

**Minutes of Meeting****April 5, 2016****I. Chair's Announcements***Shane White, UCPB Chair*

**Update:** Chair White updated the committee on two issues from the March Regents meeting: The Retirement Options Task Force report and the President's related recommendation, and the findings of the Joint Committee on Faculty Discipline. Regarding the former, Chair White reported that the DB faculty supplement as requested by the Senate and proposed by President Napolitano is more generous than that proposed by the Task Force, since accumulations start on the "first day/first dollar". Some concern remains, though, about how "faculty" will be defined for this purpose. A related concern is the segmentation of the employee population for differential benefits. The President's proposed stand-alone DC option is less generous than the Task Force recommended.

Regarding the Joint Committee report, Chair White noted the calls for closer integration of Title IX and P&T investigations, better communications between Title IX officers and the chancellors' offices, a wide-reaching education campaign, the confidential resource for faculty, data transparency, and clarifications of convoluted status quo processes.

**II. Consent Calendar***Note: Item deferred.***III. Review Items****1. SSP Review: Proposed Master of Finance from UCI***Jennifer Johnson-Hanks, UCB Representative and Lead Reviewer*

**Issue:** This is a one-year, 4-quarter program that differs from the extant MBA due to its quantitative and statistical focus. Similar programs elsewhere suggest a good market, and external reviewers were supportive. 4 new faculty will be hired over time from program fees. Questions surround growth projections (quadrupling in size in the first few years) and the use of status quo classes during the program ramp-up.

**Discussion:** Members noted that the shared classes would be from another SSP, not a state-supported program, but that raises the question of which program keeps the fees or how they will be divided. Similar questions are involved when classroom space is assessed. Members had questions regarding the other classes to be taught by the new hires, as well as where new hires would be housed and when they would be hired. Members also noted that the return to aid did not begin until year 4, but it was listed at 7.5%.

**Action:** Professor Johnson-Hanks will revise the review for transmittal to CCGA.

**2. UC Mexus 15-year Review**

**Issue:** UC Mexus is being reviewed in accordance with the Compendium for its 15-year, or sunset, review. UCORP coordinated the Senate's participation with ORGS, and

identified three issues for focus: the impact of unrestored budget cuts on program operations, governance and communication impediments, and unfunded mandates. Creative approaches are needed to bolster the program; early ideas include short-term student exchanges, focused symposia, external support for research from both countries, integration with other systemwide efforts, and empowering the advisory committee as well as the board of directors to help on strategic issues.

**Discussion:** Members noted the low visibility of the program as another concern.

**Action:** Analyst Feer will draft a memo to UCORP for electronic approval.

3. Proposed Amendments to APM 360 and 210.4 (Librarians and Review Committees)

*Note: Item deferred.*

4. Proposed Amendments to 278, 210.6, 279, 112 and New APM 350 (Clinicians)

*Note: Item deferred.*

#### IV. Consultation with Academic Senate Leadership

*Dan Hare, Academic Council Chair*

*Jim Chalfant, Academic Council Vice Chair*

**Update:** Chair Hare updated the committee on several items of interest: 1) The Regents approved the intolerance statement, after accepting a proposed revision from the University Committee on Affirmative Action, Diversity, and Equity (UCAADE), which clarified that “anti-Semitic forms of anti-Zionism” were unacceptable. 2) The second set of transfer pathways has been completed. Smaller majors, such as biology subfields, are considering whether to sign on to the pathways since many general courses overlap while only upper level classes require specialization. 3) Vice Chair Chalfant is resigning from the UCRS Advisory Board to focus on next year’s Council Chair duties. An election will occur in May. 4) The Council received an update on cybersecurity efforts. Campus level conversations regarding deployment should begin soon. 5) The Council also discussed the Joint Committee on Faculty Discipline report. Not all faculty reviewers are satisfied with the report, especially since high-profile cases emerged only after much of the group’s work was completed. The high prevalence of early resolution suggests that the negotiated settlement process needs additional transparency and guidelines. The proposal to establish an oversight committee for settlements is receiving mixed reviews.

#### V. Consultation with Chief Financial Officer

*Nathan Brostrom, CFO*

1. Campus budget processes

**Issue:** CFO Brostrom’s office will present to the Regents campus budget spreadsheets, highlighting cash versus accounting balances, over the next several meetings. On most campuses, the ratio is pretty even, except at Berkeley due to their structural deficit. A 6% debt-to-operations ratio is considered good.

**Discussion:** Members asked if UCPB could review the template the campuses will be asked to fill out, and CFO Brostrom agreed it would be helpful.

2. Capital planning processes

**Issue:** UCPB inquires what projects are in the capital pipeline, and how priorities are set for the pipeline. CFO Brostrom indicated that 70% of pipeline projects are life-safety

related. The Regents committee on Grounds and Buildings plays an important role in these decisions.

3. Retiree Health prefunding

**Issue:** New GASB rules require the incorporation of this liability in balance sheets moving forward. CFO Brostrom said his office is working to secure Proposition 2 funds for this purpose. Additional funds will have to come from the campuses.

4. Thirty-meter Telescope

**Issue:** Indigenous people's concerns over the location of the TMT have halted construction in Hawai'i. CFO Brostrom reports that an alternate site report is expected in May.

5. State Audit

**Issue:** The state audit is viewed by many within UC as a political attack rather than an objective assessment of UC expenditures. The political headline is resonating, despite the numerous methodological concerns. CFO Brostrom will testify tomorrow before the state legislature.

**Discussion:** Members noted that UC has already ceded the narrative – such as continuing to use “displace” in any sentence with non-resident students, and thus is guaranteed to look bad in the press. Members asked how non-resident enrollment was to be framed for the legislature- as academic diversity in the classroom, as likely alumni donors, as future in-state residents? Council Chair Hare noted that cloakroom lobbying of legislators was on-going and that BOARS was developing an op-ed in defense of UC's non-resident enrollment practices. Nonetheless, persuading the public and the legislature that paying extra for academic quality is an uphill battle. Simply fulfilling Master Plan obligations is no longer a compelling defense to many audiences.

## VI. Consultation with Budget Office

*Debbie Obley, Associate Vice President, Budget Analysis and Planning*

*Todd Greenspan, Director, Academic Planning*

1. Enrollment

**Issue:** Talks with the state Department of Finance, who will determine whether UC has met its enrollment target for 5000 new California undergraduates, have gone well. DOF will conduct an FTE-based analysis to assess UC's enrollment progress, and is aware of the discrepancy between state budget deadlines and UC admission deadlines. Heavy reliance on transfers may prove problematic, but UC is prepared to use winter and spring admits to close the gap, if needed. President Napolitano has also agreed to an additional 2500 California undergraduates each of the subsequent two years. By-campus allocations are still being developed. Whether, and if so at what level, to cap non-resident enrollment is a topic of much discussion both within UC and in the legislature.

2. State Audit

*Note: See V.5 above.*

## VII. Campus Updates

Berkeley: Professor Johnson-Hanks will inquire if there is any role for UCPB in helping UCB address its structural deficit.

Davis: Capital planning representatives met with CPB, but their actions seem ad hoc at present.

Riverside: Campus and departmental budget meetings are starting, but a campuswide strategy has not yet been communicated.

Santa Barbara: Coastal Commission processes further hamper efforts to open the budget “black box.”

Santa Cruz: The campus EVC is retiring. Capacity issues are moving to the fore of many discussions. How best to split academic and non-academic funds continues to be a topic of concern.

### **VIII. Consultation with Academic Personnel**

*Susan Carlson, Vice Provost*

**Issue**: Last year’s faculty salary actions directed 1.5% of payroll to all faculty, and 1.5% of payroll to be directed to the targeted areas of equity, inversion, compression, and exceptional merit. The outcomes of the discretionary allocations have been collected by Academic Personnel. HSCP and other academics were not included in the current analysis. Despite wide variation by campus, most of the discretionary funds were used to address cases of equity.

**Discussion**: Members asked how HSCP was excluded from the reporting requirement, and VP Carlson indicated that the Y factor and other reporting limits prevented them from submitting useable data. Further, state funds are disallowed from supporting Y and Z components of HSCP, and HSCP does not include off-scales. Members noted that including exceptional merit could worsen equity or inversion concerns.

VP Carlson noted that President Napolitano will again determine allocations for the 2016-17 faculty salary actions. At the March Regents meeting, the President said she would return with a merit-based plan for faculty and staff. Although no new funds will be available, allocation strategies and guidelines can be developed pro-actively to inform EVC decisions. Members noted that 3% annually, no matter how it is allocated, will never close the cash compensation gap with the Comparison 8, especially if half of the pot is given differentially and not the scales. General inflation, especially medical costs, exceeds the rate of salary increase, further harming UC’s competitiveness. Multi-year plans are viewed with considerable skepticism following the failure of the past several multi-year plans to secure out-year funding. Members also noted that all faculty are considered above average regarding merit, or else they would not be UC faculty. However, since the faculty merit review cycle is 3 years, year-by-year salary plans must be aligned with faculty review methodology – or vice versa.

### **IX. New Business**

*None.*

Adjournment 3:30.

Minutes prepared by Kenneth Feer, Principal Analyst

Attest: Shane White, UCPB Chair

Attendance:

Shane White, Chair (UCLA)

Bernard Sadoulet, Vice Chair (UCB)

Jennifer Johnson-Hanks, Berkeley

Mitchell Sutter, Davis

James Steintrager, Irvine

Monica Smith, Los Angeles (Alternate, phone)

Mukesh Singhal, Merced (phone)

Ken Barish, Riverside

Sonia Ramamoorthy, San Diego (Phone)

Josh Schimel, Santa Barbara

Abel Rodriguez, Santa Cruz