

UNIVERSITY OF CALIFORNIA ACADEMIC SENATE
UNIVERSITY COMMITTEE ON PLANNING AND BUDGET

Minutes of Meeting
May 7, 2019

I. Consent Calendar

- Approval of UCPB May 7, 2019 agenda
- Approval of UCPB April 2, 2019 minutes

ACTION: UCPB approved the consent calendar.

II. Announcements

- *Eleanor Kaufman, UCPB Vice Chair*
- *Jim Steintrager, UCPB Chair*

UCSF-Dignity: At its April meeting, Council discussed the proposed affiliation between UCSF and Dignity Healthcare. Many faculty members are concerned that Dignity, a religiously-affiliated hospital system, places restrictions on services such as tubal ligation, abortion, gender-affirming care, and end-of-life care in ways that do not align with the UC mission. Other faculty point to UCSF's and Dignity's shared commitment to the social safety net and to underserved urban populations. Council members also differed on the question of whether the affiliation should be left to local campus jurisdiction or discussed as an issue of systemwide concern. There were also concerns that UCSF had not provided information about "Plan B" alternatives it had considered for increasing bed space and access to healthcare.

Fossil Fuels Memorial: Seven Senate Divisions have approved a Memorial to the Regents proposed by the San Francisco Division concerning the University's divestment from fossil fuels. The vote meets the threshold set in [Senate Bylaw 90](#) requiring approval by at least three divisions representing 35% of total Senate members. The Memorial will now move to a vote of the entire UC faculty.

III. Consultation with Academic Senate Leadership

- *Robert May, Academic Senate Chair*
- *Kum-Kum Bhavnani, Academic Senate Vice Chair*

Chair May noted that he wants to gather and present to the Regents a consensus view of the UC faculty, to the extent possible, on the proposed affiliation between UCSF and Dignity. A number of Senate divisions and committees have already registered their opposition to the deal. The UCSF Senate supports the affiliation as a favorable business opportunity that will help UCSF offer better care to more patients. Chair May noted that Dignity hospitals are subject to the Ethical and Religious Directives for Catholic Health Care Services, whose values on issues such as reproductive rights are inconsistent with UC values. He and other faculty believe it is inappropriate for UC to enter into a branded affiliation with an institution that is actively promoting the repeal of some reproductive rights. The issue affects the entire University, not just one campus. He invited UCPB to evaluate and opine on the affiliation, not necessarily through a planning and budget lens, but as a group of UC faculty.

- Several UCPB members agreed that UC should not affiliate with an organization that actively discriminates against specific groups and has inconsistent values on issues such as reproductive rights. Others noted that the opponents of the affiliation had not made a strong enough case and expressed concern that UC would pass up an opportunity to serve underserved populations. Ultimately, UCPB decided it would not opine since it operates as committee with a particular charge and not as a group of UC faculty.

IV. Consultation with UCOP

- *David Alcocer, Associate Vice President, Budget Analysis and Planning*
- *Kieran Flaherty, Associate Vice President & Director, State Governmental Relations*

State Budget: The University's budget advocacy efforts are in high gear in anticipation of the release of Governor Newsom's Budget Revision on May 9. UC officials are meeting with representatives from the Governor's office and the Department of Finance to advocate for full funding of the University's budget request, and UC supporters have placed 150 calls to the Governor's office in less than 48 hours. UC is optimistic, given that State revenues are currently \$1.6 billion higher than January projections, and the "rainy day" fund established by Governor Brown is full.

Governor Newsom's January budget proposal did not include funding for new enrollment growth at UC, nor did it fund UC's proposals for faculty and non-represented staff salary increases. However, the Governor has clarified that he expects the Legislature to add enrollment funding to its budget bill, which UC emphasizes should be a permanent addition to its base budget. The University is also making the case for fair and competitive faculty and staff compensation, in part by emphasizing its unique staff profile relative to other state agencies.

Nonresident Tuition: To address concerns from UC Regents about how a proposed 2.6% increase in nonresident supplemental tuition (NRST) would affect low-income students and diversity, UCOP will present to the Regents in May a modified proposal combining a 2.6% increase in NRST, with a 10% set aside from the increase to support needy nonresidents. Nonresidents are no longer eligible for financial aid generated from the University Student Aid Program (USAP), UC's main financial aid program that supports return-to-aid from base tuition, after UC began phasing out nonresident eligibility for USAP in 2015. The four-year phase-out ended this year.

UCRP: A new "experience study" is evaluating funding assumptions for the UC Retirement Plan. The changing demographics and increasing life spans of UC retirees may require the University to revise actuarial assumptions that will necessitate a change in the discount rate (the assumed rate of return on investments; 7.5% per current policy). A 0.25% decrease in the discount rate could add \$4 billion to UCRP's unfunded liability that could affect the employer contribution rate or the timeline for maintaining the current 14% employer contribution rate.

Cohort Tuition: Associate VP Alcocer distributed an analysis of several cohort-based tuition pricing scenarios for resident and nonresident undergraduates that guarantee entering students a certain tuition level over four years (or for the duration of their enrollment). The models assume a base annual tuition adjustment of 3%. They show that for revenue to break-even over the base

assumption, an initial phase-in period with higher increases would be needed before arriving at a steady state in which each incoming class would pay 3% more tuition than the prior class. The models illustrate the pricing effects of phase-in periods of two, three, and five years.

Cohort tuition would increase predictability for students and families and would not affect affordably for low-income students, as USAP would cover the full increase for about 57% of students. UC is talking to other universities about their experiences with cohort tuition policies.

V. Campus Reports

Santa Cruz is discussing retention and morale problems stemming from uncompetitive staff salaries and a potential Senate role in addressing the issue. Merced is having a campus-specific conversation about the extent to which 1) Merced staff are overworked relative to better-funded UC campuses, and 2) Merced faculty and staff are underpaid relative to other UC campuses. It was noted that UC's staff classification system is cumbersome and makes it difficult to reclassify staff positions. A UCPB member also noted that some in-residence and other health sciences faculty titles funded from non-State sources have not been treated fairly and equitably.

A UCLA Senate working group has drafted guidelines for new self-supporting graduate and professional degree programs (SSGPDPs) on that campus. If approved, the new rules would mandate that the department offering the SSGPDP be guaranteed 75% of net revenues from the SSGPDP. The guidelines also propose new rules for mixed enrollment classes (those enrolling both state-supported and self-supported students in the same classroom), and mandate that faculty who teach in the proposed SSGPDP must do so on an overload basis, which would effectively prohibit teaching "buy-outs." The new guidelines are designed to avoid harming state-supported programs. They would not apply retroactively to the 16 existing SSGPDPs at UCLA.

VI. Self-Supporting Programs

➤ UCI Proposed Conversion of MA in English to Self-Supporting Master of English

Chair Steintrager recused himself from the discussion led by lead UCPB reviewer Professor Kinney, who noted that the existing UCI Master of English degree program targets primarily working teachers and is currently offered only during summer session. The MA has for all practical purposes been operating as a self-supporting program; however, declining enrollments led the English department to suspend admissions and propose converting the program into a year-round part-time SSGPDP with a new fee schedule. Professor Kinney noted that no provision is included for return to aid, although the program notes that tuition is only slightly higher than tuition for state-supported graduate programs; surplus revenues are modest; and the only alternative for generating a financial aid pool would be to raise tuition across the board. Members felt the program should do more to address the question of return to aid.

ACTION: UCPB voted to endorse the program with a recommendation that it clarify opportunities to increase financial aid to support access for low-income students.

VII. Declaration of Rights and Principles to Transform Scholarly Communication

o Richard Schneider, UCOLASC Chair

A year ago, UCOLASC drafted a *Declaration of Rights and Principles to Transform Scholarly Communication*, to guide UC's journal license negotiations with commercial publishers. UCOLASC believes that if adopted, the 18 Principles can help transform the system of scholarly communication to be more open, fair, transparent, and sustainable. Several Senate committees have endorsed the Principles. Last year, UCPB determined that it could not endorse them, after several members noted that they felt they lacked information about how implementation of the Principles and the shift to an open access (OA) publishing model could influence costs for individuals and the University.

Chair Schneider noted that the *Declaration of Principles* clarifies the faculty's concerns about the current subscription model, which is financially unsustainable, extracts money from the university, and provides large profit margins for commercial publishers earned off of the unpaid labor of faculty authors. The Declaration is an aspirational document that outlines the default terms and conditions of an ideal future state of scholarly publishing that gives faculty control over publications and enables the broad dissemination of scholarship.

It was noted that the UC Publisher Negotiating Team visited UCPB in March to describe in more detail the proposed multi-payer "Publish and Read" model agreement UC is seeking with Elsevier that moves all UC-authored articles to an OA model, with fees divided between authors and UC libraries. UCPB was persuaded that the model is a viable alternative to the current system, and financially sound.

The University recently reached an open access agreement with Cambridge University Press based on the Publish and Read model. UC's negotiations with Elsevier have paused but not concluded. If Elsevier provides a new proposal that meets UC's goals, UCOLASC and the California Digital Library (CDL) will return to the Senate. In addition, the CDL does not want to favor one set of journals over another, and intends eventually to also fund subventions for pure OA journals such as PLOS.

UCPB members expressed support for the Principles, and the progress UC is making in negotiations with publishers. There were some concerns about potential unintended negative consequences the Read and Publish model might have for non-STEM fields.

ACTION: A motion was made and seconded to affirm the principles; the motion passed in a vote of ten in favor, none opposed; one abstaining.

VIII. Systemwide Senate Review Items

1. UC Center in Sacramento Current State Assessment Report

ACTION: It was agreed that UCPB members would review the report for discussion in June.

2. Research Grants Program Office Current State Assessment Report

ACTION: Professor Schumm will review the report and identify relevant budget and planning issues for UCPB discussion in June.

IX. Cohort Tuition

UCPB returned to the cohort tuition proposal discussed in the morning. The committee expressed general support for the goal of predictable tuition increases, but not uniform support for a cohort tuition approach. UCPB members observed that regular, moderate inflationary-based increases would be attractive to students and families looking for predictability and would provide the University with a stable revenue strategy in an era of unpredictable State support. However, members also assumed that there would be little chance of gaining support from the Regents or the Legislature in the near term for a plan that assumes permanent annual base tuition increases of 3%, and even less chance of support for the cohort phase-in options involving larger increases for initial cohorts.

UCPB members noted the importance of securing predictable state support together with any cohort tuition plan, given that a cohort model that locks-in tuition revenue would not respond well to dramatic shifts in State funding. There was also support for tying tuition increases to inflation more precisely and through legislation. Members also noted that limiting the cohort guarantee to four years could hurt students who take five or six years to graduate, and who are also the most financially vulnerable. It was noted that the very act of proposing a cohort tuition plan could be useful to the extent that it helps open a new conversation with Sacramento about UC's need for predictable revenues. There was a question about how a cohort tuition plan would articulate with UC's multi-year budget and enrollment framework. UCPB's student representatives also expressed concern that a ten-year trajectory of annual 3% increases would further erode affordability.

X. Increasing UCPB Engagement in Budget Discussions

UCPB discussed how it might engage UCOP more effectively on ongoing budgetary matters, particularly during the early stages of UC budget development in the summer. UCPB members agreed that the committee should generally delegate summer engagement to UCPB leadership (chair, vice chair, and incoming vice chair) who will brief and consult UCPB on budget developments via email and/or short videoconferences, as needed. It was agreed that UCPB would write to Senate leadership noting its desire to maintain meaningful contact with UCOP over the summer to remain apprised on UC budget developments and requesting that they intervene with the budget office to advocate for this plan.

XI. UCPB Task Force on Agriculture and Natural Resources

In April, Vice Chair Kaufman briefed Academic Council on the current status of the UCPB Task Force on Agriculture and Natural Resources (TF-ANR). She noted that TF-ANR is discussing recommendations for changes and initiatives to enhance the reach and effectiveness of ANR. TF-ANR is also discussing its future – whether to continue alongside the new ANR Governing Council or whether to adopt another structure. One possibility is to place the Task Force under the aegis of UCORP, or of UCORP-UCPB jointly, given TF-ANR's interest in research policy

issues. TF ANR agrees that the three Academic Senate representatives on the Governing Council should have a formal connection to the larger Senate. One possibility is for TF-ANR to serve as a conduit for the Senate representatives when issues arise affecting all campuses. The Senate representatives have agreed that an official line of communication to the Senate would help them fulfill their role as Senate representatives, and have expressed a willingness to work with TF-ANR to communicate the Senate's views and goals, should the Task Force continue.

Meeting adjourned at 4:00 pm

Minutes Prepared by Michael LaBriola, Principal Committee Analyst

Attest: James Steintrager, UCPB Chair