

## ACADEMIC COUNCIL

## Minutes of Meeting

February 28, 2018

**I. Consent Calendar**

1. Today's agenda items and their priority
2. Draft Council minutes of January 31, 2018

**ACTION: Council approved the consent calendar.**

**II. Senate Officer Announcements**

- o **Shane White, Academic Council Chair**
- o **Robert May, Academic Council Vice Chair**

Chair White will attend a March 12 briefing at Governor Brown's office on the Governor's choices to fill three vacancies on the Board of Regents. The State Constitution requires the Governor to consult an advisory committee prior to selecting Regents. Chair White will also meet with Senator Glazer that day to discuss the CA higher education budget.

Chair White and Vice Chair May have been attending meetings of President Napolitano's Advisory Group (the President's "outer cabinet"). He and former Senate Chair Chalfant also sit on the President's Executive Budget Committee (EBC), which is advising the President on systemwide budget matters. Despite some uncertainty at its outset, the EBC has been an effective, independent voice on the budget and a healthy forum for shared governance.

**III. Council Response to Organizational Review of UCOP by Huron Consulting***Principles to Guide Evaluation of Huron Report:*

Council reviewed a draft letter to President Napolitano communicating several principles to guide the evaluation of the Huron Consulting Group's 30 options for refocusing, realigning, and reducing UCOP operations. The letter avoids addressing specific options, anticipating the possibility of a more detailed analysis later. Council members agreed to the following principles:

- 1) Avoid harming UCOP's ability to provide cost-effective central leadership, services, and programs, and its concentrated knowledge and expertise that ensure the common good across the ten campuses.
- 2) Position the UCOP Division of Academic Affairs to most effectively serve the University's mission of teaching, research, academic diversity, and public service.
- 3) Consider any major structural changes, including the potential spin-off of UC Health, separately from other options to optimize or reorganize UCOP.

The letter also acknowledges Huron's findings that UCOP provides high quality services and is of modest size relative to the size of the University. It emphasizes the need to assess any reorganization for its academic value and to subject any proposed changes to the location of or

authority over UCOP's activities to broad discussion and evaluation within the framework of the principles.

**ACTION: A motion was made and seconded to approve the letter pending additional edits and clarifications. The motion passed unanimously.**

Proposal for UCOP Reorientation:

Council reviewed a second letter proposing a three-part reorientation, realignment, and renaming of the Office of the President, proposed by Senate leaders to strengthen and clarify UCOP's broad system operations and governance mission beyond the president's immediate office, and to emphasize the primacy of its academic mission.

The first recommendation is to separate the UCOP functions related to governance from the equally important functions related to academic mission implementation. To better distinguish these distinct roles, a new organizational chart groups the President's Executive Office, the Office of the Board of Regents, and the Office of the Academic Senate into a new entity called "UC Governance," and aligns UCOP existing Divisions under a new entity called "UC Systemwide Operations & Programs."

The second recommendation is to consolidate UCOP's 12 divisions into 9 divisions under UC Systemwide Operations & Programs. The realignment merges, relocates, and reconstitutes the divisions in various ways to clarify their roles, simplify the organizational structure, and increase efficiency.

The third recommendation is to change the top-level reporting structure of UCOP to focus on the University's core academic mission. All UCOP Divisions would preserve a direct reporting line to the President, but they would also maintain an indirect or secondary reporting relationship to the Provost, where appropriate. These changes will help ensure the primacy of the academic mission in all Systemwide Operations & Programs decisions.

It was noted that there has been a proliferation of UCOP divisions over the past decade, and elevating Academic Affairs will emphasize its status as "first among equals."

**ACTION: A motion was made and seconded to approve the letter subject to additional editing. The motion passed unanimously.**

**IV. Consultation with UC Senior Managers**

- **Janet Napolitano, President**
- **Michael T. Brown, Provost & Executive Vice President, Academic Affairs**
- **Nathan Brostrom, Executive Vice President and Chief Financial Officer**

Budget Advocacy: UC and student leaders are planning a three-day budget advocacy event at the Capitol in late March. The event will focus on UC's request to the state for a \$105 million funding increase over the 3% provided in the Governor's budget to buy-out a 2.5% undergraduate tuition increase and increase support for currently enrolled but unfunded students. UC is assembling an advocacy tool kit describing how new tuition revenue would help students. It emphasizes that UC receives the same level of state funding in 2018 compared to 2000 while

enrolling 90,000 more students. UC is also requesting \$35 million to address deferred maintenance on the campuses.

UC representatives met with the Department of Finance to discuss the University's progress meeting the five conditions associated with the state's sequestration of \$50 million from the UC budget. The Governor has populated an Education Round Table with representatives from UC, CSU, CCC, private institutions, and the State Board of Education, to promote collaboration on educational issues. UC and CSU plan to use the group to advocate for a capital bond initiative in fall 2020.

**March Regents Meeting:** The Regents will consider a 3.5% increase in nonresident tuition and a proposal to defer a UCRP employer contribution rate increase from 14% to 15%. STIP borrowing will bridge the 1% gap. The Regents will receive a status report from the consulting firm retained by the Regents to conduct an independent assessment of UCOP's audit implementation. The Regents will be asked to amend several policies related to senior management group compensation and to approve new market reference zones for SMGs. Provost Brown will lead presentations on graduate education and the UC financial aid model, and CFO Brostrom will lead a presentation on the University's cost structure. Provost Brown is also preparing a presentation on the student-faculty ratio for the May Regents meeting.

**DACA:** The injunction UC received on the repeal of DACA remains in place after the U.S. Supreme Court denied the Trump Administration's request to bypass an appeals court ruling and immediately hear the case. The decision buys students and staff more time and will push back a final decision on DACA by about a year. UC will continue to advocate on behalf of DACA students in Congress and the court system.

**Finance:** CFO Brostrom noted that several student housing initiatives are underway that ultimately will produce 20,000 new beds across the UC system. Moody's recently downgraded its financial outlook for the higher education sector from "stable" to "negative," but UC's rating remains high. UC will release a general revenue bond this spring and also plans to advance fund outstanding Build America Bonds using \$400 million in tax-exempt debt. UC will use its Integrated Capital Asset Management Program to decide how to direct \$35 million in state funding it hopes to receive for deferred maintenance. UC also uses Century Bonds to fund deferred maintenance.

**Discussion:**

- Chair White invited President Napolitano to read Council's [aspirational statement](#) in support of the educational success of UC DACA students, other undocumented students enrolled at UC, and students who are U.S. citizens with undocumented families, who may be forced to leave the United States before completing their UC degree
- Council members noted that UC's merit review system supports academic quality, but few faculty are paid on the published salary scales. Aligning the scales with actual salaries will help UC recruit outstanding faculty and ensure a stronger peer review system that rewards academic accomplishments with promotions tied to a relevant salary scale.
- Council members asked the President to comment on the benefits of Agriculture and Natural Resources' status as a UCOP division. She noted that UC is the only land grant university that houses the ANR function in the system office, and this arrangement has pros and cons; it

permits greater systemwide imprimatur and coordination, but also exposes DANR's budget to more criticism. She noted that DANR plays a critical role in supporting agricultural research and the land grant mission and in managing UC's extension efforts throughout the state; however, it is not well understood. The President has decided to appoint a team to make recommendations about the optimal organizational home for ANR.

- A Council member noted that research associated with agriculture and natural resources is no longer isolated on the three AES campuses, but is becoming increasingly important to the academic missions of all campuses. At the same time, a broader set of health, ecology, and environmental issues are becoming more important to DANR's mission. Despite these growing intersections, the connection between DANR and the non-AES campuses is minimal.
- A Council member noted that the campuses' growing reliance on revenue from Self-Supporting Graduate Degree programs concerns some faculty members. Campuses would welcome guidance from UCOP about the expected role of the programs in the larger graduate education mission. Provost Brown noted that SSP revenue helps support UC's core academic mission UC in an era of state disinvestment; however, it is also important to fund academic doctoral programs.

## **V. Visit with Regent Ellen Tauscher**

Ellen Tauscher was appointed to the Regents in June 2017 by Governor Brown. She represented California's 10<sup>th</sup> congressional district in the House of Representatives for seven terms from 1997 until 2009. Her background and knowledge about the Department of Energy labs (the 10<sup>th</sup> district includes the Lawrence Livermore and Lawrence Berkeley National Labs) helped elevate her to the chair of the Armed Services Committee Strategic Forces subcommittee, which oversees the country's nuclear weapons stockpile and national labs. In 2009, President Obama appointed her Under Secretary of State for Arms Control and International Security. In that role, she helped design the LLC structure that now provides joint management and oversight of the Lawrence Livermore and Los Alamos National Labs. She later served as special envoy for Strategic Stability and Missile Defense at the State Department. On the Regents, Ms. Tauscher is vice chair of the Academic and Student Affairs Committee, and chair of its National Laboratories Subcommittee. She is also Chair of the Boards of Governors of the Los Alamos National Security LLC and the Lawrence Livermore National Security LLC.

Chair White noted that the Academic Senate is the mechanism through which the faculty participate in the shared governance of the University. The Senate has direct authority over the conditions for admissions, courses, and degree requirements, and it advises the administration on other matters, including the budget.

Council members briefly described their primary area of research and Senate policy interests. They noted that faculty are concerned about the downward trajectory of public investment in higher education, the decline in State funding per student, and the failure of the State to restore cuts to UC during the last economic downturn. They observed how unfunded enrollment, deferred maintenance, and growing capital liabilities are affecting academic quality. They noted the importance of diversity to the University's undergraduate, graduate, and professional education missions. They also lamented the public misperception that UC's mission pertains

solely to undergraduate education, to the exclusion of the graduate training and research missions that help fuel the economy.

Regent Tauscher noted that UC is the finest educational institution in the world, and a leading indicator of California's success. She said her role as a Regent includes ensuring the effective governance of the University – and knowing more, but not knowing better. She noted that UC had submitted a strong bid for continued management of LANL, and that UC is the only university with the pedigree to manage the national laboratories

Regent Tauscher agreed that it is critical for the University to increase budget predictability. She said to remain the sixth largest economy in the world, California requires a populace that is educated and trained for the 21st century economy, and UC is the way to get there. She said breaking the “stalemate” in state support will require UC to find new ways to describe what it does and why it is important in ways that resonate with the public. She said it can be useful to appeal to the public's self-interest; the public will turn to science and research to solve problems if the University can illustrate how its well-being connects to the well-being of all Californians.

## **VI. Systemwide Senate Review of Proposed Revised APM Sections 285, 210-3, 133, 740, 135, 235 (Lecturer with Security of Employment)**

Council discussed Senate responses to the [second systemwide review](#) of proposed APM revisions related to the Lecturer with Security of Employment (LSOE) faculty series. Last year's Academic Council supported the concept of a new title series to replace LSOE that would include rank and step, sabbatical privileges, and a research requirement emphasizing pedagogy but also allowing research in the underlying discipline. It also voted narrowly to oppose the “Teaching Professor” title that had been proposed for the series, and asked UCOP to address concerns about language that increased the emphasis on teaching “innovation” and scholarly activity in the evaluation criteria for the series.

The new revisions propose a series entitled “Security of Employment (SOE),” but allow campuses to use the working title “Teaching Professor.” The revisions remove the word “innovation”; add “creative activities” to the evaluation criteria; and revise performance expectations from *Professional and Scholarly Achievement and Activity* to *Professional and/or Scholarly Achievement and Activity*. The Senate reviews were mixed but largely negative. Vice Provost Carlson joined the meeting and noted that the changes are attempts to offer flexibility so that the various campuses and disciplines can find the focus that works for them.

Council members noted that LSOEs are Senate members with voting and other privileges not shared by “Unit 18” lecturers. Both Unit 18 faculty and LSOEs focus primarily on teaching, but LSOEs take on programmatic needs and duties that are not well suited for either professors or Unit 18 lecturers.

Council members echoed the strong reservations expressed in the reviewer letters including:

- A lack of clarity about how campuses will evaluate LSOEs within the rank and step system. The primary evaluative criterion for the series should continue to be teaching excellence; however, the new language suggests that teaching excellence, scholarly achievement, and

University and public service, will carry equal weight. Research expectations are weighed too highly, blurring the distinction between the SOE series and the Professor series.

- A general lack of clarity about what problem the changes are intended to fix and how they would improve the University's research, teaching, and public service missions.
- The difficulty of evaluating LSOEs for Step VI and Above Scale, given the national and international recognition required for those advancements and the difficulty of achieving either for teaching performance or for research achievement by a faculty member in a teaching-centric position.
- Overuse of the SOE title could dilute the University's identity as a research institution and promote a two-tier faculty system by making it easier to increase the number of teaching-only faculty at the expense of research faculty.
- Changing the title to SOE would eliminate the "Senior Lecturer with Security of Employment" title, which could be misinterpreted as a demotion.

On the other hand, Council members noted that LSOEs are highly respected on campuses and individuals in the series would feel more recognized and valued if they have the title Teaching Professor. The problem of weighing could be addressed by explicitly weighing teaching more heavily in the criteria. It was suggested that the Senate might recommend more modular changes to the APM that address specific components of the proposal, such as sabbatical, with a broad consensus of support.

**ACTION: Council agreed to convene an ad hoc subcommittee to consider the comments and propose next steps. The subcommittee will include the chairs of UCAP, the UCI, UCLA, and UCSD divisions, and an LSOE faculty member.**

## **VII. Faculty Welfare Issues**

Faculty Salaries: The President's responded to the Academic Council's December 22 [letter](#) urging the University to address the gap between UC faculty salaries and salaries at UC's Comparison 8 group of institutions, requesting more information about campus-based gaps that could inform a systemwide plan. Council reviewed a letter from UCFW recommending a plan to close the gap, which would increase the spend on faculty salaries from 3% to to 5.3% of payroll in each of the next three years by adding 6% annually to the scales across the board and 3% to off-scale considerations. Up to half of the 3% allocated to off-scale considerations would be available for administrative discretion in addressing issues of equity, inversion, compression, recruitment and retention, and inequities that exist at departmental or disciplinary levels. The annual cost of plan is approximately \$35M.

- Council members observed that the benefits of the plan are its simplicity, its systemwide approach, and the flexibility it provides to address competitiveness in the local context. The plan provides all faculty members with a raise, brings the published UC salary scales closer to market reality, and improves equity across the system. It gives the Chancellors sufficient flexibility and discretion to address issues of equity, inversion, compression, recruitment and retention, and inequities that may exist at departmental or disciplinary levels. The letter should emphasize that campuses are expected to direct the entire 5.3% to faculty salaries.

**ACTION: A motion was made and seconded to support the proposal and send it to the President. The motion passed unanimously.**

Access to Exchange-Traded Funds: Council reviewed a proposal endorsed by UCFW-TFIR to allow exchange-traded funds (ETFs) to be placed on the Fidelity Brokerage window for UCRP participants with defined contribution plans. It was noted that ETFs such as SPDR (“Spider”) funds are an easy way for an investor to mimic specific sectors of the market inexpensively.

**ACTION: A motion was made and seconded to forward Council’s endorsement of the proposal to the Chief Investment Officer. The motion passed unanimously.**

### **VIII. Freedom of Speech and Hate Speech**

In January, Council discussed UCAF’s request that Council forward to the UC Student Association UCAF’s response to the UCSA letter on “Freedom of Speech and Hate Speech.” Council had several concerns with the letter, particularly with the use of the term “heckler’s veto,” and asked UCAF to consider several changes so that Council could adopt the letter as its own, including substituting “disruptive behavior” for “heckler’s veto.” However, UCAF declined to modify its letter and suggested that Council either write its own letter or forward UCAF’s letter as is, unendorsed. UCAF also suggested as an alternative to the “heckler’s veto” language noting that the open exchange of ideas on campus should not be hindered by the “shouting down” of controversial speakers.

It was suggested that Council write a cover letter to accompany UCAF’s letter amplifying the second paragraph, which affirms support for students and the UC principles of community. It was noted that “Shouting down” is a relative concept people can disagree about. Students have the right to passionately express themselves as long as they do not disrupt.

**ACTION: Chair White, the UCAADE Chair, and the UCR Division Chair will draft a cover letter for Council’s review in March.**

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Meeting adjourned at 4:30 pm  
Minutes prepared by Michael LaBriola, Principal Committee Analyst  
Attest: Shane White, Academic Council Chair