

UNIVERSITY OF CALIFORNIA

ACADEMIC SENATE

ACADEMIC COUNCIL

**Minutes of Meeting
Wednesday, October 22, 2008**

I. Announcements

- **Mary Croughan, Academic Council Chair**
- UC Davis Chancellor search: Linda Bisson (UCD), Mike Clegg (UCI), Chair Croughan, Margie Ferguson (UCD) and Bob Powell (UCD) serve as the faculty advisory committee.
- Report on Laboratory Management Fee Allocation review process: Chair Croughan and Dan Simmons (UCD) attended the Large Proposal Review Panel meeting as observers. The list of all proposals selected for funding will be presented to the Regents for approval in November. There were 654 applications for \$20M in funding.
- President Yudof has informed the Chancellors that the state has cut UC's budget by an additional \$33.1 million since the budget was signed last month. He asked them to protect the instructional mission as much as possible.
- In the budget approved by the Regents, President Yudof allocated \$10 million in funding for graduate students, \$10 million for the Cal ISIs and \$5.3 million in bridge funding for the labor institutes cut by the governor.
- The Nov. 5 meeting of the Academic Assembly has been canceled. The next scheduled meeting is on December 10, 2008. The meeting will be held in person.

II. Update on Council Requests

1. Report on Implementation of RE-89. Council received the annual report on the implementation of RE-89. No new proposals on tobacco-related research were received at any of the campuses, and no new grants were made in this area.

III. Consent Calendar

1. Approval of the September 24, 2008 Minutes

ACTION: The consent calendar was unanimously approved.

IV. Approval of the Agenda.

ACTION: The agenda was unanimously approved; UC Merced's funding model was added as New Business.

V. Policy on Re-employment of UC Retired Employees

ISSUE: At their September meeting, the Regents adopted a policy restricting the re-employment of retired UC employees in Senior Management Group and staff positions. This policy was adopted without prior formal Senate review. Rather, Chair Brown and Vice Chair Croughan only were successful in exempting faculty from this policy. Council requested and received expedited comments from divisions and systemwide committees so that a revised policy could be developed and presented to the President prior to the policy enactment date of January 1, 2009.

DISCUSSION: Council supported the idea that UC policy should discourage rehiring retirees as the norm because it stresses the viability of the retirement system. However, the policy, as written, is poorly worded and far too restrictive. Council favored writing a letter to the President outlining its specific criticisms, and also favored drafting an alternate policy for recommendation to the President and Regents. Council discussed requesting that the intended January 1 implementation date be delayed. They also expressed concern about the circumvention of shared governance.

ACTION: Council unanimously passed a motion to send a letter to President Yudof expressing its concerns, with an alternative draft policy, and asking him to forward the documents to the Regents for consideration.

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

- **Mark G. Yudof, President**
- **Katherine N. Lapp, Executive Vice President, Business Operations**
- **Tim Gage, Blue Sky Consulting Group and former director, California Department of Finance**

President Yudof

- Provost search: UC may have to launch a national search, beyond internal candidates.
- CFO search: This position will help UCOP and the campuses deal with fiscal issues surrounding strategic planning and budget shortfalls.
- Other leadership positions: UC is recruiting in public affairs, federal government relations, institutional research, and human resources.
- UCRP benefits administration: President Yudof is considering Council's advice on the outsourcing of UCRP benefits administration.
- UC's budget: When the state budget was signed, UC was short by \$15 million (this includes the \$5 million cut in funding for the UC labor institutes). Since then, the state has told UC to cut an additional \$33.1 million. To meet this \$48 million shortfall, \$28 million will come from savings at UCOP. The campuses (except for UC Merced) will be cut based on a formula according to the size of their budgets. An additional \$50 million in state funding probably will be cut in January or February, for a total \$98 million shortfall. Mid-year cuts will put the University in a very difficult position; it cannot plan appropriately for enrollment, classes, etc. President Yudof will meet with each Chancellor to discuss options and how they plan to meet the budget shortfall on their campus.
- 2009-2010 budget: To meet all of UC's commitments and the Regents' priorities, the University needs \$900 million more than it was allocated this year prior to the cuts (this includes funds for the state's contribution to UCRP, enrollment growth, the faculty salary plan, the reduction in student/faculty ratio, etc.). President Yudof feels that it is important to communicate what the University actually needs to operate, and will present the true amount to the Regents in November in his 2009-2010 budget request.

EVP Lapp

- EVP Lapp gave an overview of the Long-Term Budget Planning Model and University Funding Outlook and introduced Mr. Gage, whose firm developed the model. The model is intended to project expenditure and revenue trends for the University's core budget over a twenty-year period, to describe the financial challenges confronting the University, and to

engage the Regents in discussing its implications. It demonstrates the gap between costs and income using different assumptions and demonstrates the financial impact of pursuing various goals.

Q&A

Q: How can UC make the case that the quality of education can not be allowed to deteriorate?

A: President Yudof stated that UC is revitalizing its state government office and has developed a strategic communications plan; the University also must craft an e-communications system.

Q: Are there mechanisms for putting pressure on the legislature to provide support for unfunded mandates such as the Cal ISIs and enrollment growth?

A: President Yudof noted that this is part of the general communications strategy. The University may not save much money by cutting enrollment growth agreed to in the Compact, but could suffer politically. Cutting enrollment may also reduce access by underserved populations.

Q: Is UC doing anything to position itself at the state level in case the federal government creates a stimulus package distributed to the states? Can UC take a leadership role?

A: President Yudof recently attended a meeting of public universities to discuss this topic. The group is discussing universities' needs and the mechanisms that would best aid public education.

Q: How will this budget crunch affect public universities vis-à-vis private ones?

A: President Yudof responded that he can not predict structural changes, but noted that the challenges for public universities will be long-term. UC's applications may increase because it may be a better buy. But it will definitely lose ground to the best of the private institutions.

Q: The governor vetoed funding for UC's labor research programs because of their content. This poses problems for academic freedom and the University's autonomy. Have you addressed this?

A: President Yudof stated that he has not addressed it with the governor, but discussed it with the Speaker of the Assembly and the incoming President pro-Tempore of the state Senate. In addition, the President allocated \$5.3 million in bridge funding to the labor institutes.

Q: Thank you for exempting UC Merced from the budget cuts. But the campus is under extraordinary pressure to continue growing according to plan. Next year, we have to absorb 1300 new students with just 15 new faculty members. The model for UC Merced is based on a number of erroneous assumptions. We have asked Academic Council to forward a letter to you outlining these problems.

A: President Yudof stated that he recognizes that protecting UC Merced from the budget cuts does not mean that it is funded appropriately. He has asked the UC Merced Chancellor to focus on serving the students it currently has. He suggested that he could meet with UCM's divisional chair for a fuller discussion of the problems its faculty has identified with the funding model.

Q: Has UC considered offering its employees medical services through its own hospitals and medical centers? Over the long term, it may save UC money, instead of losing money to insurance companies.

A: EVP Lapp replied that the administration will consider any proposal to contain costs. However, this would only enable employees living near the five medical centers to receive care without

expansion of clinics and services into our other campuses and the surrounding communities. Also, David Gardner noted that this did not work well at UCSF.

Comment: Some faculty are concerned about the future of the Education Abroad Program (EAP).

A: President Yudof stated that the University must cut EAP's budget. It currently costs \$38 million per year, serves relatively few students, and competes with UC campuses. The president has asked EAP Director Cowan to propose a new budget structure, which will be sent to the Senate for systemwide review.

Q: Thank you for directing funds to meet the needs of graduate students. How will these funds be distributed? Will they be allocated to professional students, as well?

A: EVP Lapp responded that President Yudof is committed to supporting graduate students. He will discuss the distribution with the campuses; she does not know whether professional students will be included in the pool of eligible recipients.

Q: Will the effort to close the budget gap include fee increases? Is the University considering boosting income by accepting more non-resident (out of state) students?

A: EVP Lapp noted that there probably will be a fee increase of up to 10% next year. All options for reducing the gap will be considered, including increasing non-resident students. But for every non-resident admitted, a resident is denied. This approach may be unpopular with the public and the legislature.

Q: In the budget model, why do you focus only on "core funding" (income from fees, general funds, and endowments)?

A: Mr. Gage responded that these are the resources over which the University has some control. Other revenues are either dedicated to specific research purposes or they are generated by self-funded programs that do not always produce excess income (such as medical centers, museums, and UC Extension). These programs also will be affected by the same cost drivers that are impacting the University's core budget.

Q: What are the budget model's demographic assumptions and costs associated with faculty retirements?

A: Mr. Gage replied that the model relies on existing salary data and past average cost trends to calculate retirement costs. It takes into consideration both the likely pace of retirements and the salary level at which faculty will be replaced.

Q: How portable is the model? Could it be used by campus-based financial planners?

A: EVP Lapp noted that the model could be adapted for campus purposes, and that she will be making presentations to campus financial officers. Mr. Gage noted that the model is constructed to provide a high-level view of the University's fiscal situation, and currently does not have the level of granularity that would be useful to campuses, e.g., the degree mix, age of faculty, and balance of graduate and undergraduate students at each campus.

Q: How much would the numbers change if UC increased non-resident students by 1% for the next five years? What happens if you increase enrollment?

A: Mr. Gage noted that the model should be used to understand the implications of decisions over the long term (not changes in one or two years), and therefore uses the average cost (not marginal cost) per student. Additional students may not have a big impact on the University's costs. Mr. Gage said that increasing non-resident students probably would result in noticeable, but not significant increases in revenue. EVP Lapp added that while the marginal cost of additional students may not be great, enrollment growth may impact the quality of education. For example, campuses have reported that due to increases in the student/faculty ratio, it may take students five years to get degrees in some majors. The model does not capture this. It provides insight on trends, not specific circumstances.

Comment: Revenues from intellectual property are not included in the model.

A: Mr. Gage noted that this income source was too complex to include, but should be considered.

Comment: It is most likely that the deficit will be bridged by degrading the student/faculty ratio.

A: Mr. Gage noted that the model uses the budgeted student/faculty ratio, not the actual ratio. Sometimes campuses do not fill open positions, using the savings to cover other costs.

VII. General Discussion

A member suggested developing a position on the budget situation emphasizing Council's top priorities: the faculty salary plan, graduate student support, and a healthy retirement plan. It was asked if the University may consider cutting benefits? Chair Croughan responded that she has not heard any such discussion, and that the University is spending \$5 million to offset increased health care costs. However, employees will begin contributing to UCRP this year.

VIII. Draft Legislative Ruling: Jurisdiction of Privilege and Tenure Committees

ISSUE: Does a divisional P&T committee have jurisdiction to hear the grievance of an Academic Senate member serving in an administrative capacity who asserts retaliation in violation of the University's whistleblower protection policy? UCR&J drafted a legislative ruling stating that if the grievance impacts the rights or privileges as a faculty member, then P&T can hold a hearing. P&T does not have jurisdiction to hear a grievance regarding the loss or withholding of an administrative appointment, since holding such a position is not a right or privilege of a faculty member. However, if there was a violation of the rights and privileges of a faculty member related to this loss or withholding, then P&T would be required to consider the matter.

DISCUSSION: An example would be if the withdrawal of an administrative position negatively affected the faculty member's academic reputation. A member asked if this ruling would give faculty the right to grieve to P&T if they are victims of a retaliatory whistleblower investigation? Executive Director Winnacker clarified that if the case does not impinge on a faculty right or privilege, the grievance should be reported to the local whistleblower official.

ACTION: Council passed a motion to accept the legislative ruling without comment (18 in favor, 2 abstentions).

IX. Graduate Academic Certificate Programs

ISSUE: Under [SR 735](#), CCGA is empowered to review certificates for the completion of a graduate curriculum awarded by programs other than University Extension. Despite the proliferation of such programs, CCGA has not been receiving proposals for such programs; it

intends to enforce its authority over academic certificates. It has determined: 1) a process for reviewing all new programs that fall under its purview; and 2) that existing programs should submit a profile for review and approval to CCGA by February 1, 2009.

DISCUSSION: CCGA's chair noted that use of the University's official seal on certificates would be an incentive for programs to cooperate. A member suggested that a statement be included that Graduate Councils must review those programs that previously had not been reviewed, in order to ensure compliance across all programs. Another asked whether short-term professional programs offering certificates of completion would be included. CCGA's chair stated that CCGA is not concerned with these programs. Berkeley's divisional chair noted that UC Berkeley adopted a two-tiered system of review and approval for such programs and offered to share its documentation with CCGA.

ACTION: CCGA will revise the letter, taking into consideration Council's suggestions and the practice employed by UC Berkeley.

X. Funds for Graduate Students

ISSUE: CCGA has endorsed a funding mechanism in which funds allocated for graduate student support are sent directly to graduate Deans, rather than to EVCs in order to ensure that the funds are used for their intended purpose.

DISCUSSION: Some members noted that sending the funds to graduate Deans may not provide a sufficient level of accountability, and preferred to "tag" the money. Others suggested that a reporting mechanism be required of the EVCs to ensure that when the funds are dispersed, they are *in addition to* funds already committed to graduate student support rather than a replacement or substitute for previously committed funds. Others worried that sending the funds directly to graduate Deans would undermine EVCs, and at some campuses, it would not even be possible. Another pointed out that this approach mistakenly assumes that all support for graduate students is dispersed through graduate Deans' offices. CCGA's chair responded that giving the money directly to graduate Deans eliminates one layer of accountability reporting. A motion was made to endorse CCGA's letter with a sentence added clarifying that the funds should supplement current funding; the motion failed.

Council also wished to clarify that the funds should be for stipends and fellowships, only, not TAs or other purposes such as providing administrative support for graduate student programs. CCGA's chair noted that the letter purposefully does not address the form in which the funds should be used. Chair Croughan replied that the President intends the funding to be for stipends and fellowships, and that Council originally requested the funding for this purpose. CCGA's chair agreed to make this clear in the letter.

In addition, a member advocated including students training for public service at professional schools (e.g., public health) who are assessed higher professional school fees.

ACTION: Council passed a motion requesting that CCGA reconsider its letter in view of Council's concerns about accountability and opposition to directing the funds to graduate Deans, and clarify that the funds are intended for stipends or fellowships. Council requested that an accountability measure be added to the CCGA letter such that the amount of funds used for graduate student support could be compared across years and the \$10 million in additional funds could be identified. (19 in favor, 1 opposed).

XI. Multi-Institution Initiatives on Curriculum and Preparation

ISSUE: Recently, UC was invited to join two national initiatives regarding college readiness, assessment, and curriculum. When such initiatives involve matters that are within the Senate's purview and the Senate is invited to send representatives to an inter-institutional project, how should representatives be selected?

DISCUSSION: A member stated that it is problematic that the University agreed to participate in a preparatory education initiative without first consulting the faculty. Another noted that both projects were initiated by external organizations and that the Senate has no bylaw governing the selection of representatives. Options include developing a formal appointment mechanism, asking UCOC to identify candidates, or utilizing informal networks. A member suggested asking each division to recommend experts on academic preparation who could serve as faculty representatives for such efforts. It was also suggested that Council write a letter to the President urging consultation with the Senate prior to agreeing to participate in new, external initiatives.

ACTION: Chair Croughan will draft a letter to the President requesting future prior consultation, and will request that divisions recommend a list of experts in these areas.

XII. Eligibility Reform Proposal

ISSUE: BOARS received new CPEC data and reported that it did not alter the conclusions of the eligibility reform proposal based on the 2003 data. BOARS' chair also reported on answers to questions asked at the November Regents' meeting regarding various GPA thresholds and the magnitude of the anticipated increase in applications.

DISCUSSION: BOARS' chair reported that the volume of applications would increase by an average of 13%. A member advocated that Council reiterate its support for the proposal approved by the Academic Assembly. Council discussed differences among the GPA options, and noted that the main alternative proposal (3.0 weighted/capped) would significantly decrease applications from students in rural areas and from African-Americans (the latter would decline by 21%). A member reiterated that the goal of the proposed changes is to make more students visible to the University, which is best accomplished by the Assembly-approved proposal. A divisional chair asked whether any changes made by the Regents would be sent out for review. Chair Croughan replied that it would not be reviewed, but if the changes are too significant, she can ask the President to remove it from the Regents' agenda.

ACTION: None

XIII. Sexual Harassment Prevention Training and Compliance

ISSUE: California law requires all supervisory employees to complete two hours of sexual harassment prevention training every two years. The University considers all faculty to come under the classification of supervisory employees given their teaching and research roles. In the first years of the program, faculty compliance was lower than anticipated, and the training materials are being revised. Provost Grey asked for Senate input on proposed administrative measures to ensure compliance.

DISCUSSION: Chair Croughan noted that she, Vice Chair Powell, and Executive Director Winnacker tested the new version of the on-line training module, and sent comments to the compliance officer. A member inquired whether the administrative measures suggested by the Provost could withstand legal challenge. Chair Croughan responded that they were vetted by the

Office of General Counsel. It was requested that the text of the state law be included with the Provost's letter when sent for review.

ACTION: Chair Croughan will send Provost Grey's letter and the text of the state law for systemwide review.

XIV. Request from UCM for Committee Volunteers

ISSUE: UC Merced has asked for volunteers from other divisions to serve on CAP and P&T.

DISCUSSION: UC Merced's divisional chair noted that they especially need an economist to serve on CAP. UCSD stated that its COC will try to identify prospects.

ACTION: Chair Croughan will communicate UC Merced's request to UCOC.

XV. New Business—UC Merced's Funding Model

ISSUE: UC Merced's divisional chair submitted a letter to Council outlining problems with the assumptions underlying UC Merced's funding model. The letter was drafted in response to President Yudof's letter, which was a response to a letter from UCPB on the subject.

DISCUSSION: UCPB's chair commented that it was a strong letter and felt that Council should forward it to President Yudof as a status report on UCPB's and Council's prior requests regarding Merced's budget; she noted that the letter contained no new recommendations. A member objected to endorsing it, given that it deals with complex budget issues and Council just received it; he would prefer to discuss it with his divisional Senate.

ACTION: Council passed a motion to transmit the letter to President Yudof (23 in favor, 1 opposed)

XVI. Ongoing Agenda Item: "Senate Issues/Topics of Concern"

Members did not have any special issues of concern.

Meeting adjourned at 4:15 p.m.

Attest: Mary S. Croughan, Academic Council Chair

Minutes prepared by Clare Sheridan, Senior Policy Analyst