

University of California Academic Senate
University Committee on Planning and Budget (UCPB)
Minutes of iLinc Meeting
March 1, 2011

I. Consent Calendar

1. Approval of the February 1, 2011 UCPB Minutes

Action: UCPB approved the consent calendar.

II. Chair's Announcements and Updates

- *James Chalfant, UCPB chair*

Ralph Wolff, president of the Western Association of Schools and Colleges (WASC) met with the Academic Council to discuss changes to the accreditation process WASC is considering as part of its Accreditation Handbook revision. Council also endorsed a UCFW memo expressing reservations about UCOP's "Working Smarter" initiative and progress report, particularly the lack of faculty input into the initiative and report and concern about an implied message that the University is being harmed by wasteful employees.

Council approved a charge for the new Academic Council Special Committee on Agriculture and Natural Resources. UCPB is asked to appoint a representative to ACSCANR—either the vice chair of the committee or delegate—who will serve a two-year term. Associate Vice President for Agriculture and Natural Resources Barbara Allen-Diaz will join UCPB in April to discuss the ANR budget.

Campuses are interested in creating more self-supporting programs and supplemental fees, and the Senate's role in reviewing new and existing programs and fees was discussed at the Academic Council, the Academic Planning Council, and the Provost's Budget Advisory Group. CCGA suggests that divisional Graduate Councils in consultation with Planning and Budget Committees review proposals for programs wanting to convert to a higher cost model, but that Graduate Councils need not consider proposals for changes to the fees in existing programs. CCGA wants to be involved only when a campus Graduate Council raises concerns about a proposal. The Provost seems to be in agreement with this protocol, which CCGA is finalizing.

Council discussed the Funding Streams proposal and is still deliberating the details of its final response to the President. Council members agreed that campuses should be consulted about the UCOP budget and assessment rate, and that UC should begin the rebenching project as soon as possible. There was concern that the potential loss of central management of enrollment could negatively affect the UC system as a whole, if individual campuses are allowed to set their own enrollment targets. There was some support for "socializing" non-resident tuition revenue across campuses, but concern about the different approach proposed for allocating cuts in state funding to campuses compared to new revenues. (In allocating cuts, UCOP would count additional resources available to campuses, such as NRT and professional fees, but base budget augmentations would be based on current allocation of state funds only.) A majority of Council

members thought the latter should be addressed in rebenching, and that this issue would not arise after the rebenching process is completed. In general, Council members supported the plan to continue reallocating undergraduate return-to-aid to campuses based on need, but were less sure about allowing campuses to retain all graduate student fees without any adjustment to the return-to-aid component. Council was unsure exactly what elements constitute graduate aid and requested clarification from UCOP via consultation with UCPB and CCGA.

The President expressed support for starting the rebenching process sooner than previously planned, and said he would welcome faculty-generated principles to guide the project. Chair Chalfant, Vice Chair Minster, David Lopez, and Brent Haddad met by teleconference to discuss the current rebenching draft. Gary Leal will join them in this effort, and UCPB will discuss rebenching principles in April.

The task force reviewing proposals for the online education pilot project has sent approximately 30 applications to a second round of review. Brent Haddad (who is participating) reported that most proposals are for lower division courses. There is no funding for the pilot project yet, and UCOP has indicated that it may borrow from internal funds, if it is unsuccessful in securing sufficient outside grant support.

David Lopez is chairing a new finance subcommittee of the Education Abroad Program Governing Committee. He said EAP has almost fully transitioned to a self-supporting budget model funded by student fees. EAP is in good financial condition, and the new director anticipates a budget surplus for the current academic year, completely erasing the past deficit.

Last year, the Provost commissioned a joint Senate-Administration task force to consider a compensation plan for general campus faculty based on the Health Sciences Compensation Plan, which would allow faculty to increase their salaries with outside sources and give campuses another recruitment and retention tool. UCPB's representative Donald Senear reported that the proposal is still in its early stages. The task force is drafting new APM language and focusing on issues of compliance with federal guidelines, eligibility criteria, and how much salary faculty could be paid from outside sources.

Discussion: It was noted that the formulas for allocating state funds to the campuses differ significantly, and it will be hard to find a middle ground in the rebenching process. A sensible funding model will support the larger legacy campuses as they exist now but also give smaller campuses an ability to grow in size and quality. The Senate should focus on the best model for the next 30 years rather than on rectifying past inequities.

Senate Chair Simmons noted that it is important for faculty to be informed about fee increases and for CPBs to work with Graduate Councils and divisional chairs to ensure that proposals represent fees honestly

It was noted that WASC's proposal for different levels (bronze, silver, gold) of accreditation could place greater demands on some UC campuses that already find the accreditation process a drain on resources.

Action: UCPB designated Chris van Kessel as the committee's representative on the Academic Council's Special Committee on Agriculture and Natural Resources.

III. Consultation with UCOP: Budget Briefing

- *Debora Obley, Associate Vice President for Budget*
- *Michael Clune, Director Operating Budget*

The Budget Conference Committee accepted the Governor's proposed \$500M cut to UC and adopted language asking UC to limit reductions in Academic Preparation programs to 16.4%, the level of the general fund cut. The state regards UC's recent 8% tuition increase as offsetting all but \$384M of the \$500M cut, and is asking UC to absorb the cut with minimal impact on fees and enrollment. The state suggests a range of options, including increasing faculty teaching workload and reducing release time and sabbaticals; reducing administrative costs, personnel costs, supplemental benefits, athletic subsidies, management ratios, public service programs, and research; increasing indirect cost recovery; and prioritizing access to institutional financial aid. The state will likely make an enrollment recommendation, which UC believes should be the 2007-08 level of 203,000.

The state also authorized bond funding for four UC capital projects, including Merced's social sciences building; however, it rejected UC's other 2011-12 capital outlay request without prejudice, which means they will be reviewed again as part of the May revise process. The state is asking UC to re-direct \$3M for 1.5% salary increases for members of AFSCME.

UCOP is working on a plan to eliminate, cut, or phase out some of its centrally funded programs, to reduce as much as possible the cut to the campuses and their funding streams assessment. The UCOP cuts will include a mix of central services, centrally run research programs, and core administration. Some of the cuts will be controversial, and UCOP is meeting with the EVCs weekly to reach consensus before negotiating with the state and the campuses.

The Regents will receive a budget update and tutorial at their March meeting. The briefing will include options for addressing the current cuts and potential future cuts based on various scenarios such as failure of a June ballot initiative to extend tax increases, updates on funding streams and re-benching, and presentations from Santa Cruz, Berkeley, and Irvine about their budget plans.

Discussion: It was noted that UC's total \$1 billion budget shortfall is much larger than the cut to the University from the state general fund. UCOP should continue to emphasize the full problem, not just the \$500M cut. An 8% tuition increase will not be sufficient to meet the fiscal challenges.

It was noted that UCOP should consider taking a bigger cut as campuses are already depleting essential services. Vice President Obley said UCOP began a major downsizing effort several years ago, and its cut will be comparable to the campuses. UCPB members said they look forward to reviewing a detailed proposal as soon as possible to help the committee fulfill its shared governance responsibility.

IV. Consultation with UCOP: Faculty Salaries

- *Susan Carlson, Vice Provost for Academic Personnel*

UCPB reviewed data showing average faculty UC salaries and pay increases for faculty present at UC in both October 2008 and October 2010. Vice Provost Carlson said that because there were no range adjustments during this period, the data show the effect of advancement, merit, and retention actions alone on faculty salaries. She said UC is conducting an updated analysis of UC faculty salaries compared to the Comparison 8 using CPEC's methodology. It is expected that UC salary lags will increase.

The Provost is convening a joint faculty-administration task force to discuss the use of any funds for faculty salary increases that may become available now or when budget conditions improve. The Provost has asked the task force to make its recommendation by summer.

The Department of Academic Personnel is also exploring ways to expand flexibility in the APM and the faculty ranks. Options include creating new faculty titles emphasizing teaching or other specific responsibilities, and making it easier to obtain part-time appointments. Interestingly, the 1991 [Pister Report](#) on Faculty Rewards discusses a contract model for ladder rank faculty that would allow the temporary adjustment of career expectations. A UCFW subcommittee is looking at part-time appointments. UCPB is welcome to send a representative to this subcommittee. UCFW may also take up phased retirement.

UCAP and UCFW have been involved in a review of revisions to APM 670 (the Health Sciences Compensation Plan). UCOP will release a revised version for Senate review later this spring.

Discussion: It was noted that the salary data make it appear erroneously that UC faculty enjoyed significant salary increases between 2008 and 2010. Moreover, the methodology is different from CPEC's salary growth data, so the numbers cannot be compared side by side. CPEC considers all faculty in 2008, and all faculty in 2010, and takes into account the replacement of a higher paid full Professor with a lower salaried Assistant Professor, while UC's considers the rate of salary growth for a fixed population of faculty who are employed both years. This reduces the rate of average growth in the Comparison 8 group.

V. Enrollment Management, Student Fees and the Budget

- *Gary Leal and Shawn Kantor*

Shawn Kantor and Gary Leal drafted a memo discussing options for enrollment and tuition. It notes that tuition and non-resident enrollment are among UC's only flexible revenue sources, and asks UCPB to support increasing tuition and undergraduate enrollment, especially of non-resident students, on a temporary basis, and to oppose any mandate to campuses to reduce overall undergraduate enrollment.

One concern is that UC will send a message that it can do more with less if campuses enroll more students while the state cuts funding. Over-enrollment will also harm quality. A better option is to increase the proportion of non-residents and keep total enrollment steady. However, campuses differ in their ability to recruit non-residents. There may be a need for some level of

“socialization” of non-resident tuition revenue in the short term, to give all campuses an opportunity to chance to develop their recruitment efforts.

Discussion: Vice Chair Anderson asked UCPB to send its comments to the Powell Commission Implementation Task Force rather than the Academic Council because the issues raised in the letter should be discussed in the context of re-benching. He also advised against UCPB or the Senate advocating for a tuition increase. This is an area best left to Presidential leadership. It was noted that increasing enrollment could help campuses generate revenue in the short term, but is not sustainable long-term, because of its effect on quality. It was noted that enrollment issues would ideally be considered alongside re-benching, but campuses are making enrollment decisions now, and re-benching may happen much later. UCOP should not mandate enrollment targets this year.

Action: UCPB will forward its comments to the Implementation Task Force.

VI. Recommendations on Memo on Senate Membership

Action: UCPB approved the draft memo and will forward it to the Academic Council.

VII. Member Items

The UCSD administration has proposed a new per unit quarterly technology fee to fund the maintenance of technology. There are new fees being proposed on several other campuses. Students are vehemently opposing them as a hidden tuition increase.

UCPB will meet in person on April 5 and by iLinc on May 2. The in-person meeting scheduled for June 7 may be rescheduled for a day in June after the tentatively scheduled special election.

The meeting adjourned at 1:00 pm
Minutes prepared by Michael LaBriola
Attest: James Chalfant