

ACADEMIC COUNCIL

**Minutes of Meeting  
Wednesday, May 25, 2011**

**I. Announcements**

▪ **Daniel Simmons, Academic Council Chair**

1. **Report on Regents' meeting.** Chair Simmons stated that the Regents had a substantive discussion of the budgetary choices facing the University. While some Regents indicated support for differential fees, they were careful to note the caveat that all options should be explored. Despite their reluctance to raise fees, they realized that at least an 8% fee increase will be necessary. Cuts to centrally funded research programs were presented but not acted upon, since the state budget is not finalized.

**II. Approval of the Agenda**

**ACTION: The agenda was approved.**

**III. Consent Calendar**

1. **Approve April draft Council minutes**
2. **Approve letter commending the Seminar Network pilot project to the president, provost and External Relations**
3. **Approve agenda items for June 8 Academic Assembly teleconference**

**ACTION: The consent calendar was approved.**

**IV. Executive Session**

**ACTION: Shane White (UCLA) was selected to serve as a Senate representative to the UCRS Advisory Board for a four-year term beginning on July 1, 2011.**

**V. Reports from Standing Committees**

**BOARS.** BOARS chair Bill Jacob stated that based on a survey of admissions officers, BOARS created a metric for the adequate funding of admissions processes under the new eligibility policy. The metric outlines the resources needed to complete review, selection, recruitment, and yield efforts to implement the new freshman eligibility policy. BOARS developed this funding metric in response to concerns expressed by Regent Island that the University must be accountable to ensure that application review under the new policy is done fairly and transparently. The purpose of the funding metric is to ensure that the admissions directors have enough funds to properly review applications. It does not specify dollar amounts, but does specify the number of staff needed.

A member stated that while admission is a systemwide issue, practices vary across campuses. For example, some campuses use volunteers or retirees to evaluate applications. Should the Senate be

telling the EVCs how to allocate funds? Chair Jacob explained that proper handling of admissions is one of the most sensitive public relations issues for the system. We need to ensure that we implement the new policy in a fair and transparent way. A member agreed, stating that admissions is a critical function and since it is under the purview of the Senate, it is not unreasonable for the Senate to establish a baseline of adequate resources.

**ACTION: Council endorsed BOARS' funding metric and agreed to forward it to the President and Provost with a request that they forward it to the campus executive vice chancellors (15 in favor, 1 opposed, 1 abstention).**

**UCEP. (A) UCEP participation in bargaining with unions representing student academic employees.** UCEP' Chair David Kay explained that UCEP discussed mismatches between some contract provisions and practical realities of graduate student involvement in undergraduate teaching with Labor Relations and requests a voice in the bargaining process to voice those concerns. A particular difficulty is a federal regulation that does not permit international students on student visas to work more than 20 hours in any one week. UCEP's letter requests that a Senate representative be a party to the contract negotiations. Also, the 20 hour limit per week does not allow for flexibility and ebb and flow of workload. It also requests that UC should work with the federal government to permit greater flexibility in work hours.

**ACTION: Council unanimously endorsed a draft letter from Chair Simmons requesting that UCEP Chair Kay be involved in labor negotiations with academic student employees and that the UC Federal Government Relations Office enter discussion with the federal government to advocate for more flexibility in work rules.**

**(B) Implementation of SR 544.** Chair Kay also reported that UCEP sent a letter to Provost Pitts identifying administrative problems with the implementation of SR 544's provisions for cross-campus registration, including the ease of transferring credit between campuses and for students enrolled in UCDC and EAP programs and ensuring that systemwide courses are broadly publicized. He noted that the number of students who are seeking credit for systemwide courses may increase significantly if UC increases the number of online courses. UCEP recommended that the registrars begin to address this issue.

**CCGA. Guidelines for conversions of SSPs.** Because CCGA's chair was unable to attend the meeting, this item was postponed until the June Council meeting.

**UCFW.** William Parker, UCFW's Vice Chair, reported that UCFW is reviewing with the administration the compliance and training programs required of faculty to see if there are ways to reduce the number of programs and avoid duplication. He requested that Council members forward specific concerns about compliance issues to the chair of UCFW.

**UCORP.** UCORP Chair Phokion Kolaitis stated that UCORP is reexamining the recommendations of the Commission on the Future's Research Strategies Working Group. It also is discussing the \$20 M cut for ORGS, \$17 M of which is from canceling the UC Discovery program. The committee is also reviewing a preliminary draft of a new APM allowing negotiated salary plans for general campus faculty similar to the Health Sciences Compensation Plan.

**UCAP.** UCAP Chair Ahmet Palazoglu stated that UCAP and UCAAD are working together to promote faculty diversity. The committee is participating in a management review of APM 510, which restricts the advancement of faculty making intercampus transfers. Finally, the committee is drafting a recommendation to replace “above scale” with “Distinguished Professor.”

**UCAAD.** UCAAD Chair Francis Lu stated his committee’s concern that the activities noted in APM 210 be included in reviews of appointments and promotions of faculty. UCAAD sent a letter to the provost regarding the potential impact on diversity of the cuts to the President’s Postdoctoral Fellows program. Finally, the committee is reviewing a draft of a new gender equity study.

**UCPB.** UCPB Chair Jim Chalfant stated that UCPB is working on a range of issues, including the draft APM for a negotiated salary plan and whether payouts on endowments should be subject to indirect cost recovery. He noted that he will represent UCPB on a task force to examine expanding financial aid to middle class families.

**ACSCOLI.** Chair Simmons said that ACSCOLI members recently toured a facility that converts plant material into fuel. He noted that LBNL plans to build a new campus; its facilities are now spread throughout the Bay Area and their leases run out at the same time. The new facility may include space for the construction of a next generation light source machine to produce soft X-rays. The plan is for the University to borrow funds to do the initial development and be repaid under the DOE contract. ACSCOLI intends to consult with UCPB on this issue and perhaps develop a set of recommendations to take to the LBNL Advisory Board. He noted that the Council will be asked to approve new members to serve on ACSCOLI and asked Council members to think of faculty members to nominate. A member commented that diversification is important; it is strategically important to engage more faculty, even when it requires time to bring people up to speed. Security clearances are not required, as the committee does not receive classified information. A member expressed concern that the DOE will not pay for the building, particularly if there is a change in administrations, and another inquired how borrowing for this project would affect the University’s debt capacity. UCORP’s chair responded that the DOE has issued a directive recognizing the need for a facility. He stated that the university will seek an exemption to the limitation on how much the federal government can invest in the university.

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

- **Lawrence Pitts, Provost and Executive Vice President**
- **Nathan Brostrom, Executive Vice President, Business Operations**

EVP Brostrom. EVP Brostrom stated that during the next three days the legislature will hold budget subcommittee hearings, which are critical to the budget process. The governor canceled all appropriations for capital facilities in his May revise because he does not want the state to take on new debt. UC had proposed funding five buildings and believes that all five will be reinstated in the budget bill, however, there is no guarantee that they will be in the final budget. \$400 M for UC capital projects has been approved by the legislature, but the state has no access to the capital markets and can not issue bonds. Therefore, the University proposed to the state that it sign an MOU which would enable the University to issue commercial short-term paper to begin the projects, which the state would repay. The state would gain because the interest would be lower. It would provide liquidity for the state while advancing UC’s capital projects. However, this proposal is stalled due to the governor’s prohibition on taking on new debt. In addition, UC has

asked the state to eliminate earmarks for research funding and instead provide that funding with no strings attached in order to provide the campuses with the budgetary flexibility to meet their operational expenses. Legislators who wish to protect certain research projects argue that those projects should not be cut any more than the overall cuts to UC. If the earmarks are eliminated, it would reduce the overall cut from \$500 to \$420 M. EVP Brostrom also noted that UCOP has engaged in preliminary discussions with the state Department of Finance on the long-term budget plan that UC is considering. It provides for future enrollment growth and stable tuition growth. It would be formulaically indexed to the amount the state provides.

## **Q&A**

**Q:** What guarantee do we have that the state will issue the bonds to buy out the commercial paper debt for capital projects?

**A:** EVP Brostrom said that the MOU will be strongly written. While it may not be legally enforceable, if the state did not honor lease-revenue bonds, it would be a pariah on the capital markets.

**Q:** Do the earmarked funds include campus earmarks, like the \$10 M for UCR medical school?

**A:** That item is no longer in the budget.

**Q:** Some leaders want to reopen the discussion of post-employment benefits. They do not understand that the University could stop paying benefits today, and would still have a huge unfunded liability.

**A:** EVP Brostrom stated that the UC leadership must reiterate the fact that changing pension benefits would not have a dramatic impact on the budget for at least 15 years.

**Q:** Chances are that new budget gaps will develop. A plan that places an upper boundary on what tuition UC can charge puts the institution in a straightjacket. For instance, the compact with the governor gave UC nothing in the boom years and we ended up with flat funding over the decade, whereas other state agencies' budgets grew. If we make certain commitments in exchange for funding, the University must guarantee that it is getting something valuable in return. The University is in the unique position among state agencies that it can set its own revenues; we should not give that away.

**A:** One of the shortfalls of our tuition policy is that we did not raise tuition in boom years. In the past 20 years, University funding has followed boom and bust cycles. However, smaller increases over time would have been a better policy.

**Q:** Do you have any preliminary impressions about how the Supreme Court decision on California prisons will affect the budget?

**A:** EVP Brostrom stated that the decision bolsters the argument for tax extensions. The state can not expect counties to absorb the cost of housing prisoners. However, the decision may weaken the University's ability to issue lease-revenue bonds for capital construction.

Provost Pitts stated that he has made a number of visits to the campuses to discuss the online education project with faculty. Faculty, particularly those with experience with online courses, were positive and gave practical feedback. A member stated that faculty have concerns about how to evaluate the project, and how to compare online and in-person courses. Faculty feel that Committees on Human Subjects should be involved. Another member commented that faculty are not concerned about the quality of these courses being developed by their colleagues. The larger concern is that our own students are facing overcrowded classrooms, yet the emphasis of the program is on non-UC students, driven by the need to repay the debt. Provost Pitts agreed that the

online project has evolved over time, and there has been a lack of clarity about its goals. The University wants to solve the impaction problem, but there is no new money. But we could make the courses available to non-UC students on a parallel track; UC and non-UC students would not be mixed together.

**Q:** Wouldn't that make the impaction worse by using instructor time for non-UC students?

**A:** No, because there would be "new money" for TAs through revenue generation. The University also could license the courses to community colleges.

**Comment:** The critiques on our campus were made by those involved in online learning. It will take years to make a profit because of need to pay for expensive infrastructure. We are not concerned about the modality of course delivery; we already know how to construct online courses. Rather, we are concerned about the financial model and the quality of the courses as a consequence. Furthermore, the market is saturated with basic online courses. What makes UC different is the upper division and graduate offerings. A very thorough market analysis of demand needs to be done.

**A:** Provost Pitts acknowledged the need for market research and stated that a study will be conducted this summer. He stated that he and CFO Taylor will evaluate specific quarterly milestones before spending additional funds.

**Q:** Could you comment on the open access issue?

**A:** Faculty for more than ten of the courses have already signed a creative commons licensing agreement.

## **VII. Conversation with Regent Reiss**

**DISCUSSION:** Regent Reiss stated that her grandparents immigrated from Europe and that she is the first in her family to go beyond college to earn a higher degree. She believes that education is critical for democracy. She thanked all of the Council members for their commitment to help govern UC, and stated that being on the Board of Regents is a privilege and a great honor and responsibility. She declared that the Regents will not allow the excellence of UC to slip and therefore, the University must maintain a great faculty. She also remarked on her interest in improving the transfer experience, noting that transfer students increase UC's diversity.

**Transfer.** UCEP's Chair provided information about the role of the Intersegmental Committee of Academic Senates, which promulgated the Intersegmental General Education Transfer Curriculum. UC Senate leaders continue to work with their counterparts at CSU and the CCCs to ease transfer across the systems. In addition, this year, UCOP convened faculty across the UC system in five popular majors to discuss common course requirements. BOARS' Chair commented that his committee also is working to streamline requirements for transfer and is conferring with intersegmental partners. BOARS soon will circulate a proposal within the Senate that would entitle community college transfer applicants to an admissions review if they complete any one of three proposed pathway options: completion of an SB 1440 Associate Degree for Transfer with a yet to be determined minimum GPA; completion of a yet to be developed UC Transfer Model Curriculum; or the current IGETC pathway. It aims to improve time-to-degree for transfer students who matriculate at UC. A member commented that UC's overall completion and time-to-degree rates have been improving. However, there is concern that this will slip in this budgetary environment. A member cautioned that efforts to streamline transfer may not result in a great number of additional transfer students because UC has limited capacity. It is already over-enrolled. Also, lower division classes are less expensive to teach than the upper division, which is a concern in this budgetary environment. Furthermore, many community college students are not adequately

prepared for UC work, so while the efforts to ease transfer are laudable, they do not address major systemic issues.

**Differential Fees.** A member asked Regent Reiss to comment on the Regents' view on charging differential fees as a means to augment the budget. Regent Reiss stated that the Regents think all options should be on the table. Many Regents view differential fees as giving campuses more flexibility and control, with oversight. Whether differential fees make sense for the UC system is to be determined. We want to protect quality, affordability, and access, so a high fee/high aid model may be necessary. She stated that she believes that the state will continue to disinvest in higher education, even after the economy recovers. UC is still a bargain. Regent Reiss asked about the cost versus benefits of charging differential fees. A member responded that the Regents could create flexibility by charging differential fees up to a certain cap, but noted that he doubted that the Regents would approve of a cap higher than \$15K, and noted that this would not amount to much more money. A member stated that all campuses would immediately impose fees at the top of the cap until it becomes truly unaffordable. That was what happened in the UK. No campus would wish to appear to provide lesser quality education than the others. A member stated that UC needs to enhance and strengthen the system as a whole. Regent Reiss commented that there are many other measures of greatness; each campus contributes to the greatness of UC. She stated that she believes that allowing differential fees would hurt the overall UC brand. However, given the current economic situation, this option should be considered. She also noted that charging differential fees may not bring in more revenue than tuition increases across the board. A member agreed, commenting that to the extent that all campuses are strong, it strengthens the whole, and noted that there are many unintended consequences of allowing differential fees. Regent Reiss asked whether it would be problematic to charge differential tuition among programs. A member responded that at the undergraduate level, the faculty do not support a significant difference in fees so that a student chooses their major based on pricing. We want to encourage more students to major in science and engineering. A member remarked on the difficulty of implementing differential fees. For example, what would happen if students change majors? What if they delay declaring a major? Provost Pitts stated that more than half of UC's twenty-six comparator institutions charge differential fees and the data shows that this does not influence their students' choice of major. He noted that the Commission on the Future decided against recommending differential fees because the incremental revenue that would be achieved is swamped by a small increase in fees across the board. A member observed that avoiding in-fighting is a good reason to avoid differential fees. The Chancellors must be convinced that our strategies for coping with the budget crunch must be based on the good of the entire system.

**Affordability and Quality.** Regent Reiss asked how UC can ensure that middle class students are not priced out if UC moves to a higher fee/higher aid model. She noted that some chancellors are focusing private fundraising on financial aid for middle class students. A member stated that his campus examined the acceptance rate for fall 2011 and found that rising fees up to this point have not produced any impact on the enrollment rate. However, middle class students are taking out more loans. A member commented that the value proposition of UC is not as attractive as other institutions. We don't know how good the education will be, or what it will cost next year and the year after. Another member reported anecdotal evidence of faculty retention problems with faculty who have high school aged children; many other institutions offer tuition remission for faculty and employees. UCFW has proposed tuition remission numerous times in the past ten years.

## **VIII. Online Education Project Plan**

**ISSUE:** At the April Council meeting, Chair Simmons requested feedback on the revised online education project plan. Council discussed the comments received from Senate committees and divisions.

**DISCUSSION:** Chair Simmons stated that he and Vice Chair Anderson met with Dean Edley, UCPB Chair Chalfant, UCEP Chair Kay, Vice Provost Greenstein, and staff of the Online Pilot Project to discuss implementation issues. Council then reviewed each recommendation in the draft response to the UC Online Education Project Plan. Members debated whether to withdraw its endorsement of the pilot project, given the change in its financing plan. Some members argued that the funding model significantly altered the nature of the pilot, while others argued that the project will go ahead regardless of Council support, and withdrawing its support for the pilot would render Council's opinion irrelevant. They expressed a preference to using Senate expertise and authority to improve the project. Some members spoke in favor of proceeding with the initial set of 29 courses to be offered to UC students, noting that commitments have been made to the faculty members who are developing them. A member advocated that a research-based evaluation of the effectiveness of online education is precisely what UC should be doing. Others opposed spending funds on developing a common IT platform, since the platform is the basis for offering a UC education to a non-UC audience. Several members urged that a study of market demand be conducted and that the pilot project should proceed only if the evidence shows that it is a wise use of funds. Senate faculty should be involved in evaluating the market study, the responses to the RFP for a learning platform, and the project evaluation. Council members endorsed the following additional recommendation: Council recommends that no funds be expended to develop a common technology platform until the results of an independent market study of the online project indicate that this is a wise use of funds.

**ACTION:** Council unanimously endorsed the resolutions, as amended, on the Online Education Project Plan.

#### **IX. Executive Session**

*Notes were not taken for this portion of the meeting.*

**ACTION 1:** The Academic Council endorsed the central principle of the draft report from the Implementation Task Force, which is that students of a given type should receive the same state subsidy regardless of campus." 15 in favor, 1 opposed.

**ACTION 2:** Council approved forwarding the draft report of the Implementation Task Force to the administration with the request that the UCOP Budget Office work with the Task Force to model the impacts of adopting the funding recommendations in the draft report (15 in favor, 1 opposed).

#### **X. New Business**

*Council did not discuss any new business.*

Meeting adjourned at 4:30 p.m.

Attest: Daniel Simmons, Academic Council Chair

Minutes prepared by Clare Sheridan, Senior Policy Analyst