

Minutes of Meeting**May 6, 2014****I. Announcements***Don Senear, UCPB Chair*

Update: Chair Senear reported that at the Academic Council meeting of April 30, UCPB's memo in support of borrowing to bolster UCRP finances was discussed at the same time as a University Committee on Faculty Welfare's Task Force on Investment and Retirement (UCFW and TFIR) memo that recommended a specific borrowing scheme. The TFIR recommendation suggests borrowing from existing reserves to pay down the unfunded liability the University of California Retirement System (UCRS) has accumulated. The argument is compelling to many because it allows for significant savings in debt service over the coming decades, especially given the low interest rates currently available. Council endorsed both the concept and the specific plan, but formal transmittal is on hold pending more favorable political timing.

II. Consultation with the Office of the President – Academic Affairs*Aimée Dorr, Provost**Steven Beckwith, Vice President, Office of Research and Graduate Studies***1. Doctoral Education Support**

Issue: On April 14, an all-day conference on doctoral education support was convened on the Irvine campus. Each campus was represented by five persons, including faculty, graduate students, graduate deans, and other at-large participants. Break out groups discussed thematically related proposals to increase doctoral support, and the most highly regarded proposals were included in the UCPB agenda packet. The goal was to identify systemwide best practices, and the next step is to facilitate the adoption of the identified best practices at each location. Competitiveness was considered broadly, not just as a matter of financial support. The final recommendations will be presented to the Regents in July. Many of the recommendations involve planning and budgeting issues, such as non-resident tuition, funding guarantees, and endowments.

Discussion: The committee focused on four proposals:

a. Non-resident Supplemental Tuition:

Members asked how much money was involved, systemwide, in a possible elimination of NRST. The systemwide total of NRST from the second year and beyond, in 2012 dollars, is estimated to be \$18.5M. Provost Dorr noted that the Council of Vice Chancellors began discussion of the proposals last week, and that the budget office at the Office of the President opposes eliminating NRST. Other members noted that significant changes to NRST also involve legal and political considerations. Nonetheless, many discussed the negative aspects of the current policy: distortion of the admission and recruitment of the absolute best students, some of whom are international; less than optimal treatment when students do arrive on campus, such as difficulty finding a thesis supervisor due to the extra cost compared to a domestic student; premature advancement to candidacy in an effort to save faculty research funds. Yet, a one-year NRST policy might be saleable, depending on

internal funding trade-offs. Some noted that changes to NRST should be specified as a systemwide policy. Others suggested that requiring only 1-year of NRST would probably not serve as a barrier to application for qualified students. At the same time, even a 1-year only NRST policy would not completely eliminate the disincentive of the current policy, in admissions, for revenue-based consideration of international students – a group that often encounters social and academic difficulties once on campus. Another suggestion was to frame doctoral support in terms of its benefits to the undergraduate educational experience.

b. Guaranteed Funding for PhDs:

Many of the top tier institutions with whom UC competes for graduate students offer 4-5 years of funding to PhD students, so a guarantee of funding is expected to improve recruitment. However, the question of who or what fund source would provide the guaranteed funds remains unanswered. Some members noted that departments provide up to 5 years of teaching assistance funds as part of their aid package, but others noted that not all departments, especially those in the humanities, can make such promises, and that the cost for GSRs is usually greater. It was further noted that the time to degree varies by discipline, and usually is significantly impacted by a student's self-motivation and work ethic. Some departments limit admissions based on projected funding, but others that rely heavily on grants can only offer "intentions" to support. Provost Dorr noted that students prefer predictable cost guarantees, which are often contingent on performance. Another option would be to identify specific funding alternatives prior to offering admission. Finally, it was noted that departmental and disciplinary enrollments frequently fluctuate over time, which makes accurate cost projections difficult.

Most comparator institutions have an enrollment target for graduate students of 20% of the total student body. UC lags this target number. Members asked what funding changes would be needed to increase its graduate student population. Provost Dorr indicated that direct funding from the NSF and foreign governments would be the most conspicuously impacted. Members noted that attaining a higher target enrollment rate over time would require additional funding guarantees and careful consideration of time-to-degree and graduate student workload. Regarding workload, it was noted that the undergraduate enrollment profile is changing, but to what degree the graduate student profile should match it is unclear. As a result, demand for teaching assistants is in flux by discipline, and future needs are also unclear.

c. Graduate Student Fellowships:

A proposal to allow each campus \$1M/year for 3 years from President Napolitano's funds to be spent on graduate fellowships has been put forward. The proposal envisions this being used as matching funds for new contributions from donors for graduate fellowship endowments, but one sentence seemed to imply that a campus could use the funds as they wished including funding current fellowships. Not all are convinced that this is the best use of \$30M, especially if it were used for current fellowships instead of incentive funding for graduate fellowship endowments. Some asserted that philanthropic donations could achieve the same result, without limiting how discretionary funds could be used. On the other hand, each million dollars, in an endowment, could fund a graduate student in perpetuity. Philanthropic donations

could be incentivized with matching funds identified as being from Pres, Napolitano, and this might also incentivize campus development offices to look at this need as a more active part of their program. Members wondered from where support for the program would come after 3 years.

2. Central Research Support

Issue: UCORP wrote to the Academic Council, asking their help in lobbying the administration to restore financial support for the Multi-campus Research Programs and Initiatives (MRPI) program. Council decided that the scope of the letter should be broadened to include all central support for systemwide research, and charged UCPB to co-author a revised letter. The history and trends of research funding were discussed by Provost Dorr and Vice President Beckwith.

Provost Dorr framed the discussion in terms of the Office of the President's new cap on unrestricted funds expenditures. Since research funding comes mostly from unrestricted funds, research is particularly vulnerable in this formulation. Further, any increase in mandatory costs now have to be absorbed, and new spending requires internal trade-offs. The group that decided this course of action included neither Senate nor Academic Affairs representatives. As a result, a long list of augmentations was taken off the table, including restorative funding for MRPIs and the California Institutes for Science and Innovation (Cal ISIs). The directive, however, does not include off-the-top funding; other fund sources face a de facto 1.5% cut, across the board, without consideration of the size of the program, its other resources, or its success in leveraging external funds. Many research programs, like Scripps Institute for Oceanography (SIO) and the division of Agriculture and Natural Resources (ANR), receive funds via "pass-through", which is not included in the Office of Research budget due to funding streams.

Vice President Beckwith presented an overview of the cuts his office has endured over the last 6 years. He echoed Provost Dorr's statement that many research dollars do not flow through his office because they are not discretionary; they have not been cut nearly as severely as the discretionary funds, which saw entire programs being closed, such as the Discovery Grant program. Many recommendations on future funding may not be politically feasible.

Discussion: Members asked how much systemwide contact is typical for incumbent research programs supported by "pass through" funds. VP Beckwith indicated that much of the funding in those programs goes to personnel, including GSRs, and to operate facilities. The recipient programs also leverage funds well; SIO leverages an amount similar to the Cal ISIs, but that raises a philosophical question: Do programs who can successfully leverage external funds need protected pass through dollars? The Portfolio Review Group (PRG), which was tasked with determining the best spend for UC's research dollars, only considered current programs and funding levels, and not external funds or the ideal level of support. Members noted that the OP conversations, or at least their outcomes, seem to favor natural sciences. VP Beckwith noted that the Humanities Institute competed well in the MRPI process, but members noted that the MRPI funding pot is what is diminishing.

Council Chair Jacob reminded members that this topic needs a higher profile conversation and ideally should generate funding guarantees. One strategy could be to frame arguments for financial support thresholds in terms of the Master Plan. Another

strategy could be to remind local officials that research funds from OP are overwhelmingly spent on the campuses, and to encourage them to request that research funds be protected when they demand more cuts from OP. Not all members are convinced that unrestricted funds sent directly to the campuses are used for research, even if that is how they are intended. Most believed, however, that the campuses were unlikely to send funds back to OP for any reason, so funds must be protected by being taken off the top or by a firm commitment. Members agreed that suggesting targeted cuts to generate more funds for research would be an unproductive path. If UC spends \$5B/year on research, would a 2% reserve for MRPI be reasonable? How would such a recommendation be justified? The current total spend from OP is about \$66M in unrestricted funds and \$54M in restricted funds, plus another \$17M for the Cal ISIs.

Action: Discussion will continue off-line with UCORP and at next month's meeting.

III. Consultation with Academic Senate Leadership

Bill Jacob, Academic Council Chair

Mary Gilly, Academic Council Vice Chair

Issue: Chair Jacob updated the committee on Composite Benefit Rates: A presentation will be made at tomorrow's Council of Chancellors meeting, after which the president will make her decision. Chair Jacob will be presenting an alternative plan to that developed by the administration. The alternate plan was developed by an ad hoc faculty and chancellorial work group that analyzed all the data available from the OP consultants and additional resources made available by the San Diego division. A report on the final decision will be shared as soon as it is available.

Note: The remainder of the item occurred in executive session; other than action items, no notes were taken.

IV. Executive Session

Note: Item occurred in executive session; other than action items, no notes were taken.

V. Enrollment Management

Debbie Obley, Assistant Vice President, Budget and Capital Resources

Todd Greenspan, Director, Academic Planning, Institutional Research and Academic Planning

Issue: The campuses' 2020 growth plans will be released soon, and UCPB must examine carefully the growth expectations, especially for undergraduate students. The state Assembly seems willing to increase enrollment funds for new California students at all campuses, but some campuses have stated publicly their desire not to grow California resident enrollment. As a result, the campus plans may not make for a compelling systemwide growth plan, especially in talks with the legislature. Although there is no official cap on non-resident enrollment, it was agreed that UC would revisit the issue after systemwide enrollment topped 10%; current non-resident enrollment for the system is at 11.3%, and it could reach 13% in the fall. Non-resident enrollment is up at each campus, but disproportionately so at the campuses who do not wish to raise California resident enrollment.

Discussion: Chair Senear asked if it was time to reopen the conversation on socializing non-resident tuition fees in order to maximize the benefits of the enrollment discrepancies. Members wondered if UC has a lower capacity to serve California students because of non-residents. AVP Obley indicated that qualified California students were not being displaced, and it could be

argued that non-resident tuition helps California students by off-setting some of the impact of the cuts in state general fund support. But flat California resident enrollments do not match the state's demographic trends. Some campuses have said they will not increase California enrollments until the state funds not just new students, but makes up for unfunded enrollment, too. Due to the adverse timing of UC admissions on one hand and the state budget on the other, though, it is unclear who will make the first conciliatory step.

Chair Senear asked how the argument that non-resident fees compensate for state shortfalls and thereby help fund California residents can be reconciled with the total cost of instruction that is being calculated in response to a legal requirement imposed by the state when this is yielding estimates that are greater than the total non-resident tuition. AVP Obley noted that the cost of instruction was calculated on some old assumptions, such as an out-dated student-faculty ratio and the assertion that all tuition went to instruction. She added that campuses only want to grow revenue-generating students. Members noted that increasing enrollments is impossible without increasing the capacity of the physical plant, or without redressing the deteriorating student-faculty ratio and improving faculty renewal. One possibility to increase enrollment without increasing the physical plant is to use education abroad more. Of course, the symbolic value of state support should not be underestimated in terms of addressing external concerns about public access to the University and internal concerns about privatization of the University.

Chair Senear asked what obstacles finishing the updated growth projections and instituting an enrollment management plan might encounter. AVP Obley noted that there was still some modeling to be completed, but the principles derived by the Academic Planning Council would be useful. Chair Senear noted that these principles are essentially the same as expressed by the Senate Council two years ago in their [document dated August 9, 2012](#). AVC Obley replied that these are still valid. It seems to be more of a project management challenge than a lack of intellectual or philosophical agreement. Chair Senear noted that rebenching is predicated on now outdated enrollments on assumptions of zero growth, whereas the UC is now facing imminent growth. AVP Obley concurred, suggesting a set-aside might be necessary. Increasing the capacity of the physical plant is also challenging, as the Governor and others think UC is facing a staggering wall of debt. Nonetheless, a K-12 bond is expected in the fall, and UC will try to be included in it.

VI. Executive Session

Note: Item occurred in executive session; other than action items, no notes were taken.

VII. Systemwide Review Items

Note: Item not addressed.

VIII. Consent Calendar

1. Minutes of Meeting of April 1, 2014

Action: The minutes were approved as noticed.

IX. Campus Updates

Note: Item not addressed.

X. New Business

1. Self-supporting Programs:

Issue: Revised language on conversion to self-supporting program status is being drafted and will soon be circulated for evaluation. CCGA proposed a new naming convention that would reserve MA and MS titles for academic programs only and offer Masters of X degrees for professional or other programs. The Masters of X title would be new at some campuses, and so would require Regental approval.

Discussion: The committee had mixed reactions to the CCGA proposal. Some felt it was logical, while others wondered how the distinction would be conveyed, especially to external audiences. It was noted that Cornell has advanced research degrees and applied uses degrees. UC also currently has the option to use “Advanced Study” titles, but it is not widely known.

Adjournment at 3:30 p.m.

Minutes prepared by Kenneth Feer, Principal Policy Analyst

Attest: Don Senear, UCPB Chair