

Academic Council Minutes of Meeting October 22, 2025

I. Consent Calendar

- 1. Today's agenda items and their priority
- 2. September 24, 2025 Academic Council Minutes
- 3. UCEP's annual reminder about academic integrity and intellectual property rights

ACTION: Council approved the consent calendar.

II. Senate Officers' Announcements

- Ahmet Palazoglu, Academic Council Chair
- Susannah Scott, Academic Council Vice Chair
- Monica Lin, Academic Senate Executive Director

UCAD Plus: The UCAD Plus <u>charge</u> and supporting documents will be released soon. UCAD Plus members and other faculty representatives have been assigned to five workgroups that will begin meeting in November. Provost Newman joined the discussion and emphasized the importance of timely progress given the urgency of challenges UC is facing. She praised the Senate's past leadership on UCAD and noted that she, Chair Palazoglu, and UCI Executive Vice Chancellor Hal Stern will serve as the UCAD Plus steering committee and will issue regular updates to faculty.

National Labs: UC is working with federal agencies to prevent funding interruptions at the UC-affiliated national laboratories during the federal government shutdown. UC is also opposing congressional language that would restrict lab employment based on citizenship. A search is underway for a new director of the Lawrence Berkeley National Laboratory.

Total Remuneration Study: Chair Palazoglu reported that Senate members of the Total Remuneration Advisory Committee have raised concerns about how UC's consultant firm is conducting the study. The Senate members in the Total Remuneration Advisory Committee (TRAC) plan to issue a separate analysis based on their preferred methodology.

Student Conduct Policy: A joint systemwide work group has developed revised policies governing student conduct, including revisions to <u>PACAOS 100.00</u>: <u>Policy on Student Conduct and Discipline</u>, and the creation of a new Student Conduct Investigation and Adjudication Framework. The interim policy taking effect in January 2026 is intended to establish a consistent systemwide process while preserving campus flexibility. A standard systemwide Senate review will be initiated then as well.

Senate Communications: Chair Palazoglu asked divisions to ensure that systemwide announcements such as Assembly meeting invitations and major Academic Council statements are distributed broadly to campus faculty. The systemwide Senate office will make its requests for broad distribution more explicit in future communications to divisions.

Faculty Discipline Policy: A Senate workgroup under the University Committee on Privilege and Tenure (UCPT) is reviewing <u>proposed revisions to APM 015 and APM 016</u>, corresponding revisions to Senate Bylaws 334–337, and Attachment B (Extramural Speech) in collaboration with the University Committee on Academic Freedom (UCAF). UCPT favors creating a systemwide P&T "pool" rather than a "network" to streamline case assignments. UCAF is recommending clarifications to ensure that academic freedom is protected in cases involving extramural speech.

Discussion Highlights

- A Council member asked whether UCAD Plus workgroups would incorporate feedback from
 the systemwide review of the UCAD interim report before finalizing their priorities. Chair
 Palazoglu said feedback would be integrated as it arrived and the workgroups would have
 leeway to adjust their focus as comments come in.
- Several members expressed concern that implementing interim policies prior to Senate review undermines shared governance. Chair Palazoglu acknowledged these concerns and noted that issuing interim policies is an established practice.

III. Executive Session

- Melissa Matella, Associate Vice President of <u>Employee and Labor Relations</u>
- o Amy K. Lee, Deputy Provost, Systemwide Academic Personnel

IV. Faculty Affairs and Academic Programs/ Systemwide Academic Personnel

- o Amy K. Lee, Deputy Provost, Systemwide Academic Personnel
- o Monica Varsanyi, Vice Provost, Faculty Affairs and Academic Programs

H-1B Visas: Deputy Provost Lee reported that a new H-1B visa proclamation effective September 21 requires employers to pay a \$100,000 fee per petition for H-1B workers entering the U.S. from abroad. It is still unclear whether universities and research institutions are exempt. The fee does not apply to current H-1B holders, or to amendments, extensions, or changes of status (for example, from F-1 to H-1B). Requests for exemptions must be submitted individually rather than by institution. UC estimates that it recruits approximately 600-700 individuals per year who require H-1B sponsorship. UCOP is providing guidance and template language to help departments manage risk.

Pending Federal Bills:

- The Colleges for the American People Act, introduced in July 2025, would eliminate the H-1B cap exemption for universities. If enacted, UC would have to compete under the national 65,000 cap (plus 20,000 for advanced degrees), restricting recruitment flexibility.
- The American Tech Workforce Act of 2025 would eliminate Optional Practical Training for international students and establish a minimum salary of \$150,000 for H-1B positions. This would severely affect UC's ability to hire postdoctoral scholars and STEM graduates.

UCCS and **UCDC**: Vice Provost Varsanyi reported that both the UC Center Sacramento (<u>UCCS</u>) and UC Washington Center (<u>UCDC</u>) have seen strong student enrollment growth. UCCS expects record participation for winter term. She attributed the surge partly to heightened interest in public service and politics. She credited program directors Chris Witko (UCCS) and Tanya Golash-Boza (UCDC) for expanding outreach to campuses and academic disciplines.

Degree Plus Pilot: The two-year pilot workforce-readiness <u>initiative</u> at UCSB and UCSD is funded by the Lumina Foundation, Strada Foundation, and UCOP and integrates undergraduate degree completion, a paid internship, and a UC Extension certificate. Vice Provost Varsanyi invited Council members to share information about similar or complementary programs at their campuses to help coordinate efforts across the system.

Discussion Highlights

Council members raised concerns about the financial and recruitment impact of the H-1B
proclamation and proposed federal legislation. Members urged UC to collect campus-level
data to illustrate the potential impact and "brain drain" such policies would cause. Deputy

- Provost Lee agreed, noting that UC had already gathered data from UCSC and would expand its data collection to strengthen UC's advocacy efforts.
- Council members expressed interest in the <u>Early Career Faculty Research Excellence Award</u> and Degree Plus pilot, noting their potential to enhance faculty recognition and student career readiness, respectively.

V. Consultation with UC Senior Managers

- Nathan Brostrom, Executive Vice President and Chief Financial Officer
- Katherine Newman, Provost and Executive Vice President, Academic Affairs

Budget and Capital:

- The governor's January 2025-26 budget proposed an 8% reduction that was reduced to 3% in the May Revision, and the final legislative budget provided UC with flat funding (i.e. zero percent reduction). The state also approved a 3% deferral to be paid in 2026–27 and offered a zero-interest loan to bridge funding gaps. However, future funding promises depend on the state budget outlook, which relies on deferrals and future assumptions that may not materialize.
- UC received no new capital funding this year, a growing concern given the age of campus infrastructure.
- Three bond proposals are circulating in the Legislature: a university facilities bond, a housing bond, and a \$23 billion research bond. Upcoming federal cuts to Medicaid could create additional financial stress for UC medical centers, which currently account for 65% of UC's budget.

Benefits: The University will invest 9.5% more employer funding in healthcare benefits this year to help offset rising health insurance premiums. As a result, employee medical premiums will increase by less than 1% on average, though impacts will vary by plan and pay band.

Tuition Stability Plan: UC is considering modifications to the Tuition Stability Plan. The current version of the Plan fixes tuition rates for each entering class, and provides families with predictable costs. The proposed changes will: 1) maintaining the 5% annual cap on increases but allowing unused increases to be banked for future years; 2) reducing the share of incremental tuition revenue set aside for financial aid from 45% to 35%; 3) switching from the Consumer Price Index (CPI) to the Higher Education Price Index (HEPI) as the inflation measure; and 4) introducing a 1% surcharge to create a dedicated systemwide fund for capital renewal. The proposal will be presented to the Regents as an action item in November.

Finance: To increase liquidity amid federal uncertainty, UC expanded its commercial paper program from \$2 billion to \$4 billion. UC will likely issue bonds after the November financial statements are approved, noting that UC maintains AA credit ratings from all three major agencies despite a negative sector outlook.

Mortgage Origination Program (MOP): UC allocated \$475 million to campuses for the MOP this year. The program remains financially sound but the gap between commercial and UC loan rates has made secondary market sales impractical. UC may explore new borrowing mechanisms to sustain the program long-term.

Degree Plus: UC Extension has traditionally served working professionals but will now be open to undergraduates through Degree Plus, a pilot initiative at UCSB and UCSD integrating undergraduate degree programs with Extension certificates and paid internships. The program

aims to equip students with marketable skills in fields such as data analytics, artificial intelligence, and project management. UC hopes to qualify extension courses for federal financial aid. Provost Newman said faculty oversight will help ensure the extension courses complement, rather than replaces, academic coursework.

Labor Market Trends: An Academic Congress later this month will focus on the changing labor market for college graduates, and how UC can respond to those trends. Provost Newman's upcoming presentation to the Bond Buyer California Public Finance Conference will highlight UC's leadership in addressing the "return on investment" question for higher education. She emphasized that UC must help our graduates succeed in a changing labor market where many are struggling to find jobs despite having degrees.

PPFP: Provost Newman noted that UC has adjusted the President's Postdoctoral Fellowship Program eligibility criteria to include candidates whose research or perspectives would add diversity of thought or subject area, aligning with new legal guidance. She added that the Mellon Foundation recently provided \$15 million to support faculty diversity efforts and expressed optimism about securing additional humanities funding through new proposals.

Discussion highlights:

• Several Council members expressed interest in the Degree Plus pilot and its evaluation metrics. Provost Newman clarified that Degree Plus will undergo Senate review at each participating campus and that faculty will oversee program alignment with academic degrees.

VI. Consultation with UC Senior Managers

- Janet Reilly, Chair, Board of Regents
- o James B. Milliken, President

Remarks from Chair Reilly: Chair Reilly thanked the Council for its leadership and emphasized the faculty's central role in maintaining UC's excellence. She reaffirmed the Regents' commitment to supporting students, faculty, and staff across all campuses and ensuring that UC remains the world's leading public university.

Her priorities as chair include expanding capacity for California students, closing equity gaps, and addressing students' basic needs, especially food insecurity. She expressed a goal for UC to become the first university system to eliminate student hunger and praised campus progress toward that goal. She also highlighted UC Health's importance in providing affordable, high-quality care statewide.

She said much of her recent focus has been on UC's response to federal actions. She emphasized that UC will never compromise its independence, values, or academic freedom and reaffirmed that the Regents, President Milliken, and the Senate are united in rejecting federal interference. She closed by expressing appreciation for the Senate's partnership and thanked Chair Palazoglu and immediate past Chair Cheung for strengthening collaboration between the Senate and the Board.

Remarks by President Milliken: President Milliken echoed Chair Reilly's comments, calling UC not only the world's greatest public university but the greatest university overall, citing the strength of its faculty, alumni, and research enterprise. He noted that one of UC's most serious long-term challenges is a national decline in public confidence in higher education. Citing polling data showing a 21% drop in confidence over the past decade, he identified three key public concerns:

1. Cost and affordability, including housing and food insecurity;

- 2. Relevance of degrees to employment; and
- 3. Perceived political or ideological bias in universities.

He stressed that while UC remains a tremendous value, with over half of California undergraduates paying no tuition, rising costs of living remain a major issue. He said UC must continue to improve affordability, expanding access beyond its 10 campuses, and communicating the value of a UC education more effectively through data on alumni outcomes and career success. He also cited two existential challenges for UC and higher education nationwide:

- 1. Federal hostility toward universities and academic independence; and
- 2. Advances in artificial intelligence that will reshape teaching, research, and employment.

He said UC must both defend academic independence and lead in shaping the responsible use of AI. He encouraged exploration of new credentialing and lifelong learning models, such as continuing education subscriptions that would allow alumni to return for re-skilling throughout their careers.

Discussion Highlights

- Council members thanked Chair Reilly and President Milliken for defending academic freedom and urged broader communication of that stance to faculty, staff, and students. Chair Reilly responded that the Regents have consistently reiterated this position publicly and welcomed suggestions for expanding communication.
- Members asked about the future of graduate education, emphasizing its central role in UC's
 mission, and the connection between undergraduate education and research opportunities.
 President Milliken agreed that graduate education is critical to UC's research mission but said
 uncertainty around federal research funding complicates long-term planning. He described the
 historical partnership between the federal government and research universities as essential to
 U.S. innovation. Chair Reilly added that the Regents highlight research at each of their Board
 meetings to emphasize UC's impact.
- A member thanked UC leadership for addressing students' basic needs and expressed concern about the government shutdown's effect on CalFresh benefits. Chair Reilly noted that the Regents now allocate dedicated annual funding for basic needs on every campus.
- Vice Chair Scott reaffirmed that faculty are committed to working closely with UC leadership to protect UC amid external and internal challenges and emphasized the importance of clear communication between the Senate, president, and Regents.

VII. Introduction to CSU Doctoral Review Process

- o Carmen Corona, Director of Academic Planning and Policy
- Chris Procello, Academic Planning & Research Analyst
- Todd Greenspan, Executive Advisor, Academic Planning and Policy Development, <u>Institutional Research & Academic Planning</u>

The academic planning team briefed Council on implementation of State <u>Assembly Bill (AB) 656</u> (2023), which expands the California State University's authority to independently offer professional and applied doctoral degrees in areas of workforce or accreditation need. The law explicitly prohibits the CSU from offering programs that duplicate UC doctoral degrees and limits CSU to no more than 10 new doctoral disciplines per year.

Presenters explained that this legislation represents a broad exception to the 1960 Master Plan for Higher Education, which established UC as the state's primary public research and doctoral-granting institution. Previously, proposed CSU doctoral programs, such as those in education, audiology, and physical therapy, required separate pieces of legislation for each program type; AB

656 now provides a single legislative framework allowing CSU to offer applied doctorates, subject to UC review.

Under the statute, CSU must submit each proposed doctoral program to UC for review. The UC Senate, via the Coordinating Committee on Graduate Affairs and the Academic Council, and then the UC systemwide provost evaluate whether each proposal duplicates an existing or planned UC program. If UC raises a formal objection, the CSU Trustees may not approve the program until the issue is resolved and documented in a joint letter from the UC president and CSU chancellor.

The UC–CSU collaboration to develop duplication review criteria has been collegial and productive. Criteria include curricular content, professional and employment objectives, and alignment with licensure or workforce needs. CSU must also confirm, before submission, that it has reviewed all relevant UC programs to identify possible duplication.

For 2025–26, CSU submitted seven doctoral proposals in education, psychology, engineering, anthropology, translation and interpreting, and biotechnology using a new joint Conceptual Proposal Template modeled on UC's program review process. Proposals were distributed to CCGA and campus Graduate Deans in September, with Council recommendations due to the provost November 22 and UC's final response to CSU due by January 13, 2026.

Presenters emphasized that AB 656 marks a significant evolution in UC–CSU coordination under the Master Plan. The UC Senate's role in reviewing CSU submissions is essential to prevent duplication, preserve UC's leadership in doctoral education, and ensure alignment with state workforce and academic priorities.

VIII. Office of State Governmental Relations (SGR)

Seija Virtanen, Associate Director, State Budget Relations

Associate Director Virtanen explained that SGR represents UC in Sacramento on budget and policy matters, analyzes thousands of bills each session, and works with legislators and campus government relations offices to advance UC's budget and policy goals.

In the first year of the 2025–27 legislative session, over 2,800 bills were introduced, with 303 identified as having significant impact on UC. SGR issued roughly 100 formal position letters and sponsored five bills, four of which passed—covering patient data privacy for out-of-state reproductive care, extension of the Berkeley-based health policy research center, an increase in DREAM Loan limits for undocumented students, and expanded fingerprinting authority through a budget trailer bill. UC is also pursuing legislation to access tax credits for affordable housing.

UC's 2025–26 state budget held flat, with a 3% deferral but restoration of a prior cut. UC will advocate to ensure the deferral promise is honored and for full funding of the final year of the compact in 2026–27, a request estimated at \$500 million, amid a challenging fiscal environment with projected state deficits of \$17 billion in 2026–27 and \$24 billion in 2027–28.

She highlighted several proposed bond measures with potential UC implications:

- Assembly Bill (AB) 48 (Alvarez): a higher education bond that could provide \$2 billion for UC capital renewal projects;
- AB 736 (Wicks) and Senate Bill (SB) 417 (Cabaldon): two housing bonds that UC hopes will
 include eligibility for faculty and staff housing;
- <u>SB 607</u> (Wiener): the California Science and Health Research Bond Act proposes \$23 billion to offset losses from federal research funding withdrawals.

UC cannot campaign for bonds but is supporting legislative approval and using advocacy efforts such as "Stand Up for UC" and "Speak Up for Science" to raise awareness of UC research contributions and funding challenges.

She cautioned that a proposed housing ballot initiative sponsored by AFSCME would require UC to provide mortgage assistance to low-income, represented employees, a measure estimated to cost about \$500 million.

Discussion Highlights

Members inquired about legislative attitudes toward the Master Plan and the role of UC
research. Associate Director Virtanen responded that most legislators recognize UC's unique
research mission and economic impact and that recent federal threats have reinforced
legislative appreciation for UC's research capacity and broader societal contributions.

IX. Systemwide Procurement

 Paul Williams, Associate Vice President & Chief Procurement Officer, Office of Systemwide Procurement

Associate Vice President Williams briefed Council on efforts to make UC's systemwide procurement more strategic, transparent, and collaborative. He emphasized that faculty and researchers are key constituents and subject-matter experts whose early input can help UC purchase goods and services more effectively.

He described UC's new portfolio strategy approach, which develops three- to five-year sourcing plans for major purchasing categories such as IT, life sciences, and facilities. These long-term plans are intended to give faculty and staff greater opportunity to provide feedback before UC issues bids and to help suppliers respond more creatively to UC's needs.

He outlined five strategic procurement priorities:

- 1. Economic impact: maximizing UC's benefit to California communities;
- 2. Strategic partnerships: encouraging supplier collaboration with faculty, staff, and students;
- 3. Efficiency: reducing administrative burden and improving procurement tools;
- 4. Cost effectiveness: achieving savings and leveraging UC's purchasing scale; and
- 5. Revenue generation: expanding agreements that generate income for UC.

UC spends about \$10 billion annually in procurement, coordinated across campus, health, and national lab procurement teams. The Office of Systemwide Procurement aims to bring the full force of UC to each negotiation and avoid redundant efforts by maintaining consistent terms and conditions across campuses.

Procurement is investing in digital tools to streamline processes and collect input throughout the contract cycle, not just during RFPs. He emphasized that the value of contracts depends on continuous review and improvement.

He also discussed ongoing efforts to improve data accuracy and spend classifications, noting that UC has already corrected \$1.6 billion in misclassified spending and still has about \$500 million unclassified. Accurate data improves UC's bargaining power and compliance monitoring.

Discussion Highlights:

- Council members asked how misclassified spending affects UC's purchasing power. AVP
 Williams explained that correct classification increases volume leverage and helps identify compliance or security risks.
- In response to questions about uneven campus participation in systemwide contracts, he noted that the goal is always full participation. His office is working with UC IT to standardize processes and enhance the searchability of UC's contract database.
- Regarding supply chain and tariff challenges, he said UC has kept tariff-related cost increases under 1% of total spending through coordinated tracking and negotiation across campuses.
- He also shared UC's three-year sourcing calendar, inviting faculty to review upcoming opportunities and provide input or participate in development discussions.

X. 2026 Healthcare Benefits Structure

Maynard Jenkins, Senior Executive Director, <u>Benefits Programs and Strategy</u>

Senior Executive Director Jenkins briefed Council on 2026 open enrollment and efforts to stabilize and improve UC's health benefits portfolio. He described 2026 as a major reset year for UC's pricing and contribution model, following several years of incremental adjustments to an outdated risk structure. UC faces an average 10.2% increase in medical plan costs for 2026, but the CFO's office is providing a 9.5% increase to offset employee impacts, the largest single-year increase in 15 years. The employer contribution rate will rise from 82.2% to 83.4%, and UC Health has agreed to limit its unit cost increase to 1%, absorbing most medical inflation and helping maintain affordability.

UC will introduce HealthSavings+, a new high-deductible health plan that replaces the Health Savings Plan and CORE options. The plan will become UC's new low-cost leader and include higher seed contributions to employee Health Savings Accounts (HSAs). Existing HSA balances will roll over automatically.

A major change for 2026 is the adoption of equal percentage subsidies for the Kaiser and Blue & Gold HMO plans, ending the higher subsidy previously applied to Kaiser. While Kaiser premiums will rise relative to Blue & Gold, it is expected to remain the lower-cost option overall. UC Care rates will decline slightly as pricing is aligned with actuarial value.

UC is transitioning to Blue Shield of California as the new third-party administrator for PPO plans, while Anthem will continue managing Medicare Supplement coverage. Other changes include expanded fertility benefits, revised coverage for weight-loss medications, and continued 100% employer-paid dental coverage. Following an RFP review, UC will retain Delta Dental but increase out-of-network reimbursement from 75% to 80%.

An employee impact analysis showed that changes in premiums will vary by plan and pay band. Kaiser HMO members in pay bands 1 and 2 will see higher contributions, while UC Care participants will see stable or lower premiums. Blue & Gold HMO changes will be modest, and employees moving from CORE or HSP to HealthSavings+ will generally see lower costs, though some lower-paid employees may have small increases.

UC's contribution philosophy emphasizes equity and sustainability, maintaining lower premiums for lower-paid employees and a level playing field across campuses. Looking ahead, UC is developing a three-year strategic roadmap informed by Mercer's analysis, UC's benefits survey, and the Total Remuneration Study, with ongoing Senate and University Committee on Faculty Welfare consultation to align competitiveness and cost management.

Discussion Highlights:

- Council members asked about Kaiser negotiations, premium caps, and the impact on lower pay bands. Senior Executive Director Jenkins said UC secured the best possible 2026 rate and continues discussions with Kaiser. UC also plans to phase out premium caps in union contracts to achieve more equitable subsidies for represented and non-represented employees and is expanding outreach, training, and counseling, including briefings for human resources officers, benefits staff, and healthcare facilitators, to support employees during open enrollment.
- Members asked about the sustainability of the new rate-setting model if employees migrate to higher-cost plans. Senior Executive Director Jenkins said UC will monitor enrollment and continue running the old risk adjustment model in parallel as a control measure. The long-term goal is to maintain competitiveness with peer universities and move toward an 85% employer contribution target.

XI. Council Statement on Personally Identifiable Information (PII) and Special Assembly Meeting Planning

- 1. Council discussed a proposed statement concerning the disclosure of personally identifiable information (PII) of faculty, students, and staff to the federal government. Council will vote over email on a final statement.
- 2. Senate Chair Palazoglu received a letter signed by over 25 Senate members requesting a special Assembly meeting to discuss a resolution concerning the disclosure of PII of faculty, students, and staff to the federal government. The meeting will be scheduled for November 20 at 3pm.

Meeting adjourned at 4:30 pm

Minutes prepared by Michael LaBriola, Assistant Director

Attest: Ahmet Palazoglu, Academic Council Chair