programs (stand-alone graduate programs with independent admissions processes) be reviewed and approved by CCGA; and (2) all certificate programs not under the purview of SR735 (e.g., those offered in conjunction with a degree program) be reviewed and approved by local Graduate Councils and Divisional Senates.

DISCUSSION: CCGA Chair Chehab explained that graduate deans will be responsible for identifying non-SR735-compliant certificate programs. A Council member noted that his campus is advocating an increase of such programs as a revenue source.

ACTION: Council unanimously approved CCGA's request to forward its letter to Interim Provost Pitts recommending that he disseminate a memo outlining review procedures for certificate programs to Divisional Senates and Graduate Deans.

X. Guidelines for Professional Behavior, Compliance Measures and Workload Issues

ISSUE: Increasingly, the University is requiring faculty compliance with a range of training and reporting measures. While some of them are required by entities beyond the University, the Senate is concerned about measures that may be taken as disciplinary action against faculty who do not comply. The Senate also is concerned with the increasing burden of such measures on faculty time and wishes to initiate a discussion on how to alleviate it. A draft discussion paper posing potential options, including revising APMs 015 and 016, was distributed.

DISCUSSION: Council decided that it did not have sufficient time for a full discussion of this issue.

ACTION: Council members will review the discussion paper, and address this subject at its March meeting.

XVI. New Business.

1. UC Davis School of Nursing Proposal.

ACTION: Council unanimously approved a revised letter to Interim Provost Pitts conditionally approving the UC Davis School of Nursing.

2. UCFW/TFIR Informational Statement on Evaluating UCRP Investment Returns

Academic Council did not have time to address this issue; it will be placed on the March agenda.

Meeting adjourned at 4:30 p.m.

Attest: Mary S. Croughan, Academic Council Chair

Minutes prepared by Clare Sheridan, Senior Policy Analyst