I. **Consent Calendar**

- Approval of UCPB July 7, 2020 agenda
- Approval of UCPB June 2, 2020 minutes

**ACTION:** UCPB approved the consent calendar.

II. **Announcements**

- **Sean Malloy, UCPB Chair**

Chair Malloy invited incoming UCPB representatives with terms beginning September 1 to join today’s meeting, and several were in attendance. Chair Malloy will continue as UCPB chair next year and UCLA Professor Kathleen McGarry will be vice chair.

Prior to the meeting, Chair Malloy emailed UCPB updates on the June meetings of the Academic Council, Academic Assembly, Regents Health Services Committee, UCFW Health Care Task Force, and UCFW-TFIR, as well as the June 26 budget call with UCOP leadership.

The Academic Senate UC Presidential Search Advisory Committee (which includes Chair Malloy) met with the final candidate this morning. The Regents will announce the nominee and vote on their appointment at a special public meeting this afternoon.

Yesterday the U.S. State Department and ICE announced a new set of restrictions on foreign visa holders, which require international students who take completely remote programs to leave the country. The action has tremendous implications for UC and other educational institutions.

III. **Consultation with UCOP**

- **David Alcocer, Associate Vice President, Budget Analysis and Planning**

The final 2020-21 state budget bill of June 15 provides UC with permanent new funding of $25 million to support the UCR School of Medicine, and $15 million to expand the Fresno branch campus of the UCSF School of Medicine. However, the budget bill reduces UC’s state general fund allocation by $300 million (8%) on July 1, with a potential increase of $170 million by October 15 only if sufficient federal stimulus funding is provided to the state. The state has requested $14 billion in federal funding, and will distribute anything above $2 billion proportionally to state agencies, including UC. Federal stimulus funds would be one-time, and 2021-22 UC budget discussions would start from the 8% base budget cut. The 8% cut to campuses will feel more like 12% to the general campus, because campus budgets include components that cannot be cut such as debt service for AB 94 capital projects. The state budget reduces the three parts of the UCOP budget – administration, ANR, and UC Path – by 12.7%.

The President and Chancellors met on July 1 to discuss budget actions individual Chancellors may take, versus those that require Regental approval. No policy prevents individual campuses from implementing a local early retirement incentive plan or faculty furlough program, but there
are no plans to bring a systemwide plan to the Regents currently, and campuses believe they can manage up to a 4% cut through pay freezes, natural attrition, local furloughs, and other actions.

In July, UCOP will update the Regents about the cost and revenue impacts of COVID-19, and options the Regents might consider. Although tuition has to be part of a long term solution, UCOP will not propose an increase now. The University will be issuing taxable bonds totaling close to $3 billion. About half of the proceeds will support capital projects already approved by the Regents, and half will help campuses bridge the decline in revenues due to COVID. The University is optimistic about the potential for a second stimulus package that supports the states.

➢ UCPB members noted that employee unions have been encouraging the University to tap into budget reserves to avoid cuts. Associate Vice President Alcocer noted that only about $300 million of the $1.1 billion in campus carry-over funds that might be considered reserves are uncommitted; most are earmarked to specific investments such as faculty start-up packages and capital projects, and the remaining reserves are practical only for addressing short term problems and needs.

➢ A UCPB member noted that UC Path problems persist on some campuses, including paycheck discrepancies for graduate students and postdocs paid from multiple sources. Some campuses have implemented “shadow” procedures to ensure accurate pay and are diverting additional funds to theses workarounds.

➢ Chair Malloy emphasized that a potential differential campus treatment of faculty furloughs raises central questions of UC as a single university. UCOP should seek Senate feedback before it seriously contemplates the concept or considers a specific plan.

IV. TFIR Update
   o David Brownstone, Chair, UCFW Task Force on Investment and Retirement

Chair Brownstone noted that TFIR has been monitoring the performance of the UC Retirement Plan during the recent market swings. UCRP failed to meet the 3.2% benchmark for the 2019-20 fiscal year, earning only 1.2%, due largely to poor performance in absolute returns and private equity. (The target is 6.75% based on a three-year average.) Returns are just sufficient to keep UC from failing a “crossover” test, which would harm UC’s credit rating.

UCB Professor Terrence Henderschott joined the UCRS Advisory Board on July 1 as one of two Senate representatives, replacing Chair Brownstone, whose term expired.

Chair Brownstone noted that in June, UCPB had reviewed a proposed borrowing strategy to support the employer contribution to UCRP and help the University manage the State budget cuts. However, he and former Academic Senate Chair Chalfant, the authors of the proposal, are no longer pursuing it. Chair Brownstone noted that a statement in the proposal that the unfunded liability grows at 6.75% is not necessarily reflected in reality but is assumed in Governmental Accounting Standards, which the Regents take seriously.

V. Proposed Self-Supporting Graduate Degree Programs

1. UC San Diego Proposed Master of Science (MS) in Health Informatics
ACTION: Professor Jennifer Grandis volunteered to lead the review and report at the October meeting.

2. UC San Diego Proposed Master of Science in Computational Social Science (CSS M.S.)

ACTION: No reviewer was identified. Chair Malloy will seek a reviewer from the new UCPB membership in the fall.

VI. Consultation with Senate Leadership
   o Kum-Kum Bhavnani, Academic Senate Chair
   o Mary Gauvain, Academic Senate Vice Chair

COVID-19: Campuses are evaluating the degree to which they can safely re-open campuses in the fall. A systemwide task force led by the UC Health EVP recommended threshold consensus safety standards for testing, contact tracing, and social distancing, and recently revised those standards to account for the recent surge in COVID-19 cases.

SVSH: The University is rushing to comply with new U.S. Department of Education regulations on campus sexual misconduct that take effect August 14. Among other changes, the new regulations will require colleges to use the same standard of evidence for determining guilt in cases involving faculty, staff, and students.

Chair Bhavnani thanked UCPB members for their proactive leadership on budget issues in service to the Academic Senate and the University.

➢ UCPB members noted the lack of clear guidance on the faculty role in the enforcement of safety protocols in classrooms and labs. They also suggested the University do more to consult students about campus re-openings, including through social media.

VII. Campus Reports

Faculty are participating to varying degrees in campus discussions about revenue loss scenarios, principles to guide cuts, and the use of bond proceeds. Individual campuses have access to reserves that will help dampen the near term impact of state budget cuts and revenue losses. However, most campuses already have structural deficits and anticipate at least some cuts to core academic operations, and staff layoffs. Statements of Intent to Register for California residents are close to normal on most campuses, despite pandemic fears and disruptions, although campuses face a potential drop in nonresident enrollment, and are concerned about other revenue shortfalls associated with auxiliaries and other sources. Campuses with large athletic programs stand to lose tens of millions of dollars if team sports are cancelled. There is broad support on campuses for distributing cuts broadly and equitably. Meanwhile, campus labs are slowing increasing density, and the medical centers are inching toward to full capacity as they begin to address the large backlog of elective surgeries. Some campuses have initiated reviews of campus police practices and relations with community members and local police departments. UCSF experienced a seamless transition to UC Path on July 1.

The graduate student representative noted that students largely have been left out of consultation and planning for campus re-openings. He thanked UCPB members for creating an open environment in which student concerns can be aired, and said students want to continue working
with the Senate on shared concerns, including around graduate student funding and support for the repeal of Proposition 209.

UCBP Task Force on ANR Chair Kaufman asked UCPB to confirm the rotation of several members off the Task Force, and invited incoming UCPB members with an interest in ANR issues to consider participating on TF-ANR next year. She will be working with UCOC to identify potential representatives from UCORP, CCGA, and UCEP.

**ACTION: UCPB approved the TF-ANR membership changes.**

VIII. **Climate Change Initiatives**

- **Eric Halgren and Adam Aron (UCSD)**

1. **Proposed Resolution on Banking**

Professors Halgren and Aron noted that the University currently uses three commercial banks with poor environment records and policies. They asked UCPB to support a resolution asking the UC Chief Investment Officer to issue an RFP for new commercial banking vendors that includes a criterion that vendors adhere to Environment, Social and Governance (ESG) principles.

- UCPB members expressed support for the resolution in principles, but were also interested in potential financial consequences. They also noted that some banks that perform well on ESG measures may not be strong in other areas.

**ACTION: UCPB will send a letter of support.**

2. **Proposed Policy Regarding Research Funding from the Fossil Fuel Industry**

Professors Halgren and Aron asked UCPB to support a systemwide policy that would require special procedures for the submission of research funding proposals to fossil fuel companies and affiliates, including review by a campus committee and approval by the Chancellor. The policy is modeled on Regents Policy 2309, adopted in 2007, which requires special review, approval, and reporting procedures for proposals to obtain research funding from the tobacco industry. They noted that tobacco and fossil fuel industries use similar disinformation strategies to sow scientific doubt and paralyze action. The University should apply the same level of scrutiny to research funded by the fossil fuel as it applies to the tobacco industry.

- It was noted that the Academic Assembly opposed an outright ban on tobacco funding in 2007, over academic freedom concerns. It was agreed that UCPB would confer with UCORP, UCFW, and other committees about the proposal.

Meeting adjourned at 3:00 pm
Minutes Prepared by Michael LaBriola, Principal Committee Analyst
Attest: Sean Malloy, UCPB Chair