

Attending: Ahmet Palazoglu, Chair (UCD), Katja Lindenberg, Vice Chair (UCSD), John Lindow (UCB), Kyaw Tha Paw U (UCD), Henry Pontell (UCI) (telephone), Kathleen Komar (UCLA) (telephone), Thomas Harmon (UCM) (telephone), Julia Bailey Serres (UCR), Patricia Cohen (UCSB), Dana Takagi (UCSC), Richard Arneson (UCSD), Paul Garcia (UCSF), Susan Carlson (Vice Provost, Academic Personnel), Patricia Price (Interim Director, Academic Personnel), Dan Simmons (Academic Senate Chair), Bob Anderson (Academic Senate Vice Chair), Martha Winnacker (Executive Director, Academic Senate), Brenda Abrams (Policy Analyst)

I. Welcome, Announcements, and Updates

Chair Palazoglu provided an update on recent meetings. The Chair/Vice Chair retreat on September 28th focused on Council priorities for the coming year and there was a discussion about how well shared governance operated last year. There was a question about how more faculty can be included in Senate discussions. There was a meeting run by Provost Pitts where his staff were introduced and an update on the budget was provided. UC did as well as could be expected with respect to the state budget. Executive Director, HR Strategic Planning and Workforce Development Randy Scott gave an extensive review of the Post Employment Benefits (PEB) analysis which UCAP will hear about later today. On September 29th the Academic Council met. A new Senate website policy was discussed that allows committees to post preliminary documents that have not been endorsed by Council. President Yudof will present his recommendations on PEB to the Regents in November.

II. Proposed Revisions to APMs 010 and 015

Proposed revisions to APM 010 and 015 are based on concern about faculty participation in shared governance. Court cases set the precedent for this. Changes to the APM are proposed to provide for protection for faculty when they express their opinions so they are not punished. UCAF proposed modified language in the APM to include language that protects participation.

Discussion: The changes cover statements made at any meeting. The wording is good in that it is generally protective. This language specifically applies to faculty and would not protect administrators. The committee will submit a memo indicating that the proposed changes are good. After a recommendation is received by UCOP it will go through a management review process. If there are any comments based on this review, UCOP will bring it back to the Senate.

Action: The analyst will draft a memo with the committee's comments.

III. Consultation with the Office of the President

- *Susan Carlson, Vice Provost, Academic Personnel*
- *Patricia Price, Interim Director, Academic Personnel*

Vice Provost Carlson started at UCOP on July 12, 2010 and previously she was a faculty member at Iowa State for 29 years. The Vice Provost hopes to visit each of the campuses to become familiar with them. Goals include defining the role of the office, becoming a resource to the campuses, developing policies, and building relationships with committees especially UCAP. Another focus is on building the importance of Academic Personnel at UCOP since there has not been a vice provost for many years and ensuring that the perspective of Academic Personnel is a part of discussions at UCOP. The Vice Provost also wants to highlight best practices and policies that are not used elsewhere so the general public is aware of how UC operates.

The Vice Provost described major policy revisions. The Health Sciences Compensation Plan has been in the works for at least two years and it will be released soon. It is a revision of the current plan that

addresses some issues not addressed in the old plan. It is a complex policy that is a model for the country. The policy will go out for review in January or early spring. Academic Personnel is in the beginning stages of drafting a new policy being called the Faculty Compensation Plan. The plan is based on a report from a task force that former UCAP Chair Plaxe participated on. The report recommends allowing new ways of compensating faculty based on faculty access to external funds. Faculty could buy out some of their time from external grants and put some of this money directly into their salaries. This would create an incentive for bringing in external funding. This money would not replace state funds but would be on top of them. This plan would be used most consistently in grants and contracts. The Vice Provost would like to write a policy allowing for increased flexibility for the use of endowment funds as well as fee-generated funds that faculty bring in. This is a large task and would require both changing the culture and catching up with how this is handled at other institutions. There has been controversy related to this plan.

Academic Personnel is also working on changes to the faculty recall policy and eventually will work on policies related to conflict of interest. The unit is also looking at whether the right data related to retention and recruitment is being collected and will refine how it is collected. The most difficult data to collect is on retention because it is hard to know which questions need to be asked. A report for the Regents is being prepared that will show the composition of faculty and a goal is to remind the Regents about the complexity of the faculty. A new project is to work with the ten campuses to submit a proposal to NSF's Advance program that supports more diversity in STEM faculty, especially women. The proposal is due November 8th.

Discussion: Last year UCAP discussed the Faculty Compensation Plan and opposed it. Concern was expressed about whether faculty will eventually be forced to bring in external funds, and it was noted that faculty in some disciplines do not have access to this type of funding. It will take longer than one academic year for this plan to move forward. UCAP will review the plan formally and submit a written response. The chair mentioned questions about the right institutions are being used for the comparison eight including whether these schools are still relevant and related to UCs mission. The Vice Provost noted that the current comparison 8 institutions are good for some things and not good for others. One idea is that campuses could have a separate set of peer institutions. Members agreed that the current public institutions in the comparison 8 should be reconsidered. Jim Litrownik, Coordinator, Data Mgmt & Analysis, Academic Personnel should come to UCAP's next meeting to discuss the pros and cons related to the comparison 8. A member asked where chancellorial review falls, commenting that these reviews are not as public as in the past and faculty input is no longer sought.

IV. Variation in How CAPs Handle Off-Scale Salaries

Differences practices among the CAPs are frequently discussed at UCAP including how they handle off-scale salary component.

Discussion: Members reported how their CAPs handle off-scale salaries.

UCSF: The CAP does not look at salary.

UCSB: The CAP is very involved with the off-scale salaries. Cases may have enough merit for a step and extra merit. The clear presumption is that it is earned salary and stays with the person. The other off-scale is when there is a credible outside offer, and CAP responds by matching the outside salary quickly. The person is not promoted or moved in step or rank, and this off-scale salary is also carried along. If someone gets new retention money, the next year they keep this money.

UCSC: The CAP follows the same practices as UCSB's CAP. The CAP and EVCs are trying to determine whether the off-scale in an offer is taken into consideration when they go up for merit or promotion. Assistant professors with competing offers are hired at an off-scale amount which is maintained and there are implications for tenure due to this. The CAP keeps people at appropriate rank and step and adjusts the off-scale according to market. Accelerations in time are done but discouraged.

UCR: If the CAP votes on a file that has an off-scale component, there is a vote on whether or not it should be maintained. It is rare that the CAP suggests and adds an off-scale. This year the campus has approved a policy on how the off-scale would go away if there is an unsatisfactory review. This policy will apply to the permanent off-scale component not to temporary off-scale salary. The CAP does not change the off-scale amount.

UCD: The CAP does not handle salaries. Until seven or eight years ago the CAP was involved with the off-scale component. Retroactive advancement gives the step one year earlier.

UCSD: A bonus off-scale is recommended when, in a review period, a faculty member has performed more than expected, and this off-scale is expected to taper off over two review periods. The CAP would either advise on or recommend a bonus. There is also a market off-scale at time of hire to match an offer from another institution and this stays with the person and a market off-scale for retention. This off-scale is reviewed every six years. A proposal comes to CAP for a recommendation. Retention is where there is a formal outside offer. Preemptive retention is when there is the beginning of an outside offer or to keep a valued faculty member happy. Money for this comes from the dean. It is not clear how well the preventive retention works although by the time the off-scale is offered there is an understanding between the dean and faculty person that the faculty member will not leave UC.

UCB: The CAP recommends merit advancement with the rank and step system exclusively. Half steps are used when people are accelerated. The CAP advances people by one step, half a step, or recommends no advancement. One and one half or two steps are given for extraordinary performance, one step is given for good performance and half a step is given for less than good performance. Off-scale is given at hiring and retention. Salaries are at market for all new hires. There is no guarantee that there will be a counter offer from UCB and the CAP counters offers with discounts for offers from less than peer institutions. A formal written offer is required. "A Value to Berkeley" assessment is completed by the chair in retention cases. The CAP also calibrates at mid-career and tenure.

UCLA: The CAP does not handle salaries.

UCM: The CAP makes a statement about the recommended off-scale amount.

UCI: The CAP does not deal with off-scales, but has an advisory role with respect to salary discrepancies within schools. A new scale was developed in 2007 for all faculty coming starting this year for merit and advancement and there are significant increases in salaries. There is now a second adjustment to the new scale. Health sciences are not covered by this new scale and computer engineering has a different scale. This CAP sees preemptive retentions informally. When faculty have a formal outside offer the CAP makes a recommendation on retention but not on the amount.

Vice Provost Carlson commented that there is research that shows what type of faculty seek outside offers and women seek them less. A ten year old gender equity study UCSD showed that four or five departments grossly underpaid women. Career equity reviews for all of these women were done and some received salary adjustments. UCAP might consider whether there should be a more uniform policy with how CAPs handle off-scales. Campus cultures are different so it is appropriate for there to be different practices. The way specific CAPs do things may be a disadvantage for certain faculty and there could be best practices. Raising the salary scales would be helpful. The CAPs practices should be made transparent so a CAP can consider if they want to change theirs.

V. Consultation with the Academic Senate Office

- *Dan Simmons, Chair, Academic Senate*
- *Bob Anderson, Vice Chair, Academic Senate*
- *Martha Winnacker, Executive Director, Academic Senate*

Chair Simmons thanked the committee for its hard work. This fall PEB is one of the biggest issues. It is a fluid situation and it is likely that the recommendation will not be option A, B or C but possibly some

variation of options B and C. The president's recommendation will be made to the Regents in November and the Regents will make a decision in December. Council will draft a recommendation at its October meeting and in November will decide on its formal position. There is still pressure for an integrated plan. The UCFW resolution provides a good template for the committee to formulate its response. The Council and UCLA statements on downsizing are also being discussed. One goal is to have competitively compensated staff. A task force being chaired by Immediate Past Senate Chair Powell will develop a plan for UC for the next several years which will come to council in November. Another issue is transfers, and although it is outside of UCAP's purview the committee should be aware of it. The Commission on the Future and Regents want UC to establish common requirements. Increases for faculty salaries are also a focus. In October Council will meet with the EVCs. Options are to give the EVCs the money or to give an across the board salary increase. Chair Simmons fears that the salary scales are broken given that 75% of faculty are off-scale.

VI. Post-Employment Benefits

When PEB changes, one question is whether UC will be competitive with retentions since pensions represent a large fraction of compensation for faculty. Significant downward movement in the pension plans at comparable institutions is not being seen. Most comparable institutions have defined contribution plans rather than defined benefit plans. Future new state employees will have reduced pension benefits. UC salaries are far below the competition and this should affect how one considers an increase in employee contributions. It is unlikely that the plan integrated with Social Security will be recommended but instead a plan with a fixed set of age factors may be the option. The administration has argued that UC can save money by giving staff a less generous plan. The current plan allows staff to retire at age 60. If the highest age factor is moved to age 65, UCRP with a 5% employee contribution is just barely competitive for faculty and is slightly more than competitive for most staff categories. The Senate members of the task force and the administration agreed to the move to age 65. The unions have argued that members have physically strenuous jobs and they do not think that age 65 is realistic. There will be administrative difficulty if there are numerous different plans.

The state budget undercuts those who argued for deeper cuts in UCRP. UC employees should not have lesser benefits than CSU employees. CalPERS is a richer plan but it calls for an 8% employee contribution. A 2.5% age factor at age 65 would be better for faculty. Another possibility is to drop the staff contribution level slightly below that of the faculty. A staff plan at 2.25% is less than CalPERS. The administration is focused on the normal cost which is an estimate of the credit each year and wants to reduce it by 20%. The value of the plan in the total remuneration study would be the normal cost. It would be useful for UCAP to comment on what plans would be desirable or undesirable and UCAP could state that it endorses the UCFW resolution.

Discussion: Tying pension benefits to social security is a potentially risky move. Social Security benefits will also vary with an employee's Social Security history. If salaries were adjusted to become competitive, the gap between UC benefits and its comparators would be closed some. Option C as a employer normal cost of 9% could be considered competitive with a defined contribution plan with an 8 or 9% contribution. Option A could never be competitive. It was noted that UCAP should be concerned about the impact the different plans would have on people's plans to retire. A good retirement plan makes it possible for UC to hire bright young employees, for employees to have a secure retirement income and to retire at the right time, and for new young employees to be hired.

The integrated plan is losing credibility but is still on the table. Going forward UC needs to address the unfunded liability and to have a good benefit plan. There will be tough times ahead because of the unfunded liability. Layoffs could be possible as a result of the unfunded liability but not because UC choose option B over option C. A defined contribution plan gives employees the ability to retire at age 60 with 30 years of service but does not give any incentive to retire. With a defined benefit plan, every year retirement is deferred is a year of pension that is given up. Some faculty may not retire because they do

not want to leave a huge workload for their colleagues since campuses cannot hire new faculty to replace them. If someone at age 61 has the required years of service it would be smart to retire. Members agreed to support the UCFW resolution. There is a need to ensure that faculty are competitively retained.

Action: The analyst will draft the committee's statement endorsing UCFW's recommendation.

VII. Salary Subcommittee Report on the Faculty Salary Scales Plan

Last year a joint committee of UCAP, UCPB and UCFW produced a report on the faculty salary scales and sent three recommendations to Council. The first two recommendations were endorsed by Council and the chairs of the three committees were asked to further discuss the third recommendation. A letter has been drafted that contains a revised recommendation. It still uses the 5% number but breaks it down into range adjustment and market adjustment portions. UCPB and UCFW have already reviewed the memo and UCAP should consider whether it will endorse it.

Discussion: One member commented that given the current budget situation using the limited dollars available to increase faculty salaries may not be the best decision. Members discussed concerns about whether faculty will be demoralized enough to leave UC. A range adjustment is a COLA on the total salary, although UCSB would raise only the base salary. The idea of proposing different adjustments based on rank was set aside because it needs to take into account a variety of factors and it is a longer term strategy. A member commented that the proposed across the board adjustment is a good idea and the proposed market adjustment would also be good, and could be seen as a preemptive retention. UCSC's CAP saw 19 retention cases last year compared to the five cases seen by the UCSB CAP. The salary lag for UC faculty is between 9 and 13% on the total salary, having not recovered from 1990-1991 and 2000-2002.

A member likes the document as it is a first step in encouraging and retaining faculty. The hope is to raise the budget across the board and have the funding for retention. At the October Council meeting this will be discussed with the EVCs. UCAP is in favor of raising faculty salaries in the context of the salary scales. It was suggested that the second recommendation should be tweaked to include "as timely as possible." The subcommittee's statement about restoring the scales and competitiveness should be added to the new letter. The committee voted in favor of the letter with one dissenting vote.

VIII. Downsizing by Attrition

UCAP is being asked to look at the impact of downsizing on faculty in terms of losses as well as to comment on the Council resolution and UCLA statement. Data available in January 2011 will shed some light on the positions that have been lost.

Discussion: At UCR, student enrollment has outpaced the hiring of faculty, so the impact that attrition will have at this campus is different from its impact at other campuses. This campus would also be impacted by a moratorium on new building. Regarding capital improvements, the language about the operational funding available for activities should more specifically state that this includes the labor costs of faculty and staff since they are engaged in these activities and using the spaces. UCM definitely has to grow but the other campuses do not. Looking at the budget makes it clear that students need to be admitted. If the number of students increases and the number of staff does not, different types of buildings would be needed. An alternative is to use more lecturers to make faculty cheaper. No information is provided about how a campus undergoing severe attrition happening randomly would be managed. Members agreed with UCLA's statement about faculty salaries. Programs are being closed or consolidated and UCAP needs to consider if this is the cost UC wants to pay for faculty salaries. The CSUs did not admit unfunded students which caused problems for the community colleges and the ramifications with the legislature for CSUs from not accepting the unfunded students are not clear. UC decreased the numbers of unfunded students it accepted.

The UCLA statement is more direct but more nuanced than the Council resolution in terms of what UCAP thinks should occur. There are not huge differences between the statements. UCLA was willing to be more pragmatic and direct about shrinking programs. The Council motion passed on a relatively narrow vote. A substantial minority felt unhappy with the process and the direct language in the Council statement. UCAP does not need to choose between the two statements but rather how UC should deal with issues related to downsizing. A member asked if UC should consider using the community colleges for lower division education since UC cannot accommodate the same number of students and transfer students do well at UC but it was noted that the decision of where to attend college has consequences for a student's future. Vice Chair Anderson also indicated it is more expensive to educate upper division students so not taking lower division would worsen the budget situation.

Duties for CAPs will change if areas are consolidated and certain areas like the Humanities will be more affected than others. In consolidated areas, the nature of the output of the faculty will be altered. Faculty will be teaching new courses or consolidated courses. Research may be affected by a reduced number of graduate students. Faculty may not do as much research because of increased teaching. These changes will change how CAPs assess the faculty impacted by these changes. Increased attrition will add to the CAP workload. A member commented that the assumption in the Council resolution that if salaries continue to lag, faculty will leave UC is problematic. Getting competitive salaries but teaching more than faculty at competitive institutions is not a solution and UC will not be able to retain faculty if this is the strategy followed. UC will be unable to recruit and retain excellent faculty if they cannot be paid more or have to teach much more. The increased use of lecturers may mean a decline in quality but could help avoid having 100 students in a class with no Teaching Assistants (TAs) and no writing assignments. It may be appropriate to use lecturers in certain areas and not others and this should be examined.

Concern was expressed about the dissolution of programs and a member pointed out that there are mechanisms in place for disestablishing programs. The Chair remarked that UCAP members appear to be more comfortable with the UCLA statement than the Council resolution. Neither statement addresses the larger class sizes, decreased quality, increased use of lecturers, higher teaching loads, no funding for TAs, faculty teaching classes they were not trained to teach, impact on faculty of consolidating, or increased student to faculty ratio. UCAP supports the principle that faculty need to downsize to get the compensation package needed to support a world class faculty.

Continuing to meet the requirements of the Master Plan by taking the top 12.5% while reducing the size of the faculty will have deep consequences within academia. The Master Plan is unsustainable if the state does not provide the funding. UCPB and UCFW have recommended not taking unfunded students but it is not clear what Council has done with these recommendations and the administration has been unwilling to not admit these students. The state needs to think about the Master Plan and its failure to provide the resources to support the Master Plan. A question is whether campus budget plans will address the budget realities. Ladder rank faculty may be laid off in the future. Special scrutiny should be paid to management and administrative positions to identify redundancies and the proportion of staff to faculty should be examined as a reduction of bureaucracy could help save programs. If faculty are downsized now, it will take 10 to 15 years to grow the faculty back up because all the searches cannot be run at once. Decisions will need to be made about where to put FTE between where students are versus in new fields. UCAP could endorse the resolution, the statement or both, or put together its own list of points the committee thinks are relevant to the matter, borrowing from both documents.

Action: The analyst will draft the committee's response.

IX. Campus Reports/Additional Member Items

Santa Barbara: The CAP is looking at the question of faculty routinely getting their agency reports back at the end of the review and has decided to do this in the coming year. The member asked how other CAPs deal with outside offers from institutions in a foreign country where the exchange rate fluctuates wildly and the cost of living is expensive. One campus limits what will be matched at 20% unless the

faculty member is exceptional. Another campus indicated that while faculty salaries are lower in some countries, the benefits that the government pays for make the total compensation significantly higher than UC compensation.

Santa Cruz: The biggest issue for this CAP is retentions. The CAP saw 19 cases last year and only two of the 19 people left UC. The campus was unable to match the outside offer on the unsuccessful retention cases.

Davis: The CAP is discussing a number of things including whether it should handle salaries/off-scales; how to deal with an increased push by extension specialists wanting to regularize their appointments into I&R series; streamlining processes and getting people to serve on faculty personnel committees (subcommittees of CAP) at the colleges that have delegated actions. The online system is moving forward.

San Diego: This CAP is looking at the issue of lecturer with security of employment having to be experts on teaching methods and how faculty who are not very engaged in research but are engaged in teaching are nudged toward this position. A task force is looking at proposed revisions to how the adjunct title is used in different departments.

Berkeley: The CAP is continuing attempt to streamline procedures and reduce workload. The online system has not gotten off the ground.

San Francisco: Many individual departments have specific requirements that are not in the APM such as having a NIH grant. People tend not to be promoted along as fast as they are at other campuses which may be related to the salary being uncoupled so there is not the same push to be promoted but there are negative consequences at the time of retirement.

Los Angeles: The Anderson School of Management and whether it will be self-sustaining is being discussed. What this would mean for academic personnel issues is a key question. The CAP wants to make sure that the faculty at the School go through CAP evaluations. One issue is who guarantees the salaries if anything goes wrong and it will probably be the central campus. Ability to make appointments if the faculty member is not at tenure level without consultation is another issue. There are questions about service and connection to the Senate. The School will set its own salaries and do its own hiring.

Irvine: The CAP is piloting the electronic file system this year in a few departments.

X. New Business

There was no new business.

Meeting Adjourned at: 4 p.m.

Minutes prepared by: Brenda Abrams

Attest: Ahmet Palazoglu