I. Chair’s Announcements, Stan Glantz, UCPB Chair
12.14.05 Academic Council meeting.
- Chair of the Regents Gerald Parsky attended the meeting and presented his views on current issues before the Regents.
- Membership of the Senate’s Science and Math Initiative Group (SMIG) has been finalized; the group seems strong and is beginning activities to help coordinate implementation of the initiative.

LANL transition
The UC-Bechtel partnership was awarded the management contract for LANL, which will require shifting all management concerns to the LANS LLC. UCPB requested to see the contract to learn more about financial costs and what provisions for technology transfer and pensions were included. UCPB was told not all portions of the contract are now or would be available for public distribution, but some relevant disclosures would be made after the contract’s protest period was over.

Graduate Support Advisory Committee.
GSAC was established by the Provost at the request of UCPB. The group has been considering a number of graduate funding proposals that will be prioritized. Once the best options are determined they will be analyzed in detail. [See report under item III below.]

**Action:** UCPB will draft a letter to be forwarded to President Dynes posing a number of questions relating to the new relationship of UC and LANL, including issues such as the separation of the UCRP for LANL employees, the potential for conflict of interest, intellectual property, and the future of UC research programs associated with the labs.

II. Consent Calendar
Approval of the December 6, 2005 Minutes
**Action:** The consent calendar was approved.

[Actual order of items from this point: VI, III, V, VII, IV, VIII, IX, X.]

III. Graduate Student Funding Options,
Kate Jeffery, Director, Student Financial Support

**Report:** GSAC will not be finalizing recommendations at their upcoming January meeting. Some short term recommendations may come out of the January meeting; however, the long-range options will take more time.
At the last meeting of GSAC the group began to build a conceptual approach that would address the magnitude of the problem and the fiscal implications of the reallocation options. At the next meeting they will be looking at the options from academic and
political perspectives. Then options will be prioritized and costed out to see what money can be freed up.

**Discussion:** VP Hershman stressed the importance of trying to increase state support rather than focusing just on reallocation of existing monies. For example, UC may work toward getting state legislative backing for a large research initiative that would be supplemented by matching funds and would provide significant support for graduate education. In response, a member made the point that support for graduate education is an acute problem now and needs to be addressed by working with the resources at hand. Members asked for clarification on the effects of the GSAC options on campuses budgets and how the options would be implemented. It was pointed out that the decision to go with one of these proposals would be a mandate and would mean less flexibility for the campuses; however, these options do not raise political difficulties, as is the case with fee increases.

**IV. Private Fund-Raising and Senior Management Salaries: Information Gathering and Development of Statement of Principle -- Subgroup Update, Paul Koch, Norm Oppenheimer**

**Issue:** Following on the UC Senate Assembly’s position taken against the Regents’ item RE61 part C, UCPB was asked to draft a statement of principle on the use of private funds and fund raising for support of senior management salaries. The statement, if endorsed by the Academic Council, will go to the Assembly for adoption as a Senate position.

**Report:** The subgroup sent out template letter for UCPB members to use to query their respective EVCs as to whether private funds are used to support the salaries of deans. Responses are still needed from most campuses. The subgroup is drafting a statement averring that money from private fund raising should be used to support the core mission of the university (instruction and research) and should not compromise or be seen as compromising the integrity of the university.

**Action:** The template letter to campus EVCs will be re-distributed to members.

**V. Consultation with UCOP, Lawrence Hershman, Vice President-Budget**

2006-07 Budget Update

*The Governor’s budget.* The proposed budget, which is coming out today; makes provisions for the following:

- The fundamental terms of the Compact, which will allow for a 4% increase in compensation, and support for the student-faculty ratio.
- Enrollment growth funding that includes start up support for nursing programs (spread out over a period of years), and support for expansion in the health sciences that is expected to achieve and increase of 2000 students by 2010.
- An increase in the marginal cost formula to $10,100, which will enable funding for salaries and maintenance costs.
- Base and enrollment funding for Merced.
- Base funding for the Labor Centers
- Funding for the next increment of the Science Math Initiative

**Student Fees** - UC’s position is that the buyout of fee increases that is being considered should include graduate and professional school fee increases. And additional $75M or so of state funding will be needed for the buyout.

**Bonds** – The Governor has proposed $68B in general obligation bonds over the next 10 year, which will include K-12 and higher education bonds.

**Expansion of Medical Schools** – An expansion of 10% over 10 year is planned, with a focus on serving the underserved and technology initiatives such as telemedicine.

**VI. Consultation with UCOP, Rory Hume, Acting Provost**

**Issue**: Acting Provost Hume reported and consulted with UCPB on systemwide academic planning, campus academic planning, and the role of the Senate

**Long range planning.** The potential to continue to evolve in ways that develop and make the most of the unique profiles of the individual campuses without stratification. The plan will take decades and will call for intelligent use of resources and making good choices about what to do or not do in order to eliminate duplicated weaknesses, emphasize the strengths of each campus.

From the years 2010 to 2020, no growth is expected, so another key planning question is what should be done to prepare for this plateau or even possible decline.

It is also important to have a good capital investment plan in place that fits with academic planning and the overall vision.

**Short term planning.** Decisions will continue be made on enrollment growth and recognizing the needs of both mature and growing campuses. Planning efforts are now being directed to the health sciences to spur growth in nursing, allied health sciences and veterinary medicine.

**Campus academic planning.** Communication among campuses will be key to planning goals. The chancellors and EVCs have indicated their support of this overall direction, even though it may mean a change in practice toward a more consultative and open model of communication.

**Discussion**: At the request of Acting Provost Hume, each representative reported briefly on academic planning on their respective campuses and the involvement of the Senate in that effort. Acting Provost Hume will be asking EVCs for reports on planning now, and in one year request parallel presentations from Chancellors, EVCs and the Senate, on which a report to the Regents will be based. UCPB members suggested that the chair of or a representative from the local planning and budget committees be involved in campus planning meetings (instead of or in addition to the division chair). It was felt that an annual cycle of such reporting may be too frequent, and that after the first year a bi-annual or every third-year cycle would work best to allow for sufficient maturation of initiatives before being evaluated. One member noted that although this idea of shaping distinct profiles of campuses has merit, OP may need to overcome some cynicism toward planning initiatives.

**VII. UCPB Sub-group on Privatization** - Update, Chris Newfield (Chair), Henning Bohn, Calvin Moore
Report: The group has determined its general methodology and has a history section for the report in draft form. A lot of data has been gathered, though more is needed to try to quantify funds that are not listed, e.g., endowments, gifts, and private support of research have to be separated out to see what is available for allocation. There are also the Short Term Investment Pool (STIP) monies to consider. A multiyear comparison is being developed to look at trends and extrapolate possible scenarios. The report is in progress; a draft may be ready for next month’s meeting. It was suggested putting much of the report’s information in easily accessible form (e.g., graphs) since it will likely have a wide audience.

Action: Members were encouraged to email Professor Newfield with areas of special interest to include in the report.

VIII. Consultation with UCOP, Anne Broome, Vice President- Financial Management

Report on Strategic Sourcing Initiative: VP Broome distributed an update on the Strategic Sourcing Initiative, which is an effort to reduce the total cost of purchased product and service by leveraging the university’s buying power. The update describes the detailed approach of the program, its goals and objectives, as well as where and how money can be saved. The program has the potential to save $200M through discounts and rebates from vendors. (See Distribution #1.)

Discussion/ Q & A:
Q: How feasible is the administration’s plan to capture savings and re-direct that money to support graduate education?
A: Harvesting savings for a particular funding area is not highly feasible and may actually work as a disincentive to buy off contract. Also, money will first go to pay for the resources expended to run the program, so funds wouldn’t be available until after that is done.
Q: How is the money harvested?
A: Planning and budget officers are working on scenarios of the combinations of rebates and discounts. Each commodity/service is different, which complicates the matter.
Q: Will campuses keep what they are able to save?
A: Yes. But it is still important to create incentives for individuals to participate.

Committee members also noted the political aspect of volume leveraging, which would seem to privilege larger corporations and disadvantage smaller local vendors. Some potential for concern was also seen in the transition costs. State airfares were brought up as an example of significant savings; however, it was pointed out that much cheaper fares can still be had for out of state and international flights.

Executive Session – Items IX, X, and XI

IX. UC Davis Proposed Memorial to the Regents on Non-Resident Tuition
No Action

X. Graduate Student Funding
**Action:** Members were asked to forward to Chair Glantz suggested changes to his proposal to the Graduate Support Advisory Committee.

**XI. Compensation Issues**

**Action:** UCPB’s comments on the draft Academic Council Compensation Principles will be forwarded to the authors for their consideration and Council will be asked for its endorsement.

**Action:** Upon being apprised that the Regents will be acting on a proposed senior management salary slotting structure at their upcoming meeting, UCPB agreed to send an immediate formal request to the Chair of the Academic Council urging that, through the President, The Regents be asked to defer action on compensation proposals until after a full review that includes Senate consultation has been conducted.

**Distributions**


Attest:
Stanton Glantz,
UCPB Chair

Minutes prepared by:
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