

UNIVERSITY OF CALIFORNIA

ACADEMIC SENATE

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET  
MINUTES OF MEETING  
TUESDAY, JANUARY 11, 2005  
UCOP ROOM 12322

**I. Chair's Report**

- Michael Parrish, UCPB Chair

**REPORT:** Analyst Michelle Ruskofsky reported to the committee on the December 15, 2004 Academic Council meeting because Chair Parrish was unable to attend.

Academic Council: Actions taken at Council's December 15, 2004 meeting included a unanimous vote to approve the Concurrent Resolution on Graduate Education as an item to go before the Assembly in March, and an acknowledgment of the previous Council recommendation to the Provost to align the beginnings of terms across all campuses, with the current Council's opinion that the issue need not be re-opened in the Senate. Council discussed the following proposals, which will be discussed at the January 26, 2005 Council meeting: Systemwide Strategic Directions for Libraries and Scholarly Communication at the UC, and the Science Intersegmental General Education Transfer Curriculum (SciGETC). Council discussed concerns regarding mental health services for students and faculty, determining it to be an issue of critical importance, and Chair Blumenthal will raise the issue with Michael Drake, Vice President of Health Affairs, and Provost Greenwood, and advance the idea of establishing a task force that would assess needs and current practices at UC as relating to crisis intervention and mental health services. Lastly, UCFW provided an update on the committee's draft of the Statement of Core Values and Standards of Business Conduct, which will be on the Regents' and Council's January 2005 agendas.

UC Retirement System (UCRS) Update: Chair Parrish briefed the committee on the developing issues surrounding UCRS, the current legislative efforts regarding a move away from defined benefit plans for future California state employees, and the formation of a Regents' task force to study various retirement plan options. Committee members remarked on the potential impact on UC's ability to attract faculty in the future, and expressed a desire for Senate representation on the Regents' task force.

**ACTION:** At its February 8, 2005 meeting, UCPB will discuss with Senior Vice President Joe Mullinix issues concerning UC retirement plans and the potential restructuring of UCRS.

**II. Consent Calendar**

- Minutes of the November 11, 2004 UCPB meeting

**ACTION:** UCPB unanimously approved the minutes of the November 11, 2004 UCPB meeting with two amendments.

**ACTION:** UCPB agreed to continue its November 2004 discussion of divisional Senate budgets at its February 8, 2005 meeting, and reaffirmed the committee’s desire to write a letter endorsing “general principles” for Senate budgets emphasizing its impact on shared governance.

**III. Consultation with UCOP – Budget Update**

- Larry Hershman, Vice President, Budget

**REPORT:** Vice President Hershman reported to the committee on the status of the UC budget and the Governor’s budget released yesterday, January 10, 2005.

Governor’s Budget Plan: Vice President Hershman noted the importance of the Compact’s survival in the Governor’s budget plan. The plan has \$9 billion worth of policy “adjustments” to balance the budget, none relating to higher education, with a \$500 million reserve, and a 7 percent increase in revenue. The crucial items include the budgets for K-12 and the community colleges, which will receive COLAs and workload funding with no additional funding which was promised in last year’s negotiations under Proposition 98, and \$500 million that K-12 needs to pay for its retirement system. Other cuts include \$1.3 billion withheld from transportation funding to assist in balancing the budget, and huge cuts to Health and Human Services programs, including cuts to welfare, and no COLAs. The Medi-Cal budget has not been cut. The general government budget includes: (1) pensions: by 2007 all new public employees must transfer to a defined contribution plan, and state employees must contribute half of their immediate pension (currently they contribute one-third); (2) salaries: no new salary increase for state employees and cuts in employee benefits (including two fewer vacation days, and five-day furloughs). The Governor’s budget plan uses only half of the economic recovery bonds, reserving half for 2006-07. The permanent budget is not in balance; however this budget does balance, with a \$500 million surplus if all of the Governor’s proposals are adopted. There is no tax proposal in this budget.

UC Budget: The Governor’s budget plan includes a 3 percent increase in funding for COLAs and merit increases, both for faculty and staff, a 5 percent increase for enrollment (plus 5000 students), and an 8 percent increase in student fees. Fundamentally, the Governor believes the Compact is reasonable and considering past cuts to UC, the administration thought the Compact should be honored. Enough money is allocated to accommodate all enrollment, but with two “flexible” cuts: no money for the Labor Institutes, and a \$17 million cut to outreach (academic preparation) programs largely due to not receiving last year’s one-time budget increase. UC intends to alter these categories by legislative augment, but in the spring, the Legislature wants a full evaluation of UC outreach programs to ensure their effectiveness. UC Merced will receive its base funding of \$10 million, plus funding for enrollment growth of 1000 students, and a \$14 million one-time allotment for faculty recruitment. The research budget structure has been altered, but with funding preserved – the line items for research programs have been removed, giving UC flexibility in how the money is spent.

Student Financial Aid: Cal Grants are supported in the budget, with no changes in entitlement except in the maximum award provided by private institutions. The technical

changes in Pell Grant awards will affect mostly middle-income UC students. Lastly, UC is still interested in alternative student loan programs, including better interest rates for students.

Capital Outlay: A two percent reserve fund is needed for certain capital costs and a compromise has been reached, to be resolved in July 2005. Adjustments will be made in May 2005 for the UCLA life sciences building. UC also has funding available to maintain core I&R space currently online, but there is no funding for new buildings.

Graduate Student Aid: Vice Chair Glantz raised the issue of graduate student support and distributed a spreadsheet, “2004-05 Comparison of USAP Return to Aid Across All Campuses.” He reported that the UCSF graduate dean is concerned about the reported figures, given UCSF’s 69 percent return to aid. Vice Chair Glantz offered two suggestions: (1) reaffirm the general principle that every student should have the same access to “real” financial aid across the campuses; and (2) invite Cliff Attkisson, UCSF graduate dean, to UCPB to discuss technical questions on the issue. VP Hershman noted that UC utilizes the historic Attiah formula, and inquired whether the formula should be revisited, or still used. One member noted the difficulty in comparing UC campuses on this issue, and that it would be more accurate to compare, for example, figures across parallel UC professional schools.

**ACTION:** The issue of graduate student aid support will be revisited at a future UCPB meeting.

#### **IV. California Institutes for Science and Innovation – Draft Proposal for Review Process**

- Susanne Huttner, Associate Vice Provost
- Dr. Leslie Sunell, Special Assistant to the Provost

**ISSUE:** Over the past few years, UCPB has addressed the issue of an appropriate role of the Senate in the regular review of the Cal ISIs, and the establishment of a review procedure with significant Senate involvement. In November 2004, Provost Greenwood submitted a draft proposal for the “Establishment of Policy and Process for the Review of the California Institutes for Science and Innovation,” for Council’s consideration. To facilitate discussion and receive further clarification of the proposal, UCPB invited AVP Huttner and Dr. Sunell to its January meeting.

**DISCUSSION:** AVP Huttner noted that the proposal is a mechanism for timely and focused review, unique to this academic initiative and the unique nature of the Cal ISIs. Physical buildings for the Institutes are currently online, with Cal IT<sup>2</sup> being completed this year and fully operational, and the other Institutes’ buildings will be completed in the next three years.

Review of the Draft Proposal for Review Process: AVP Huttner explained the flow chart and the contents and process of the draft proposal provided to Council and UCPB. Vice Chair Glantz noted that this proposal is very different from UCPB/UCORP recommendations offered two years ago; that campuses should be asked to convene the review committee, and then forwarded to the systemwide Senate; and since the proposal views the Institutes as creatures of OP, then OP should pay for the Institutes unlike the current situation where the Institutes use campus resources without being integrated into the academic mission of the campus. Chair

Parrish mentioned that it is better to conduct the reviews similar to the MRU review structure and begin at the systemwide level, not the campus level, and that UCSD has benefited greatly from its Institute. Members commented on the proposal's charge, and said that it should include the points raised in UCPB's June 6, 2003 letter to Chair Binion and which points should also be specifically addressed by the review committee, and with emphasis that the Institutes should be fully integrated into the campuses. Members discussed the involvement of the local Senates in the review process, and precisely how local Senate committees will be represented on the review panel, who should appoint them, and how many local representatives should sit on the review panel. Also, the "Academic Senate" descriptor included in the proposal should add the following: "and the corresponding local Senate divisional committees." Members noted that the proposal must include a definite timeline, perhaps allowing no more than one year for completion of the entire review, and the expected periodicity, perhaps every five years. One member requested that the campuses have an opportunity to review and comment on the Cal ISI review committee's report before it is finalized. Other members questioned whether the Institute directors were also being reviewed (not directly in the Cal ISI review because directors are appointed by the Chancellors); and whether the Institutes are required to write annual reports (formal annual reports to OP are not required, but the Institutes submit funding reports to the Budget Office and the CA Department of Finance). The committee raised the issue of funding of the five-year reviews, and agreed that OP should fund them.

**ACTION:** UCPB will continue this discussion and finalize its response to Council regarding the draft proposal for the Cal ISI review process during its executive session.

**ACTION:** UCPB requests that after the current round of Senate review, the committee be provided an opportunity to comment on the revised proposal before it is finalized by the Provost.

**ACTION:** UCPB will address the operational budgets of the Cal ISIs at a future meeting.

#### **V. Consultation with the Office of Research – Report on Multicampus Research Unit (MRU) Budgets**

- Larry Coleman, Vice Provost for Research
- Cathie Magowan, Director, Science and Technology Research

**REPORT:** VP Coleman and Cathie Magowan presented the MRU budget report in a PowerPoint presentation, also distributed in paper form to the committee. The presentation included the following topics: MRU budget flow chart; Office of Research (OR) funds distribution by MRUs (both including and excluding the costs of the Institute for Labor and Employment); how OR funds are utilized by MRU category; how OR funds are leveraged by MRU category; MRU research unit categories and corresponding UCOP funds appropriation (current year); how all sources of funding are distributed by MRUs; and how all sources of funding are distributed by Systemwide Research Organizations (SRO), by Systemwide Grants and Conferences (SGC), and by Systemwide Core Facilities (SCF).

**DISCUSSION:** Chair Parrish inquired about a suggestion included in UCPB's MRU Report submitted last year, specifically the idea of opening up certain MRU funds for competition. Cathie Magowan said that OR's new model is to open up UCOP support for a limited time, such as five years, because there is only a fixed amount of money. Throughout the presentation, members inquired into various specific figures contained in the budget presentation.

**ACTION:** UCPB requests that the Office of Research distribute a corrected version of the PowerPoint presentation to the committee following the meeting.

**ACTION:** UCPB will send any follow-up questions regarding the MRU budgets presentation to the Office of Research.

### **UCPB Executive Session**

#### **VI. Academic Council Resolution on Restrictions on Research Funding Sources**

**ISSUE:** In October 2004, Council voted to send the Resolution on Restrictions on Research Funding Sources out for systemwide review. After its November 9, 2004 meeting, UCPB submitted a letter to Council recommending the Council Resolution and the UCORP Report be returned to UCORP for reexamination. On November 17, 2004 Council sent out a formal request for systemwide consideration of the Resolution, and UCPB must now decide how to respond.

**DISCUSSION:** Chair Parrish questioned whether UCPB should resubmit UCPB's November letter to Council, or submit a new response. One member said that the academic freedom and the individual rights of faculty are issues of top priority at his local planning and budget committee, and noted that no faculty member is forced to accept any funding from a specific source under the Resolution. Chair Parrish mentioned the new statement on academic freedom in APM 010, which says academic freedom is a collective right vested in the faculty as a body, and if true, then collective groups of faculty have academic freedom to make agreements against accepting certain grants. Some members were concerned whether it is within the limits of academic freedom to impose the agreement on a member of the group who does not agree, or on new department recruits. Vice Chair Glantz said that new faculty would be notified of the adopted policy, and would have the freedom to decide not to join the faculty. He also emphasized that the Resolution is a major shift in academic freedom policy, and contracts and grants policy at UC, and current policy does not say groups cannot make such a decision. Some members agreed that faculty need a process for determining appropriate funding sources for the university.

One member noted that the UCORP Report does not discuss faculty self-governed forms of internally restricted funding, that other self-imposed restrictions are accepted except for those imposed by faculty, and that focus on the tobacco issue blurs the point. Another member questioned whether there would ever be a case for faculty-restricted funding, and what process should be followed for faculty self-policing policy. One member proposed that a committee could be formed, parallel to the conflict of interest committees within the contracts and grants office, to monitor and investigate such allegations from department chairs or faculty.

**ACTION:** Chair Parrish will draft a new letter reaffirming UCPB's November letter and adding additional points regarding UCPB's review of the Council Resolution on Restrictions on Research Funding Sources, for the committee's review and submission to Council.

#### **VII. Draft Proposal to Streamline the Course Major Articulation Process Between the UC Campuses and the California Community Colleges**

**ISSUE:** The draft Proposal was submitted for systemwide Senate review on August 31, 2004. The Proposal states that if four or more UC campuses agree to accept a particular course from a

particular CCC as preparation for a major, the course will be deemed as articulated for all of the UC campuses unless a campus develops a different campus-specific articulation agreement within a 120-day period. UCPB must now decide its response regarding the Proposal.

**DISCUSSION:** Committee members generally agreed to support the Articulation Proposal, with a few caveats, including: the need for a strong statement emphasizing communication of the proposal to the campus departments; concern for the portion of the proposal that makes it unclear whether a campus may simply reject a CCC course or an articulation agreement by four other UC campuses, without being required to create its own list of approved courses for that major; and concern for the 120-day period allowed for review of an articulation agreement. Members noted the substantial amount of staff time and resources that will be required to monitor and respond to the myriad articulation agreements that may result from the various UC campuses.

**ACTION:** Chair Parrish will draft a letter for the committee's submission to Council approving of the Articulation Proposal and reflecting the committee's concerns as discussed.

### **VIII. California Institutes for Science and Innovation (Cal ISI) – Draft Proposal for Review Process**

**ISSUE:** UCPB continued its discussion of the draft Proposal during its executive session, to develop the committee's recommendations to include in its formal response to Council.

**DISCUSSION:** Committee members reiterated the following points to include in UCPB's response to Council, and which should be reflected in the draft proposal: (1) the Cal ISI reviews should be conducted every five years; (2) the charge should include the first three bullet points from the June 6, 2003 letter to Chair Binion (whether Cal ISI activity is consistent with UC's mission, whether Cal ISI enhances the academic environment of the host campus, and whether commercial interests are balanced with academic interests); (3) assured representation of local divisional Senates and the appropriate nomination procedures for those representatives on the Cal ISI review panel; and (4) that the reviews should be funded by the President's office.

**ACTION:** Chair Parrish will draft a letter reflecting the views of the committee regarding the draft proposal for the Cal ISI review process, for the committee's review and submission to Council.

### **IX. Privatizing Legal Education at UC**

**ISSUE:** UCPB is concerned about recent statements made by UC Berkeley Law School Dean, Christopher Edley, reported in the press regarding the launch of a multiyear capital campaign to raise \$100 million for the law school independent of state funding and support.

**DISCUSSION:** Vice Chair Glantz is concerned that the Compact lends itself to the privatization of UC by committing UC to fee increases and private fundraising. Chair Parrish mentioned that some will say that affordability is at the top of the UC agenda and that return-to-aid is committed and helps to alleviate the problem. One member requested Michael Drake's presence at a future UCPB meeting to discuss the issue. Another member requested more data on grants and loans, financial aid office data, and perhaps comparison data from comparison institutions.

**ACTION:** UCPB will discuss the issue of UC privatization at its February 8, 2005 meeting.

**X. California Sea Grant (CSG) Review Subcommittee Report**

- Christopher Viney
- Pat Conrad
- Patty Robertson

**REPORT:** Member Viney distributed the subcommittee’s draft report on its evaluation of the 15-year review of the CSG program. The subcommittee reported, in short: support for VP Coleman’s threat to submit CSG to the other UC campuses for re-competition due to the withholding of funding by the Scripps Institute of Oceanography (SIO); that SIO should not be able to unilaterally withhold any amount of money from CSG; that CSG should have a strategic plan; and additional recommendations regarding process and content of the Director’s report.

**DISCUSSION:** Members expressed disbelief regarding SIO’s withdrawal of funds from CSG and questioned the process involved in such a unilateral decision by a UC institution. One member expressed the view that such an action is most likely not unusual, and has probably occurred in the past. The committee agreed with one member’s comment that the subcommittee’s suggestion for CSG program improvements should be included as a justification for UCPB’s support for re-competing CSG, and not included as a separate item in the review report. Another member recommended that the administration should take steps to pressure UCSD administrators to encourage the full funding of CSG.

**ACTION:** UCPB unanimously adopted the report of the CSG Review subcommittee, with amendments, and endorsed the report’s submission to Council on behalf of UCPB.

**Meeting adjourned at 4:00 p.m.**

Attest: Michael Parrish, UCPB Chair

Prepared by: Michelle Ruskofsky, Committee Analyst

**Distributions:**

1. Multicampus Research Units Budgets Report and Analysis
  - a. 1/5/05 email distribution:
    - i. MRU Annual Budget Report 2003-04 (Excel spreadsheets)
      1. UCOP Funding
      2. Extramural Funding, Consolidated
      3. All Funding Sources, Consolidated
      4. How UCOP Funds are Utilized
    - ii. MRU Annual Budget Report, FY 2003-04 (template)
    - iii. Extramural Fund Source Breakdown, FY 2003-04 (template)
  - b. 1/11/05 PowerPoint presentation materials, prepared by Cathie Magowan, Dante Noto, and Clarence Robinson.
2. UCPB Sea Grant Review Subcommittee report, draft: UCPB Evaluation of California Sea Grant Review, submitted by Christopher Viney, Pat Conrad and Patty Robertson.
3. 2004-05 Comparison of USAP Return-to-Aid Across All Campuses, spreadsheet submitted by Vice Chair Glantz.
4. Chris Newfield, Draft Resolution on Maintaining the Public Status of the University of California, submitted by Chair Parrish as future discussion item.