I. Consent Calendar
   1. Today’s agenda items and their priority
   2. Proposed degree titles requiring Council approval per Compendium
      - UC Irvine Master of Legal and Forensic Psychology

ACTION: Council approved the consent calendar.

It was noted that the UCLA Senate is developing a new policy for self-supporting programs, which prohibits faculty from reducing their regular teaching loads to teach in such programs. It was also noted that CCGA and UCPB are concerned about the potential effect of self-supporting programs on state-supported resources and space.

II. Senate Officer’s Announcements
   o Dan Hare, Academic Senate Chair
   o Jim Chalfant, Academic Senate Vice Chair
   o Hilary Baxter, Academic Senate Executive Director

September Regents Meeting: All open session meetings of the Board of Regents are streamed live on the internet, and video files are archived on the Regents website for one year following the meeting. The September meeting included a preliminary discussion about the 2016-17 UC budget, a proposal to change the governance structure of the UC Health Care enterprise (see IV below), and an update on new training efforts implemented as part of the President’s Task Force on Sexual Violence and Sexual Assault. The Board also rejected a proposed Statement of Principles Against Intolerance over student concerns that it did not adequately address anti-Semitism. A task force that includes Chair Hare will be crafting a new statement that addresses the criticisms as well as the need to protect free speech and academic freedom.

Enrollment Funding Proposal: The Legislature has approved a plan to provide UC with $25 million in exchange for the enrollment of 5,000 new California resident undergraduates over two years. The plan asks UC to use nonresident tuition revenue and other designated sources to cover the balance of the $50 million marginal cost of the enrollments. Council Chair Hare sent a letter to President Napolitano last month discussing issues and concerns associated with the deal, including the potential strain of new enrollments on infrastructure, resources, and instructional quality, and the difficulty of projecting admissions yield rates precisely.

September ICAS Meeting: The Intersegmental Committee of Academic Senates brings together faculty leaders from the three segments to discuss issues of common interest and concern. UC is chairing ICAS this year. The September 25 meeting featured discussions about transfer admission, the new baccalaureate degree pilot program at the California Community Colleges, and ICAS’ role in implementing legislation related to textbook affordability.
III. Plan for Addressing Budget Framework Objectives

**Issue:** The budget agreement between the University and Governor Brown asks UC to make progress on 14 programmatic initiatives. Divisional and Systemwide Senate committees have a role in addressing some of the initiatives, and updates about their progress will be a standing Council agenda item.

One initiative requiring campus Senate engagement is a review of local curricular requirements to reduce, when possible, the number of upper division units required for a major to no more than roughly 45 quarter units, for 75% of majors (one year of upper-division coursework). UCLA undertook a similar exercise, known as “Challenge 45,” in 2011. All decisions about reducing requirements will be made in campus-level departments, but UCOP will ask campuses for evidence of a formal review process, a report detailing the number of units reduced, and clear academic justifications for outcomes that maintain existing unit requirements. Campus Undergraduate Councils will be expected to help coordinate local reviews and reporting. UCEP will also facilitate campus reporting and the sharing of best practices.

It was noted that UCEP and other UC faculty have supported efforts to address “unit creep” long before the budget agreement. Council members also noted that exceptions to Challenge 45 are needed for engineering majors that require additional units to meet specific academic competencies established by post-secondary accreditors like ABET.

IV. Campus Perspectives about Changes in Regents Governance of UC Health

**Issue:** The UC Regents are discussing proposed changes to the governance structure of the UC Health enterprise. The proposal discussed in September would delegate decision-making authority for major UC Health projects such as strategic plans and budgets, executive compensation, and capital projects from the full Board of Regents to a reconstituted Regents Committee on Health, which would include both Regent and non-Regent voting members. The new Committee would not include its current advisory members, including the Academic Council Chair and Vice Chair, but would add four non-voting advisory members that the Committee identifies as having “appropriate expertise” in health care policy. It is expected that the proposal will be revised again and brought to the Regents for action in November.

Council members reviewed a UCFW statement expressing strong concerns about several aspects of the proposal, including the purview of the new committee, the removal of the faculty advisory role, and the addition of non-Regent voting members.

**Discussion:** Council members echoed UCFW’s concerns about the potential loss of faculty representation on the new Committee. Members noted the potential for outside parties to exert inappropriate influence over decisions that impact the academic mission, and the potential for voting UC executives to introduce conflicts of interest into policy questions and issues like employee benefits. It was also noted that the proposal does not clearly articulate a boundary for the committee’s authority and the extent to which it would have purview over local issues. There was also concern that the new structure could set a precedent for future governance bodies, and a suggestion that a prominent clinical faculty representative from the UC medical centers serve on the Committee.
V. Executive Session

VI. Consultation with UC Senior Managers
   - Janet Napolitano, President
   - Aimée Dorr, Provost and Executive Vice President, Academic Affairs
   - Nathan Brostrom, Executive Vice President and Chief Financial Officer
   - Debora Obley, Associate Vice President, Budget and Capital Resources

❖ President Napolitano

Budget: UCOP is preparing a 2016-17 budget proposal for the November Regents meeting. Assembling a budget will be somewhat easier this year because the University has stronger assurances about a stable state funding framework. UCOP is also concentrating on the work needed to implement the programmatic initiatives in the budget framework, some of which falls under the Senate’s purview, including the development of additional transfer pathways, a request that UC use the Course Identification Number System (C-ID), and a review of policies for applying external educational credits to a UC degree.

Benefits: The President expects to receive a recommendation from the Retirement Options Task Force by the end of December. The Regents will need to approve a new pension tier by March 2016, to allow the University to implement a plan by the July 2016 deadline.

Enrollment Funding: UC is discussing a plan to expand access to California residents in response to increasingly vocal concerns from the public, policy-makers, and Regents. The plan approved by the Legislature would appropriate $25 million to UC contingent on the addition of 5,000 resident undergraduates. UC most likely will accept the challenge. The President and others will be considering how much growth each campus can sustain as they continue to work with the Legislature for more funding.

Cybersecurity: A recent cyber-attack that breached millions of UCLA medical records highlighted the need for UC to evaluate network security as a key risk. The President convened a Cybersecurity Task Force to conduct a threat assessment of each campus, updated UC’s governance structure to identify a cyber-responsible executive who reports to the chancellor at every UC campus, and asked each UC location to develop a location-specific cyber-security plan. In addition, UC has a new escalation policy that clarifies the chain of command for security incidents and renewed its emphasis on training to help prevent future breaches.

Sexual Violence/Sexual Assault: UC is requiring all students to participate in sexual violence and assault prevention training at the beginning of the fall 2015 term. New training modules will also be implemented for faculty and staff in 2016. UC is also close to completing a new systemwide framework for the investigation, adjudication, and sanction of incidents involving students based on best practice models in use at UC campuses and across the country. UC is in the final stages of revising its Sexual Violence and Sexual Harassment policy. An interim policy was issued in July, and a final policy will be implemented in January following final vetting.

Q and A:
**Q:** Do you foresee any leadership changes in state government that might help UC?

**A:** I have a good relationship with (Senate President Pro Tem) Kevin de Leon and incoming Assembly Speaker Anthony Rendon. The budget framework with the Governor is effective through the end of his term, which will provide UC with predictability and stability and allow us to focus on other issues like expanding access, improving transfer admission, and growing the graduate student population.

Is the University getting traction from the recent New York Times article that showed UC campuses lead the nation in a ranking of universities’ economic diversity?

This is a great story, and we have been circulating it broadly. It is a great accomplishment that UC campuses fill 6 of the top 7 slots in the Times’ College Access Index. UC has been talking for years about how it is an engine of social mobility for low-income and first-generation college students, and it is nice to have third party validation of that. So I think the story certainly helps, but I think real traction will come when we show progress with expanding enrollment for residents.

**How will UC pay for the enrollment of 5,000 new students? Will it be a one-time bubble or an ongoing commitment? Will transfers count, and is there any way we can negotiate more funding for much-needed graduate student growth?**

We are looking at other sources of revenue to support the enrollments, and thinking about it in terms of sustained additional access for California residents. We were already modeling a similar growth pattern; it will just be accelerated next fall. Transfers will count toward the total; but graduate students will not. If we can show a strong effort to meet the target, I believe we will be in a stronger position to negotiate for graduate student growth funding.

**Council received your letter recognizing 95 years of shared governance at UC. How can we help you meet your goals and what do you expect from us?**

I really view the faculty as partners and collaborators in operating the University. I know the Council has its own review processes, but we sometimes need that process to move more rapidly than it normally does. It would help for the Senate to be flexible in its ability to respond to a request quickly. This is particularly true in the budget season when we have to accommodate a fast-moving timeline.

**What is the status of the UC-Mexico Initiative?**

The Initiative continues to focus on developing research and educational partnerships with Mexican universities and institutions around energy, health, and culture issues, and increasing the exchange of graduate students and post-docs.

**What is the status of some of your other initiatives, and how do they involve faculty?**

The faculty are playing a critical role in the Transfer Pathways project. The Coordinating Council of the Global Food Initiative includes faculty from all the campuses. It is exploring ways to incentivize multi-campus and multi-disciplinary activities around food issues. The Carbon Neutrality Initiative is sponsoring a conference on energy sustainability in San Diego at the end of October; the Office of the CIO has set aside $1 billion to invest in new energy technologies;
and UC has ended its investments in coal. I have asked the campuses to report on their use of the
funding I set aside two years ago as part of my initiative to support undocumented students.

_We haven’t been effective enough as educators in advocating for the utility of our research. Partnering with industry seems like a great way to increase advocacy about faculty research._

I want to do more to highlight the ways in which UC research drives economic activity in California. We have started collecting data about start-ups and inventions that have emerged from UC and how many people they employ. The UC Innovation Council is a group of industry leaders who are advising me on how to better facilitate the movement of basic University research into the private sector. We have a number of incubators underway at our campuses, and are thinking about how to link those across the system to leverage UC talent to meet the needs of the state. In addition, the Chief Investment Officer has established UC Ventures, a $250 million venture-capital fund that will evaluate and finance UC faculty startup proposals that commercialize research.

**Provost Dorr:**

**Challenge 45:** The Provost recently hosted a meeting of campus point people assigned to coordinate the “Challenge 45” initiative. The project is an opportunity to update the curriculum and reduce unnecessary upper division major requirements. The process will be difficult but also beneficial for students and departments. UCOP expects campuses to make a good faith effort to review their requirements, and to report in detail the process they undertook as well as any changes made. UCOP expects campuses to complete all reviews and to approve and implement changes by July 1, 2017. UCOP has established a specific timeline for campuses to report on progress.

**UC Observatories:** The Provost hosted a meeting with the UC Observatories Board and its new Director, Professor Claire Max. The Provost believes that the enterprise is now moving in a positive direction with renewed vigor and transparency.

### VII. Update on the Retirement Benefits Advisory Task Force

- **Dan Hare, Academic Senate Chair**

Four Senate representatives (Senate Chair Hare, Vice Chair Chalfant, UCPB Chair White, and UCFW Vice Chair Lubin) are serving on a Task Force charged by President Napolitano to design and develop retirement plan options for UC employees hired after July 1, 2016. UC agreed to implement new options as part of a budget agreement with the Governor that provides UC with $436 million in one-time pension funding spread over three years and increases UC’s base budget by 4% in each of the next four years. Per the agreement, the group will explore options for modifying UC’s Defined Benefit (DB) Plan to limit pensionable salary for new employees to the Covered Compensation Limit ($117,020 in 2015) established by the California Public Employees’ Pension Reform Act of 2013 (PEPRA). The Senate is planning for an expedited Senate review of the Task Force’s ultimate proposal during the month of January.

Chair Hare noted that the original charge given to the Task Force was to ensure that UC retirement benefits remain competitive and UCRP remains financially sustainable. Since then, however, the state has introduced an additional expectation of immediate cost savings, although
it has been pointed out that significant savings under the new tier will accrue gradually rather than immediately. It has been estimated that the PEPRA cap will result in a modest reduction in the Normal Cost of UCRP.

Vice Chair Chalfant noted that the Task Force is considering options that would give certain employee groups access to a competitive hybrid plan that combines a DB plan with the PEPRA cap and a supplemental Defined Contribution (DC) Plan. The Task Force is working from a principle that the employer cost must be the same for all plans offered, and Senate representatives have been unwilling to support options that would result in deeper cuts to staff benefits in exchange for slightly better benefits for faculty.

Council members noted that it is important for UC to emphasize that while it is a public institution, it competes worldwide for faculty from both private and public universities, and needs to offer benefits aligned with that stature.

VIII. Introduction to UCRP and UCRP Borrowing
   o Jim Chalfant, Academic Council Vice Chair

Regents policy calls for funding UCRP at the level needed to cover the Annual Required Contribution (ARC), which includes the “Normal Cost” (the value of future pension benefits attributable to the current year of service credit) and an amount to amortize the unfunded liability. UCRP’s total $55 billion liability was 87% funded as of last year. Funding ARC will keep UC on a trajectory to achieve a 100% funding ratio over time. The Plan must also earn 7.25% annually (the expected rate of return on investments for actuarial calculations) to cover the annual increase in the unfunded liability. To meet the Normal Cost for UC employees on the 1976 UCRP tier, UC must pay 18% of covered compensation. UC funds the Plan with 22% of covered compensation from employer (14%) and employee (8%) contributions, using 4% to pay the interest on the unfunded liability and a portion of the principle. The Normal Cost for employees hired on the 2013 tier is 16%. It is estimated that the PEPRA cap will result in an additional 1% reduction in Normal Cost. The new state funding for UCRP will be invested on top of the 14% employer contribution.

In recent years (2014, 2013, 2010), the Senate has advocated for options such as borrowing internally or externally at a substantially lower cost than the 7.5% UCRP interest rate, to maintain the Regents funding policy for UCRP. On three occasions, the Regents have approved UCOP proposals to allow campuses to borrow excess liquid assets from the Short Term Investment Pool (STIP) at less than 2%, for investment in UCRP, paid back through assessments on payroll. UCOP intends to bring a similar borrowing proposal to the Regents in November.

IX. Proposed Revised Presidential Policy on Sexual Violence and Sexual Harassment
   o Susan Carlson, Vice Provost, Academic Personnel
   o Janet Lockwood, Director, Academic Policy and Compensation
   o David Lane, Systemwide Deputy Compliance Officer

The proposed Presidential Policy on Sexual Violence and Sexual Harassment was revised over the summer based on feedback from University constituencies, including the Senate, during the
February 2015 systemwide review. The new revision will be released on October 1 for a 30-day expedited review.

UCOP consultants noted that the policy is complex because it affects students, faculty, and staff and must respond appropriately to a variety of University stakeholders. A Policy Workgroup convened by the Office of Ethics, Compliance, and Audit Services was augmented with two Senate members, both Professors of Law, the former Senate Executive Director, and additional campus Title IX Officers, to help address the Senate comments. Representatives from Human Resources, the Office of General Counsel, and student organizations also contributed to the new draft. The revised draft provides clearer definitions and guidance about prohibited conduct and outlines clearer, more deliberate reporting structures for different kinds of cases of sexual violence or harassment. It clarifies that faculty and students have distinct processes for adjudication: the Preponderance of Evidence standard applies to students, while the Faculty Code of Conduct outlines a disciplinary process for Senate faculty.

UCOP tried to strike a balance in the new policy with regard to the role of faculty as “Responsible Employees,” who are required to report conversations they may have with students about an incident, by differentiating between faculty members who have a supervisory relationship with undergraduates and those who have a mentorship/colleague relationship with graduate students and post docs.

The President reaffirmed her desire for the policy to maintain a provision requiring the disclosure of disciplinary outcomes to complainants (The Senate had questioned whether this requirement would be in the best interest of complainants and campuses.)

UCOP is developing new required training modules for students, faculty, and staff that augment existing modules with provisions from the new policy.

X. **Update on the Retirement Benefits Advisory Task Force**
   - Dwaine Duckett, Vice President, Human Resources
   - Gary Schlimgen, Executive Director, HR Retirement Programs and Services
   - Kieran Flaherty, Interim Executive Director for Budget, HR

A Retirement Options Task Force is reviewing new pension options for employees hired after July 1, 2016. The “2016 Tier” will include a new cap on pensionable earnings based on the requirements of the California Public Employees’ Pension Reform Act of 2013 (PEPRA) (about $117,000 in 2015). The current UCRP cap is based on the limit established by the IRS ($265,000 in 2015).

It has been noted that the Defined Benefit (DB) plan helps attract and retain top faculty and provides UC with a competitive advantage over universities offering a Defined Contribution (DC) Plan. The Task Force is analyzing the impact of the cap, on employee recruitment and retention, as well as options for a possible DC plan that would either supplement or provide a full alternative to the DB. One possible model would establish an employer contribution as a flat percentage of salary—10% is common in higher education—or as an alternative, a certain percentage that would increase over time on a graduated schedule (for example, 8%-12%) in order to provide retention value. The Task Force is also discussing recruitment and retention
issues specific to clinical faculty and contract employees at the national laboratories. Task Force members have opined definitively that any supplemental/hybrid plan should apply to all employee types.

**Discussion:** Council members noted that retention offers are usually much higher than 4%, the figure cited in the graduated DC model. They also noted that competitive pressure on UC is increasing and that retention problems are particularly acute in the health sciences. It was noted that some faculty have advocated for a tuition benefit for dependents akin to those offered by competitors, but such a benefit would be of value to only a small number of faculty with children of a certain age. It was agreed that the Task Force should discuss the 2016 Tier in tandem with the 2014 total remuneration study and analyze the impact of any proposed plan on faculty total remuneration.

XI. **Executive Session**

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Meeting adjourned at 4:00 pm
Minutes prepared by Michael LaBriola, Principal Committee Analyst
Attest: Dan Hare, Academic Council Chair