I. Chair’s Announcements

Chair Newfield welcomed members to the new business year and offered these updates:

The 2006-07 year. UCOP is now in a period of transition; UCPB and the Senate have an opportunity to weigh in on issues that will shape the organization the Office of the President and the future vision of the university. Among these will be ongoing deliberation of compensation structures, the future of the UC budget, and graduate student funding. UCPB has built up momentum in its initiatives over the last few years, which is in part reflected in the Futures Report and in UCPB’s key contributions last year that helped shape the Senate’s positions on compensation and graduate student funding issues. It is important that this year’s committee this momentum and pro-activity. Later today members will be briefed by the systemwide Senate leadership on the review process followed for delegated reviews. UCPB may choose not to opine on items not pertinent to the UPCB charge, and should address relevant proposals with due dispatch.

Academic Council update. The issue of tobacco funding took up a significant portion of the September 27 Council meeting. The Senate has been asked to respond to the Regents as to whether a ban on tobacco funding is now advisable in light of the recent U.S. District Court finding that major tobacco companies were in violation of the Racketeer-Influenced and Corrupt Organization (RICO) Act. Council endorsed a statement advising against a Regental ban based on moral or political assumptions about a donor. The Assembly will debate this issue at its meeting tomorrow.

In a slide presentation, Chair Newfield reviewed the UCPB charge and outlined committee issues, indicating stage of development or review progress for each item. These include issues related to:

- Research planning and funding - such as: the MRU review process; reviews of specific MRUs; review of the Cal ISI and the Cal ISI budget; the Industry-University Cooperative Research Program (IUCRP); lab management; faculty research support.
- Education funding – such as: graduate student support and the GSAC report; professional school fees; EAP.
- University budget and planning and policy – such as: senior management group (SMG) compensation; faculty and staff compensation; UCRP contributions and health plan increases; administrative growth analysis; the Futures Report -wider distribution and follow-up recommendations.
- Delegated reviews (as noticed).
II. Overview of UCPB Liaisons and Selection of Representatives to SLASIAC and IUCRP Steering Committee

- **Technology Transfer Advisory Committee (TTAC)** – UCPB’s representative is Norman Oppenheimer (SF). This update will be provided after the first TTAC meeting, later this fall.

- **Systemwide Library and Scholarly information Advisory Committee (SLASIAC)** – A new UCPB representative is needed for this group.

- **Education Financing Model Steering Committee** – UCPB representative, Calvin Moore (B).
  
  *Update*: This group has been in existence for 16 years. It steers and oversees the UC undergraduate financial aid process and focuses on major related issues. It has not met since last April when the fee increase buy-out was the main issue. The situation is at the moment stable. A meeting is planned for later this month.

- **The Industry-University Cooperative Research Program (IUCRP) Steering Committee** - UCPB alternate, Calvin Moore.
  
  *Report on September 25 meeting* - The program is currently funded at $17.6M after budget cuts (down from $20M); this is used as matching grants for groups that receive industry funding. IUCRP was started under former UC President Dick Atkinson, and has been headed up since then by Director and Associate Vice Provost for Research, Suzanne Huttner. Provost Hume attended the September 25 meeting. The program is currently undergoing a regular audit, but is also in need of an overall review. The Senate should call for the review of IUCRP as soon as outstanding issues are resolved. Such a review could also include MICRO (Microelectronics Innovation and Computer Research Opportunities), which is in nature similar to IUCRP.

  **ACTION**: Calvin Moore will be nominated to serve a two-year term as UCPB representative on the Steering Committee of the Industry-University Cooperative Research Program (IUCRP).

  **ACTION**: Susan Gillman volunteered to serve as the UCPB representative on the Systemwide Library and Scholarly Information Advisory Committee. Analyst Foust will send Professor Gillman more information on SLASIAC.

III. Consultation with Provost Hume

Responding to UPCB member questions and comments, Provost Hume addressed the following issues:

**Graduate Student Non-Resident Tuition (NRT)**. Eliminating first-year NRT for graduate students violates current state law. In order to work around this impediment NRT will be collected and then returned as aid to students. This process will be carried out at the campus level and most likely will mean a budgetary trade off of some sort.

**Review of the Education Abroad Program**. As per the Senate’s recommendation, three new members have been added to the ad hoc review committee. The timeline for finalizing the report will now be extended. UCPB will be kept apprised of the progress of the review.

**Transitions at UCOP**. The two Executive Vice President positions now under recruitment will have some overlap with academic affairs. The Chief Financial Officer
will be responsible for financial strategy and management, including hospital financing but not areas related to care and teaching. This person will work with the Regents Finance Committee and his/her duties will also overlap with Budget Office. The Executive Vice President of Business Operations’ oversight will include research administration and funding. There is the question of who would fill the role of the current Vice President of Budget and where that position will be placed. A Vice President of Academic Planning and Budget is also being recruited, and it is not yet determined who, within the new structure, will be responsible for articulating budget priorities and representing UC in budget negotiations in Sacramento.

**Academic Planning and Priorities (APP).** Overall, APP entails the work of:

- *The Long Range Guidance Team*, which is issuing a report this fall that will in part focus on strategic planning as integrated with California agriculture and technological development and on primary education.
- *The Task Force on Undergraduate Education*, newly formed on the basis of a Senate proposal.
- *The Task Force on Planning for Doctoral and Professional Education (PDPE).*
- *Systemwide Academic Planning (SWAP)*, an effort to build on individual strengths of each campus while enhancing communication and cooperation among all campuses. Each campus is being asked to share its plans with the other campuses, and to build planning processes with direct Senate involvement. EVCS are now preparing reports on campus academic plans, which should be completed by end of year. The next step will be to integrate the Senate into the process, which will assume significant involvement at the divisional level and critical input from the Academic Council and UCPB at the systemwide level.
- *The Academic Planning Council*, which is the steward of all these activities except for those of the LRGT.

**DISCUSSION:** Members discussed the duties related to the current Office of Budget, where previous functions of planning and analysis would lie, and whether it would make sense to split the budget functions between the CFO and the Provost’s Office. Members agreed that the function of setting academic budget priorities cannot be decoupled from the academic planning processes and that the chief budget officer should be under the Office of Academic Affairs. In addition, Chair Newfield noted that UCPB wishes to take the next steps to integrate the findings of the Futures Report into budget into planning actions, which can include: 1) having the numbers validated by the Budget Office; 2) obtaining a written response from the administration; and 3) presenting the report along with recommendations to the Regents.

**ACTION:** UCPB will forward to the Academic Council a recommendation that the UC budget should be developed out of academic planning and priorities, and that therefore the primary budget officer of the University should come under the aegis of the Office of Academic Affairs.
IV. Presentations from the Systemwide Senate Leadership

Remarks and briefings from the Senate Leadership on Systemwide Senate policies and procedures, committee member roles, and on some of the issues before the Senate and University this year.

Michael T. Brown, Academic Senate Vice Chair

Vice Chair Brown welcomed members and thanked them for their service on the systemwide Academic Senate, noting that shared governance at UC is unique in allowing faculty decision-making power as well as a position of influence with the administration and on the Board of Regents. Remarketing on committee function, he noted the following: The role of the committee chair is to lead the committee in proactive and responsive actions that come under its charge and to represent the will of the committee. The role of members is to report back to campuses and to inform UCPB on campus activities; however, in participating in UCPB decisions, members should present the perspective of their campus while being informed by the larger discussion and the systemwide perspective. The Senate Chair and Vice Chair should be kept informed of committee activities. The input of student representatives is valued and it is hoped they are active participants in meetings. The committee analyst provides professional support to the committee in a number of areas, including the drafting of reports and recommendations, committee responses, developing meeting agendas, and preparing minutes. Members are reminded that that any meeting may include an executive session, which can be called at any time by majority vote.

John Oakley, Academic Senate Chair

Chair Oakley stressed the critical role of the Academic Senate in shared governance at this time of transition for the University. He also noted the need to maintain the vision of UC as ten campuses with shared goals within one university. He listed some key issues facing the Senate this year, including: UC’s changing relationship with the DOE labs; the recent UCAP report on reform of the faculty salary scale; health care and pension issues; graduate student non-resident tuition; total compensation and the salary-pension interplay; and revising the senior management salary plan. In addition, he addressed these particular issues:

**Labs Issues** – The LANS contract is still proprietary, although it is understandable that the Senate has an interest in gaining a full knowledge of UC’s new role in management of LANL. The Lawrence Livermore bid is still in the competition phase. The Academic Senate Special Committee on the National Labs (ACSCONL) has proposed guidelines for ongoing interactions between UC faculty out of concern that UC may be used mostly as a holding company and that faculty oversight may be lost in the new order of things vis a vis the labs.

**The UCPB Futures Report** – When asked how best to follow up on the report and not lose momentum gained in discussions last year, Chair Oakley advised a bold but cautious approach with the consensus of this year’s new Council and representing broad based support. He noted that there has been no challenge to the report’s data, but that the Senate should maintain a good neighbor policy by keeping the CSU and the CCCs in mind when formulating recommendations for stronger public support of UC. It may be possible to
present the report to the Regents as a constructive proposal sometime after the November election.

Maria Bertero-Barcelo, Academic Senate Director

The Executive Director informed the committee that the Futures Report has not gone through the formal Senate review process, which involves sending it out to all Divisions and standing committees for comment, endorsement by the Academic Senate, and then, as determined by Council, submission to the Assembly for full Senate endorsement. She then provided further information on the policies, procedures and role of the Systemwide Academic Senate Office, including

*Travel Policies and Procedures.* The Systemwide Senate reimburses travel expenses for members (or their alternates) serving on Academic Senate committees. Travelers are responsible for their own travel arrangements. Reservations should be made through the UCLA Travel Center, which allows the Senate to receive state fares and to pay for tickets directly, thereby relieving the traveler of any financial burden. Note that UC travel policy now requires that all Travel Expense Vouchers (TEVs) to be submitted within 21 days after completion of travel.

*Committee Website.* Each of the Senate’s standing committees has a page on the Senate’s website that contains the committee’s bylaw, roster, meeting dates, resources, and reports and recommendations that have been approved or officially received by the Academic Council. Simplified agendas and approved minutes are also posted on each committee’s public webpage. It is important to remember that once the committee approves minutes of a meeting, they are posted on the public website and cannot be redacted.

*Structure and role of the Senate Office.* The Executive Director is the chief administrative officer of the Senate and is responsible for implementing policies and allocating resources to best support the committee (and the Senate as a whole) in fulfilling its charge.

**New Business - The 2007-08 Budget, Consultation with Larry Hershman, Vice President- Budget**

**REPORT:** In good times, discretionary programs like UC do well, however, the proportion of the state’s budget that is discretionary is relatively small. Last year, education was used as leverage in the argument to raise taxes. Governor Schwarzenegger inherited a big structural budget problem, although things have improved in that there now are some reserves and greater borrowing power. The deficit gap has narrowed, but is still about $4.5B.

**2007-08 Budget**

The 07-08 budget document will be ready in time for UCPB’s next meeting. The Department of Finance continues to want to fund the basics of the Compact -- 4% general increase for salaries, an increase for enrollment growth, plus a new formula for funding enrollment and expansion of health science programs. This year, the Regents will be asked to approve fees in January, after the new gubernatorial term begins. The fee proposal will likely entail an increase of between 5 and 10 percent (as provided for in the Compact).

**UCRS contributions.** To cover fund costs, it is likely that a split similar to that of PERS will be set in which employees would contribute 5 points and UC 11 to make up the total
of 16% of the fund. Although this will constitute a significant change, it will be phased in responsibly. The Senate has been clear in advising resumption of contributions as soon as possible in order to keep the UCRP funded. The phase-in is planned to start in July 07. Take home pay won’t change at first, and it is hoped that this will be done in conjunction with offsetting compensation increases.

Graduate student support. NRT will not be increased. In the event that fee increases are imposed this year, there will be an attendant significant rise in return-to-aid. Additional support will come from savings from strategic sourcing.

Research. A new initiative for research will be advanced that would build up over time to, say, $50M and would to restore cuts to some extent.

Capital budget. This is dependent on the bond issue that will be decided in the November election.

V. 15-year Review of UCCLR

ISSUE: CCGA, UCORP, and UCPB have been asked to submit recommendations on funding and operations of UCCLR in light of a statement of the UCCLR Director and the reports resulting from last year’s 15-year Review of UCCLR.

ACTION: This item is deferred until the November 14 meeting.

VI. Issues under General Senate Review

ISSUE: For each of the following issues out for review, a UCPB subgroup will be appointed to prepare draft comments for the November 14 meeting.

2. Recommendations of the Joint Senate/Office of Research MRU Workgroup
3. Proposed Senate Bylaw 16 – Senate Director

ACTION: Two members will be confirmed by email as the lead reviewers of the Report of the MRU Work Group.

ACTION: UCPB will not opine on the Proposed Senate Bylaw 16. Whether UCPB will opine on the IRB report is to be determined.

VII. Cal ISIs – Operating Budget

ISSUE: UCPB and UCORP have had ongoing concerns about the long term budgetary needs surrounding the Cal ISIs and their potential impact on the campuses and UC as a whole. Inquiring into and making recommendations on core funding for the Cal ISIs was seen as a major issue for UCPB to undertake in the current year.

DISCUSSION: Members concurred that UCPB should now begin to look at the question of Cal ISI operating budgets in depth. The first step will be to request information from the host campuses, and to also gather information from the various local Senates on host campuses.

ACTION: UCPB will, through the Academic Council, request campus information on the operating budgets of the four Institutes from OP.
VIII. Cost of Undergraduate Education –
Please review report: *The Cost of Undergraduate Education at a Research University* at: [http://socrates.berkeley.edu/~schwrtz/](http://socrates.berkeley.edu/~schwrtz/)

**ACTION:** This item was deferred until the November 14 meeting.

IX. UCPB Futures Report – Follow-up Recommendations

**ISSUE:** A central task for this year’s UCPB is to develop concrete recommendations that follow on the findings of the Futures Report (May 2006).

**DISCUSSION:** During consultation with Vice President Hershman (see New Business, above), and with Provost Hume, it was agreed that one of the first steps in generating specific budgetary proposals coming out of the analysis of the Futures Report would be to obtain OP validation of the data used for the report.

**ACTION:** The Budget Office will verify the numbers that provide the basis for the UCPB Futures Report and confer with the co-authors regarding the outcome.

X. DOE Lab Issues (Discussed after item IV in actual order of meeting.)

*Review of last year’s communications on lab matters and discussion of the Academic Council Special Committee on the National Labs (ACSCONL) proposal on Lab/UC Faculty Interactions Guest participants: Professor Dan Simmons (UCD), ACSCONL Member and Member of the President’s Council on the National Labs; and Bill Eklund from the UC General Counsel’s Office.*

**ISSUE:** Last year, UCPB forwarded a number of specific questions on UC’s new relationship with LANS LLC to President Dynes. The response, received in March, left some questions unanswered and raised the question of whether academic benefit or public service provided the rational for UC’s management of the DOE labs. In a related action, UCPB also raised objections to ACSCONL’s proposed guidelines for Lab/UC Faculty interactions on the basis that the document was premature and should be deferred until fundamental questions about UC and the labs have been resolved. These questions center on: 1) UC’s management authority and liabilities; 2) budgetary impact; 3) retirement fund impact (will a reduction of UCRP assets result?); 4) intellectual property issues in the context of new industry partnerships; and 5) conflict of interest. The ACSCONL proposal is going before the Assembly tomorrow for ratification.

ACSCONL member Simmons made these points: UC has historically managed the labs as a public service. Recently though, there has been more emphasis on UC’s expertise in science and technology as a rational for a management role. UC has over the years served the country well. Because of security breaches and other problems in recent years, confidence was lost in UC’s ability as a manager. The provisions of the new management entity – the Los Alamos National Laboratory (LANS) LLC, of which UC is a partner, have integrated science and technology into the operations side. LANS is overseen by its executive committee and the management fee is divided up among the
partners. In the terms of the new partnership arrangement UC no longer has decisive control of the Los Alamos lab.

UCOP Counsel Eklund outlined the LANS LLC organization, its reporting lines and the makeup of the Board of Governors, and fielded questions from UCPB members on a number of issues relating to UC’s role in LANS, including: the extent and nature of UC’s financial and legal liability; the mechanism for retirement transitions for LANL employees and the related impact on UCRS; the lab management fee and what it will cover.

**DISCUSSION:** Regarding the ACSCONL proposal, UCPB members felt that is should include provisions for increased vigilance in particular with regard to maintaining the integrity of the university, and that this be done through greater and more direct involvement of the Senate and its committees in major lab/UC policy issues.

**ACTION:** Chair Newfield will formulate and present UCPB’s concerns regarding the ACSCONL proposal at tomorrow’s meeting of the Assembly.

**XI. Research Funding**
Due to lack of time, this item was not addressed.

Attest: Chris Newfield, UCPB Chair
Minutes prepared by: Brenda Foust, Policy Analyst