I. Chair’s Announcements, Stanton Glantz, UCPB Chair

- At the April Council meeting it was agreed to draft a letter blending the comments of UCFW and UCPB on the Regent’s slotting structure for Senior Management, which will be forwarded to President Dynes for transmittal to the Regents.
- GSAC is close to having its report finalized. The group will recommend the non-resident tuition be phased out over 2 years, and that TA fee remissions be paid out from an account separate from that of financial aid.
- Comments made on the “Futures Report” have been positive; reviewers have found it to be an engaging and credible analysis.
- Steve Cullenberg (UCR) has been appointed next year’s UCPB Vice Chair.

Action: The committee consented to reorder the agenda, moving discussion of item IX to the morning.

I. Consent Calendar
Action: The minutes of the April 4, 2006 meeting were approved.

II. Consultation with UCOP, Larry Hershman, Vice President – Budget
Report:
State budget
The May revision will be out on Friday; budget hearings are continuing. The LAO projects a continued $4-$5B problem for 2007-06, which the Governor’s spending package will need to address. A compromise was reached to approve the package for a General Obligation bond issue, which will be on the November ballot. $240M of the 900M that UC will get (if the bond issue passes) is targeted for medical school expansion.

UC budget
The LAO recommends a lower marginal cost of instruction than is included in the governor’s budget; the LAO’s approach to formulating the marginal cost remains a point of disagreement. Funding for academic preparation is also under debate still; but there will likely be funding for the Labor Institutes and other research programs, most of which may be line items. The recommendations of the Task Force on Compensation, Accountability and Transparency have been favorably received by several legislative committees. There has been no indication of punitive measures being taken against UC because of criticisms and disclosures relating compensation policies and practices.

III. UC Education Abroad –Funding Model, Pat Conrad, Steve Cullenberg, Stan Mendoza
The EAP subgroup met by teleconference last week. Because of a number of unknowns relating to how funds are or may be distributed to the campuses, the group felt it could not at this time offer specific recommendations for a new funding model, but instead
formulated broader recommendations advising that the work of the ad hoc committee on international education include consideration of the EAP funding formula, and that the committee itself be expanded to include UCPB representation. The subgroup also felt that the academic value of one-term programs should be evaluated and that EAP must be better integrated with major and graduation requirements.

**Discussion:**
Members raised questions about the impact on UC’s education abroad program of outside programs and why students are not electing EAP, and about how efficiently the systemwide EAP office is managed. One member noted that if small international programs went through UOEAP they would be slowed down and lose bureaucratic clarity. Other comments:
- A simple main principle should be to fund quality programs.
- EAP needs to deliver services better, which would encourage smaller international projects to integrate with EAP.
- Education fees paid for education abroad by EAP students should belong to EAP.
- The ad hoc committee should be expanded to include three additional senate members: one from UCPB, one from UCEP, and one additional member with appropriate experience in education abroad issues and activities.

**Action:** A draft letter to Council Chair Oakley will be finalized based on the subgroup recommendations and committee input, making recommendations for the ad hoc Committee on International Education relating to budget issues and expanding its membership to include three additional Senate members.

**IV. Consultation with UCOP - Rory Hume, Acting Provost**
Acting Provost Hume observed that the visit today with Regent Hopkinson should offer a good opportunity to go over concerns related to senior management compensation and perhaps also the issue of faculty off-scale salaries, which will likely be a focus of attention in the near future. He noted that this issue will need to be addressed by the Senate involving change in the APM or perhaps in salary ranges. It was clarified that the Academic Council is, in fact, beginning an inquiry into off-scale salaries.

**V. Senior Management Compensation “Slotting” and Campus Stratification**
[This item was addressed as part of the discussion with Regent Hopkinson.]

**VI. Reports on UC Compensation**
[Discussion of this item continued after the visit with Regent Hopkinson.]

**Issue:** Next week, the Regents will be discussing the Task Force Report on UC Compensation, Accountability, and Transparency, the PricewaterhouseCoopers audit, and the Report of the Bureau of State Audits. The Regents will be hearing the President’s response to these reports, in particular to the report of the Task Force. The Senate will also present its response to the Task Force report, and as part of that effort, UCPB has drafted a position for finalization at today’s meeting, which will be submitted to Council at its meeting tomorrow.
Discussion: Chair Glantz emphasized that UC needs to have a strong, fair structure that will be adhered to. The qualitative advantage of UC - how it differs from its private comparison institutions - must be part of current discussions of compensation and the non-monetary benefits of working at UC be articulated. Members discussed issues relating to market parity for employees, some making the point that the goal of meeting market levels for faculty should be maintained. Adequate starting packages for junior faculty are necessary, but disparities and the large proportion of off-scale salaries create a morale problem among other faculty members, which must be addressed. In connection with this, some members expressed strong concern about public disclosure of faculty salaries. It was agreed that UCPB’s position will maintain that public access to this information should be handled with Senate input and in a manner sensitive to the need for privacy, since such disclosure can potentially cause embarrassment or have other undue effects at a time when many faculty salaries are below market.

Action: Chair Glantz and Analyst Foust will finalize UCPB’s response based on changes made in today’s discussion, and forward it to Chair Oakley this evening.

VII. Discussion with UC Regent Judith Hopkinson
Members introduced themselves to Regent Hopkinson, who said she was happy to have the opportunity to discuss with UCPB the Regents actions and plans related to restructuring compensation for UC employees, in particular the slotting structure for senior management salaries. She invited comments from members.

Chair Glantz outlined the Senate recommendations that have been formulated this year in response to the Regents compensation proposals and to the public discussion of UC compensation, which include a set of Compensation Principles approved by the Academic Assembly. A formal Council response to the report of the Task Force on Compensation, Accountability and Transparency is being prepared for submission to President Dynes, which he will be asked to present to the Regents at their upcoming meeting.

UCPB members raised these points:
- A slotting structure for the Senior Management Group (SMG) is a reasonable approach to re-thinking compensation, but it should be done with Senate consultation and based on rigorous, valid analyses.
- The current interim salary slotting structure has some serious flaws. The structure appears to assume the goal is to reach the median, but this would call for significant raises since, on average, the positions are 15% below the median.
- The ongoing compensation discussion distracts from discussion and development of a strong practice that will be adhered to.
- Current planned pay increases work out to a 6.6% increase per year for SMG. The Senate’s position is that SMG increases should lag, not lead increases in pay for faculty and staff.
- Performance evaluation has to be built in to any salary structure, and increases awarded based on merit.
- Reported compensation should include any benefits that are not given to all UC employees.
- The SMG slotting structure has the de facto effect of stratifying campuses; an alternative structure would be to create a slot for each position – e.g., Chancellor, and include a sensible range of salaries within each category.

Regent Hopkinson expressed interest in the points raised by UCPB members, especially with regard to how the interim compensation slotting structure may need to be adjusted. She apprised the committee of the plan to form a compensation workgroup that would review the Mercer report and develop a revised salary structure. This group would include Senate representation. She commented on the difficulty of gathering information on benefits offered by other institutions, which hampers efforts to create good comparisons for UC. Members outlined for Regent Hopkinson the Senate’s academic personnel review process, and discussed with her the Senate’s recommendation that performance standards/merit be established as the basis for advancement and salary increases for SMG. Regent Hopkinson was also interested to know of UCPB’s recent “Futures Report,” but not having had time to review it was unable to offer specific comment.

VIII. Executive Session – Item VIII Only
- Follow up on discussion with Regent Hopkinson
- Continuing discussion of reports on UC Compensation
[See item VI.]

IX. LANL Management Contract and Relationship between UC and LANL/LANS
[Item IX was discussed directly following item III in actual order of meeting.]

Issue: ACSCONL is proposing a set of principles and related measures guiding UC faculty –DOE lab interactions. As a supplement to the ACSCONL recommendations, UCORP has proposed measures ensuring the health of UC research programs associated with the labs. Vice Chair Newfield has drafted a UCPB response to these two proposals, acknowledging those concerns, but making the point that such measures are premature and should not be discussed before the basic relationship between UC and LANS/LANL is clarified.

Discussion: Vice Chair Newfield noted that the ASCSONL and UCORP recommendations in the main do not address fundamental changes in the UC/DOE lab relationship or the fact that we cannot treat the labs as a group any longer. The establishment of a task force is a good idea and should be set up before a bid is made for management of the Lawrence Livermore Lab (LLNL). UCORP’s recommendation to define how and under what circumstances UC should remove itself from the relationship with LANS (an exit strategy) is insightful and of immediate concern.

Action: Members approved the draft letter, pending possible minor editorial changes. Once finalized, the letter will be forwarded to the Academic Council Chair for consideration in their discussion of the ACSCONL and UCORP recommendations.
X. **UCSB Student Resolution Urging Support of the UCSA Student Compact**

**Issue:** The president of the UC Student Association (UCSA), who was acting as the alternate at this meeting for UCPB’s, graduate student representative, explained that UCSA has proposed a compact calling for limits to fee increases and to the loan and work burdens for students. The UCSB resolution, which was brought to UCPB’s attention for comment and possible endorsement, supports the UCSA resolution.

**Discussion:** UCPB members expressed support for the effort to gain financial assurances for students, but on the whole felt that the proposal was not effective as written. It was noted that the proposal includes no implementation language and is too loosely worded and may be a mistake rhetorically, since it may backfire on the intentions and lock in terms that are unfavorable for students. A member disagreed with the notion included in the proposal that the terms of the Higher Education Compact are acceptable, and suggested that students should be asking for more. One member advised that the UCSA use UCPB’s recently completed “Futures” report to inform their position.

**Action:** UCPB invited UCSA to bring a further version of this proposal or a similar proposal to the committee for future consideration.

XI. **Universitywide Committee on Academic Freedom (UCAF)**

**Proposed Student Freedom of Scholarly Inquiry Principles**

**Issue:** Determine whether UPCB shall opine on this issue.

**Action:** UCPB chooses not to opine on this proposal.

XII. **Universitywide Committee on Library (UCOL) Proposed Amendment to Senate Bylaw 185**

**Issue:** UCOL is proposing a change to its bylaw that would expand its charge to include oversight of scholarly communication issues and to change its name to the University Committee on Library and Scholarly Communication.

**Action:** Members agreed to support UCOL’s proposed bylaw change.

Meeting adjourned, 4:00 p.m.

Attest:  Stan Glantz, UCPB Chair
Minutes prepared by: Brenda Foust, Policy Analyst

Distribution:
Report of the UCPB Subcommittee on Education Abroad Program (EAP) Issues, May 9, 2006.