

UNIVERSITY OF CALIFORNIA ACADEMIC SENATE
UNIVERSITY COMMITTEE ON PLANNING AND BUDGET

Minutes of Meeting

June 5, 2018

I. Consent Calendar

- Approval of UCPB June 5, 2018 agenda
- Approval of UCPB May 8, 2018 minutes

ACTION: UCPB approved the consent calendar.

II. Announcements

- *Joshua Schimel, UCPB Chair*

Open Access Principles: The Academic Council discussed the 18 principles proposed by UCOLASC to guide the University's future journal license negotiations with commercial publishers. Council members expressed general support for the Principles as negotiating objectives, but also echoed some of the concerns UCPB expressed in May about the viability of the "author pays" open access model, its potential financial impact on faculty, and its effect on the overall University budget. Council decided to send the principles for systemwide Senate review with a fall 2018 due date.

UCEAP: Academic Council endorsed the recommendations of a UCIE-UCPB-UCEP subcommittee for the structure of the proposed UC Education Abroad Program Advisory Committee that will advise the Provost and UCSB Chancellor. The subcommittee recommended an alternative structure with seven Senate representatives, including one UCPB member, and administrative representation from each of the ten campuses. It noted that that UCEAP is an academic program that requires substantial Senate involvement and oversight.

III. Compendium Reviews

1. Pre-proposal for a Seventh Undergraduate College at UC San Diego

UCPB reviewed a report from UCPB member Professor Carl Walsh about UCSD's pre-proposal for a seventh undergraduate college. The report noted that UCSD had satisfactorily addressed the four Compendium review categories for new schools and colleges: academic rigor, financial viability, need for the program, and fit within the UC system and the segments. It noted that UCSD's need for a 7th college arises from anticipated undergraduate enrollment growth. The 7th College will be funded primarily from core funds associated with that growth, and from housing income. UCSD plans to locate 7th College initially on the site now occupied by 6th College, which is moving in 2020, but 7th College will eventually need to redevelop the 6th College site or build a new site.

ACTION: A motion was made and seconded to approve the pre-proposal. The motion passed unanimously.

2. Proposed Master of Bioprocess Engineering at UCB

ACTION: Professor Mukesh Singhal volunteered to lead the review and report to UCPB in July.

IV. Campus Reports and Issues

- Several campuses will be spending more on faculty salaries than mandated in the President's plan, including UCSD, which announced that faculty in professor titles would receive a 4% increase to both the on- and off-scale portion of salary, and that faculty in the Security of Employment series would receive an additional 1% market off-scale component in addition to a 3% adjustment to their salary scales.
- The Davis Senate is reviewing a report on the campus's new Responsibility Center Management budget model, which is a method of internal budgeting that allocates state funding and tuition revenue to departments and other campus entities through incentive-based formulas and subventions. Riverside recently adopted a similar budget model.
- UCSC is exploring the extent to which there are department-based resources that can be returned to the central budget for potential reallocation. One barrier to doing so is that a faculty FTE provided to a division tends to remain in the division permanently, even after a faculty member retires or separates. UCPB members noted that in cases of separations and retirements at other campuses, a fraction of the FTE stays in the division and a fraction is returned to the center.
- The UCLA Budget Committee is discussing the extent to which faculty can increase their participation and influence on administrative committees that make decisions about capital planning and space allocations.
- The UCI Budget Committee is discussing the difficulty of assessing the quality of approved self-supporting graduate and professional degree programs. The campus views SSGPDPs as important revenue generators, but faculty also want to ensure their academic integrity and are concerned that they could divert resources from the core mission and impair quality over the long term. The Budget Committee has proposed including in new SSGPDP proposals a protocol and funding for a future external evaluation.
- The UCI Committee is also discussing the costs and benefits associated with the use of outside firms to perform analyses on, for example, enrollment yield projections, and the use of externally purchased software like Academic Analytics to inform decisions about tenure or rank. Faculty seek a more explicit discussion about the real costs and benefits of these systems prior to purchasing decisions, and about how the data are used.

V. Consultation with UCOP

- *Nathan Brostrom, Executive Vice President and Chief Financial Officer*
 - *David Alcocer, Associate Vice President and Director, Operating Budget*
 - *Seija Virtanen, Associate Director for State Budget Relations*
- The Governor's May Budget Revision projects a \$9 billion budget surplus the Governor wants to direct mostly to a rainy-day reserve and to one-time investments. His budget for UC includes a 3% base budget increase and \$100 million in one-time funding for deferred maintenance. The University is pleased that the Department of Finance (DOF) has restored the \$50 million sequestered from the 2017-18 UC budget.
 - The State Senate and State Assembly agreed to \$172 million in additional ongoing funding for the University, including a 3% base budget increase (\$90 million), a \$70 million tuition buy-out, and \$10 million for additional 2018-19 undergraduate and graduate enrollment growth. The two houses differed on other elements of the UC budget, including UC's request to fund existing over-enrollment and 2019-20 enrollment growth. The State Senate also agreed to reverse the Governor's \$40 million "Proposition 56 swap," and the Assembly promised \$120 million in additional Proposition 2 funding for UCRP if the University rescinds the defined contribution pension option for represented workers. The Senate and Assembly also differed on the Governor's \$100 million for deferred maintenance, and each house approved additional funding for specific research priorities. The Conference Committee will meet to reconcile the different proposals.
 - The Legislature based its spending proposals on the Legislative Analyst's revenue estimates for 2018-19, which are \$3 billion higher than the DOF estimates used by the Governor. The Legislature also approved \$2 billion more total expenditures than the Governor. Negotiations between the Governor and Legislature could result in a lower revenue estimate and expenditure plan. The Conference Committee must complete work by June 12 to meet the June 15 constitutional deadline for a state budget. The University continues to make personal appeals to the Legislature for funding priorities.
 - The state will continue to fund UCOP through a separate direct state appropriation. UC Path will be funded through a hybrid model that combines a direct state appropriation and a UCOP assessment on the campuses (done on a revenue neutral basis).
 - UC anticipates that the final budget will include trailer bill language asking UC to develop a plan for reducing undergraduate nonresident enrollment to 10% on every campus and an analysis of its revenue impact.
 - UCOP is developing a plan to address the effect of tuition buy-out on tuition revenue dependent programs like UCEAP and UCDC.
 - The University recently closed on \$2.1 billion in bond issues, including \$1.4 billion in general revenue bonds to support education and research projects on nine campuses, and \$700 million in Limited Project Revenue Bonds to support housing projects on seven campuses. Student demand for UC remains strong, and rating agencies have reaffirmed UC's AA rating.

V. Systemwide Reviews

1. [Proposed Presidential Policy](#) on Disclosure of Financial Interests and Management of COI in Private Sponsors of Research and Revised APM - 028.

ACTION: Send a memo stating no objections to the policy.

2. [Proposed New APM Section 675](#), Veterinary Medicine Salary Administration

ACTION: Send a memo stating no objections to the policy.

VI. UCOP Restructuring

The President has appointed Advisory Committees to consider [options from Huron Consulting](#) for the relocation of UC Health and the Division of Agriculture and Natural Resources (ANR) and make recommendations in time for action at the November Regents meeting. The President also is considering moving UC Press to UCLA and the Innovative Learning Technology Initiative (ILTI) to a new location.

- UCPB members noted that the collection of changes to systemwide programs housed at UCOP go beyond a simple reorganization of UCOP and reflect a fundamental reorganization of the University itself. They noted that the piecemeal approach to restructuring focused on individual programs lacks a clear strategic vision and may not adequately address broader questions about UCOP's overall role, mission, and structure, the long term value of moving a program to a campus, and whether the upfront investment produce savings over the long term.
- It was noted that moving a program to a campus can create an impression that a program is associated with a specific campus rather than a systemwide program serving all the campuses. ANR especially, has a significant budget and supports core academic programs that span mission-critical activities in teaching and scholarship at multiple campuses.
- Members noted that each Advisory Committee includes only one faculty member and the compressed summer timeline gives the Senate limited opportunity to opine. Several units being considered for a move have corresponding Senate committees that could provide meaningful input. However, UCIE, the Editorial Committee, and the UCPB Task Force on Agriculture and Natural Resources have not been significantly brought into the consultation process for the future of their respective programs—UCEAP, UC Press, and ANR.
- It was suggested that UCPB write to the Academic Council expressing concerns about the process of evaluating potential changes to systemwide programs housed at UCOP, noting that the changes require appropriate Senate consultation and involvement to ensure that the organization and management of the programs provide the greatest benefits to faculty and students.

ACTION: A letter to Chair White will be drafted and circulated to UCPB members for comment.

UCPB also reviewed a letter from a retired Davis professor expressing concern about the lack of consultation in an ANR decision to increase charges for the use of its Research and Experiment Stations. The professor asked UCPB to investigate how ANR developed its rate structures for charging faculty for using those facilities.

VII. Consultation with Academic Senate Leadership

- *Shane White, Academic Senate Chair*
- *Robert May, Academic Senate Vice Chair*

UC Budget: Chair White noted that the University secured the release of the sequestered \$50 million in part by demonstrating its commitment to the 2:1 freshman-to-transfer ratio. Particularly effective were UCR and UCSC's efforts, and UC's systemwide transfer guarantee MOU with the California Community Colleges.

Chair White asked UCPB to take the lead for the Senate next year in monitoring the UC and state budget and defining budget and planning priorities for the University.

Salary Scales: The Senate has requested preliminary modeling to help define potential options for fully addressing the 8.4% faculty salary gap between UC and the Comparison 8. Closing the gap over three years would have required 5.6% increases each year. The President's plan to address the gap over three years includes a 4% increase to the salary scales in the upcoming academic year. Chair White has asked UCFW to prepare a simple model for closing the remaining gap over two years that can be sent to the administration before the 2019-20 budget development cycle is initiated. UCPB's input and support is important.

SVSH Policy: The Department of Education Office of Civil Rights made a Resolution Agreement with UC Berkeley concerning its faculty disciplinary processes for Sexual Violence and Sexual Harassment (SVSH) cases. (The Agreement applies to all campuses.) Following the Agreement, the OCR raised three specific concerns about the University's Policy that relate to the Academic Senate. The President asked the Senate to consider the concerns, which relate to defining a reasonably prompt timeline for disposition of cases; providing equity of opportunity for cross-examination in a hearing; and defining an appropriate standard of evidence for faculty discipline. In addition, the CA State Auditor is releasing a report on UC's SVSH settlements later in June.

Regents Meeting: Chair White's [remarks to the Regents](#) in May included several recommendations for improving faculty diversity, including rigorous accountability by administrators, the radical expansion of the President's Postdoctoral Fellowship Program, and allocating resources to the methods and programs known to be successful.

UCOP Restructuring: The two Advisory Committee assigned to discuss the future of UC Health and UC ANR include a single faculty representative – Senate Vice Chair Robert May for UC Health, and UCR Professor Mary Gauvain for ANR. Professor May noted that the UC Health Advisory Committee is gathering information and reaching out to various stakeholders for input on the recommendation to move UC Health and its \$14 million budget to a new fiscal location, problems inherent with the current structure and the potential benefits and drawbacks of the

change. Chair White noted that the Huron Report is a political response to a political problem. He encouraged UCPB to send forward the letter discussed earlier today.

Retiree Health: The Working Group has been modeling cost scenarios that limit annual retiree health spending increases to 4%. Some models also depart from the current understanding that the 70% floor for employer contributions to retiree health care applies only to the medical part of the benefit. However, the Regents policy does not specify that the 70% floor must apply only to the medical premium, and a small surcharge on the dental premium, which is currently free, could help maintain the 70% floor. The Senate representatives and most of the other members of the Working Group are committed to ensuring a robust and viable retiree health benefit going forward. Consultants to the working group recently revised a prior assumption for 7% medical inflation next year to 3-4%. This cost increase is more manageable than anticipated, which means that UC will maintain the 70% floor in 2019.

VIII. Faculty Salaries

UCPB members expressed support for writing a letter to Chair White emphasizing the need 1) to maintain pressure to close the UC faculty salary gap, and 2) to fix the published UC salary scales.

ACTION: A letter to Chair White will be drafted and circulated to UCPB members for comment.

Meeting adjourned at 3:30 pm

Minutes Prepared by Michael LaBriola, Principal Committee Analyst

Attest: Joshua Schimel