I. Chair’s Announcements

ISSUE/REPORT: Vice Chair Conrad attended the February 27th Council meeting as an alternate for Chair Newfield. Council heard two presentations at that meeting: the proposed systemwide School of Global Health and the long-range enrollment plan. Council also discussed the WASC report, which found that some Regents have run roughshod over the University’s central administration (see ‘At U. of California, a Systemic Governance Crisis,’ Inside Higher Education, 3/3/08). She also noted that UCPB’s comments on the Ad-Hoc Report on International Education were not ready in time to be considered by Council; UCPB’s comments will be forwarded to Provost Hume under a separate cover letter.

Chair Newfield reported on the March 5th Council meeting, which was a joint Council/Chancellors meeting. There were three presentations at that meeting—‘Campus and Systemwide Leadership Effectiveness’ (UCSC Divisional Chair Quentin Williams/UCSC Chancellor George Blumenthal); ‘Graduate Student Profile and Support’ (CCGA Chair Bruce Schumm/UCSD Chancellor Marye Anne Fox; and ‘Academic Planning and the Comprehensive University’ (UCPB Chair Newfield/UCSB Chancellor Henry Yang). The discussion following the governance presentation centered on issues of Regental micro-management. The presentation on graduate support showed that while graduate support is poor, it could be worse. It also provided evidence that graduate student enrollments per faculty FTE is on par with UC’s public comparators; however, an analysis of UC’s private comparators was not done. Chair Newfield’s presentation focused on the Future’s Report, along with one slide from the Cuts Report. However, the Chancellors/Council did not embrace Chair Newfield’s suggestion to make a group statement on better funding for both UC and the CSU. Provost Hume also commented that the University should not state publicly that quality has fallen, but is ‘at risk.’ Council members commented that this is not a true reflection of reality.

Chair Newfield also announced that UCOP has changed its funding formula for faculty salaries; the Administration did not base faculty salary funding on the full academic salary base (filled plus unfilled FTEs), but only on the filled positions. The change in the funding formula had some real implications on the campuses (e.g., resulted in a $5.97 million shortfall at UCSD). Subsequently, unfilled positions received neither the 2.5% COLA nor the market adjustment (8%), which were the central componenets of the salary plan. The EVCs have begun to push for limiting year 2 of the faculty salary scalies plan to 2.5% COLA; there was an effort to rally the Divisions to endorse this plan as well. Relatedly, the Berkeley EVC, George Breslauer, sent an email suggesting that the Berkeley EVCPs endorse a 2.5% COLA for faculty and staff next year, rather than larger adjustments for each. Chair Newfield distributed a draft Council statement on the faculty salary plan, which had not yet been endorsed, that 1) opposes “any UCOP change in academic salary funding methodology that fails to provide COLA and market adjustments to unfilled FTEs”; and 2) insists “on the critical importance and urgency of bringing UC faculty salary scales to parity with those of comparable public and private institutions.”
II. Consent Calendar
A. Approval of the Agenda
B. Approval of the Draft Minutes from the February 12, 2008 Meeting
ACTION: Members approved the consent calendar with minor amendments to the minutes.

III. Cuts Report—Chair Newfield/Vice Chair Conrad
ISSUE: Chair Newfield remarked that the economic context material in the presentation (not in the report itself) was controversial. There was also some confusion about the proposed budget stabilization act’s (BSA) impact in Council; he suggested highlighting the positive elements of the BSA. Another issue is whether the Report should contain a statement that UC quality has actually declined. Vice Chair Conrad noted that the phrase, “These additional cuts threaten the University with ‘additional damage’…” was a sentence that obstructed passage in the meeting. Members agreed to leave it in for now, but to be prepared to take it out if Council demanded it. That said, members agreed that metrics are really needed to show that quality has actually declined. It was also noted that UCOP is already pushing back on the proposed cuts (recommendations one and two).

ACTION: Members authorized Chair Newfield to make changes to the Report at the March Council meeting as necessary.

IV. Review of the Proposal for a School of Public Policy at UC Riverside
ISSUE/REPORT: The lead reviewer noted that there are a number of lingering issues—for example, how well resourced this proposal is in terms of faculty lines? From his reading of the proposal, it would only have six full-time faculty positions and 12 half-time faculty positions. In his opinion, it would be hard to run a School with such a small number of faculty and so few resources.

DISCUSSION: One member opined that this school looks more like a public administration school than a public policy school. It also has many more political science courses than it does in the way of quantitative courses. The School may be well-advised to focus on local issues; agriculture/environment was suggested as one possible focus. The notion that this School will actually make money on executive education is probably not accurate; at best, these programs only break even. The potential for fundraising is also dubious. The concern was also articulated that the budget may not be realistic. Subsequently, Chair Newfield made the recommendation not to endorse this proposal until specific funding and programmatic issues can be resolved; he also remarked that it could become a victim of the ‘start and starve’ syndrome.

ACTION: Chair Newfield will circulate a draft review of this proposal via email.

V. Announcements from Patrick Lenz, Vice President of Budget
ISSUE/REPORT: VP Lenz remarked that UCOP is currently engaged in a budget-advocacy effort with the CSU. Towards that end, CSU Chancellor Reed, Provost Hume, and Diane Woodruff from the California Community Colleges have met. There is also a continuing discussion about how UC can be more vocal in its advocacy efforts. He also reported on a separate advocacy effort, which takes the form of an open letter from Lieutenant Governor John
Garamendi to Governor Schwarzenegger opposing the proposed cuts; the letter’s signatories include K-12, the community colleges, UC, and CSU. There are two views on this—while it is commendable to garner the support of California’s educational segments, there is the concern that a democratic Lt. Governor might use higher education funding to attack a republican Governor. As Lt. Governor Garamendi is also a UC Regent, the related concern is whether governing boards should be involved in this kind of political advocacy.

**DISCUSSION:** Members asked for VP Lenz’s opinion on whether Governor Schwarzenegger really wants to cut the University’s budget by ten percent. VP Lenz replied that he does not think that the Governor is inclined to slash UC’s budget so significantly. He added that one of the positive developments is the Legislative Analyst Office’s (LAO) analysis, which takes a more balanced approach. In the LAO alternative budget proposal, UC is provided some funding (in the range of $50 to $75 million). However, UC still has some disagreements on some of the specific LAO recommendations, one of which is the LAO’s position against any new COLAs. Chair Newfield remarked that the LAO’s analysis is framed in the context of revenue substitution, which argues that fees can be used to replace state revenues; VP Lentz responded that is another point that the University will try to push back on. He also characterized any non-partisan advocacy by faculty (including Chancellors) as an ‘added’ strategy to what UCOP is already doing. It was mentioned that both the LAO and the Governor have advocated raising taxes; this may be something to focus on. Members also asked if there are any anticipated changes in the projected revenues for 2008-09. VP Lenz remarked that the current mood as pessimistic; the hope is that the revenue situation does not worsen. Regarding possible student fee increases, VP Lenz believes that The Regents will be hard pressed to go above a seven percent increase.

**VI. Announcements from Dan Greenstein, Vice Provost for Academic Information & Strategic Services – Vice Provost Greenstein**

**DISCUSSION:** One member emphasized that there is a distinct need to develop criteria for student-faculty ratios, especially with the large number of new programs coming on line. Vice Provost Greenstein responded that in order to move this discussion forward, The Regents need to understand that there are really two kinds of student-faculty ratios. One of them is the budgeted student-faculty ratio; the other is the ratio that is used to assess the appropriateness of different kinds of educational delivery.

Chair Newfield asked about the split between ‘presidential support functions’ and ‘systemwide support functions’ in the ‘Roles’ Report (p. 13). The report states that “Supporting the president at these two levels [levels one and two] forms the core work of UCOP.” This implies that the other service functions are less core (levels three and four). Is this literally the rule that UCOP is following in making decisions to outsource current UCOP functions? Vice Provost Greenstein responded that this is only the starting point. The OP Roles Group identified that the University needs to act more like a system in certain key areas in order to remain competitive. In order to do that, it will require strong leadership is needed. Subsequently, the Report distinguishes between the systemwide support/administration and direct support of the President and the leadership of the University. While systemwide administrative support is important, it does not need to necessarily be done at UCOP. Chair Newfield remarked that companies often disaggregate functions and then later re-aggregate them, as research shows that it is often
cheaper to do things in-house. Taking benefits as one example, Vice Provost Greenstein responded that he is not entirely confident that UCOP has the appropriate scale to manage benefits as efficiently as possible. He added that if one looks across the sweep of services, there are some things that can be done better externally. This ‘sweep’ includes 1) the educational pipeline (academic preparation, admissions, recruitment, and community college transfer); 2) academic information (California Digital Library, UC Press); 3) the research enterprise (MRUs, IUCRP); 4) basic administrative services (includes benefits administration); and 5) other sources of expertise that campuses routinely draw upon (Office of Technology Transfer). The key questions are: What is UCOP trying to achieve in each of these areas? Where does UCOP actually add something in each of these function areas? The recent budget exercise has also given UCOP much more detailed information about the functions that it actually performs than ever before. Specifically regarding outsourcing UC’s benefits administration, members asked how will UCOP ensure that faculty and staff benefits will remain intact? He responded that contractual law will ensure this; UCOP will also monitor the situation closely. Vice Provost Greenstein stressed that this reorganization is not all about downsizing. Chair Newfield suggested that while the framework seems solid, the process is very fast and seems to be motivated primarily by budget angst. Members also asked if there a balance in what can and what cannot be outsourced. Vice Provost Greenstein responded that there is a balance, as an entity such as the UC Press cannot be outsourced, but the Continuing Education of the Bar can be. Finally, Chair Newfield asked for better information on the savings; this information will be provided in the budget presentation for the Regents March meeting; The Regents will approve the budget at their May meeting.

VI. Executive Session: Request for Proposals (RFP) for the University of California Retirement Plan (UCRP)

This discussion was held in executive session.

VII. Systemwide Senate Review of the UC Information Technology Guidance Committee (ITGC) report, “Creating a UC Cyberinfrastructure”—Chair Newfield

ISSUE: Chair Newfield noted that there is no real costing of this in the report. He posed the following questions: What is the real value added through these UC ‘interlinks’? Would funding agencies see any value-added from this in a grant application coming from a UC faculty member? Can this type of thing could be outsourced?

ACTION: Andrew Dickson will draft a one paragraph recommendation that states UCPB cannot endorse this report in its current form even though the committee agrees that a common infrastructure is valuable.

VIII. Systemwide Senate Review of Senior Management Leave Policy—Chair Newfield

ISSUE/REPORT: Chair Newfield outlined the three options: 1) maintaining the current policy for SMG members (APMs 740 and 758) in which Sabbatical Leave credits are accrued during the SMG appointment, and up to a year’s Transitional Leave is granted (after five years in an SMG position) that is paid at the administrative salary rate; 2) establishing a separate Transitional Leave policy (proposed draft) in which the SMG administrator would accrue six months of Transitional Leave after five years of service as an SMG administrator (or one year
after ten years of service) that would be paid at the administrative salary rate; or 3) applying the standard faculty sabbatical leave policy.

**DISCUSSION:** Members opined that continuing to pay someone for a job that he or she is no longer doing does not make any sense. A straw vote revealed a two-to-one majority of committee members in favor of option three over option two with the proviso that leave could be accumulated without a ceiling. The clarity of option three over option two is that the administrative function is remunerated entirely in an administrative salary; sabbaticals are supposed to be dedicated to faculty activities—teaching and research. The argument can also be made that this type of policy will attract top-quality talent to serve in senior management positions. It was also noted that the vast number of people affected by this policy would be deans. Option three may also encourage deans to take leaves in the middle of their service. Vice Provost Jewell noted that there is usually only a big gap between the faculty and administrative salaries for those that have been in administration for a long time. The data on deans’ salaries show their faculty ‘shadow’ salaries are wide-ranging. However, for deans who have not kept up their faculty salaries, there is a big drop; the transitional leave can soften this drop. These differences may be somewhat field dependent. The committee reached consensus around a statement that favors option three, with the proviso that the gap between the administrative and faculty salary could be filled in with a dedicated research account, and not with an administrative salary.

**ACTION:** Chair Newfield will draft a letter.

**IX. Systemwide Senate Review of the BOARS’ Revised “Proposal to Reform UC’s Freshman Eligibility Policy” —Chair Newfield**

**ACTION:** Susan Gillman will draft a UCPB response to the BOARS revised proposal.

**X. Review of the Proposal for a School of Medicine at UC Riverside —Chair Newfield**

**ACTION:** Norman Oppenheimer and Abel Klein will draft the UCPB review of this proposal.

**XI. Nick Jewell, Vice Provost -- Academic Personnel**

**ISSUE/REPORT:** Vice Provost Jewell remarked that year two of the faculty salary plan remains a top priority for the University. As it is current envisioned, year two is a copy of year one, which is a mixture of across-the-board increases with market changes to the salary scales. Although the November 2007 Regents budget included money to fund most of faculty/staff increases in year two, there are significant budget challenges facing the state. One fall-back position, which was proposed by the Faculty Salary Workgroup, is an across-the-board increase with no salary scale increases. UCOP will not know the final budget numbers until the late summer/early fall.

**DISCUSSION:** Chair Newfield asked for a ball park estimate of costs of the second year of the faculty salary plan; he also requested data on staff salaries. Vice Provost Jewell did not have this data on-hand, but he can send it later. With respect to staff salaries, one member remarked it would be useful to know how staff salaries supported by the state general funds and staff salaries
supported by other sources are separated. In times of budget crises, staff supported by other sources can more easily agitate for across-the-board changes, which often resonates to state-supported staff and faculty. Vice Provost Jewell noted that he is not responsible, nor involved in, the larger budget issues regarding staff salaries. Members also remarked that politically it would be very difficult to get faculty salaries increased, yet give nothing to staff. Another member asked if campuses will have more flexibility in how they use these funds. Vice Provost Jewell cautioned that too much flexibility could result in ten different faculty salary scales.

Members also discussed the methodology used to fund the faculty salary plan. Vice Provost Jewell related that the faculty salary plan was funded via block allocations to the campuses. Campuses received 1.8% of their academic salary base for merits. UCOP considered two approaches for funding the market adjustments. The first was allocating 1.4% of each campus’s academic salary base, which tended to benefit the older campuses. The other alternative was to fund the actual need on each campus; this approach would have benefited the smaller lower-paid and more on-scale campuses. In the end, UCOP split the difference between these two methodologies, which meant that there was less than a million dollar difference in the results of these two methodologies on any given campus. However, Year 1 was not fully funded by the state (only at 5.8%); UCOP has had to come up with additional dollars from the General Fund, and also expected contributions from the campuses, which had agreed to support the faculty salary plan. UCOP obtained campus contributions - in effect - by not funding the COLAs on unfilled FTEs. The EVCs view this negatively, as they use unfilled FTEs for retentions and other forms of academic support.

Chair Newfield also requested that the formulas for the above-mentioned methodologies (along with the associated amounts) be sent to UCPB. Regarding the outstanding data request sent before the meeting, Vice Provost Jewell noted that UCOP only now has the January 2008 payroll data, but this is not yet in an analyzable form. There are two sources of information regarding faculty salaries—one is from the corporate payroll system, which is annualized; the other is a Regental-mandated survey instrument to find out what each campus did with its share of the faculty salary monies. These two different sources of information will need to be reconciled. The data on off-scale salaries from September 2006 and 2007 is available, but it will not be able to be run until mid-April.

XII. Announcements from Steven Beckwith, Vice President for Research and Graduate Studies

ISSUE/REPORT: VP Beckwith remarked that he is in the process of visiting every campus. His intent is to establish a small group that handles communications between the campuses and his office. Recompeting some MRUs, and recycling their associated monies, is one of his highest priorities. He stated that a process is needed, and is interested in any work that UCPB has done in this area. The incremental value of these recycled monies is important; it should be asked in which areas/fields these monies can be optimized. Regarding the Cal ISIs, VP Beckwith remarked that these entities seem to be unique to UC. While the University has an obligation to fund them in the short-term, they can be recycled if they are found not to be working well. Using lab fees to support them is at best a short-term band-aid, as these monies are not sufficient to fully support them. VP Beckwith also briefly discussed the ONR Fellowship. He noted that it is a fellowship in name only, as each ‘fellowship’ awards $3 million
over five years. It really is a research fund. The controversy emerged when it was learned that awardees must receive security clearances to attend DoD classified briefings. Given that there seemed to be a link between classified information and the research (although not explicitly stated), VP Beckwith wrote a memo stating that this program would violate UC policies, as classified research is not conducted on UC campuses. After some negotiations, a firewall between the classified information and the research has been established. The actual research is an incentive to get security clearances, as the DoD is losing a large number of ’experts’ that it routinely draws upon through retirements, etc. He did acknowledge that it can be difficult to for non US citizens to get security clearances.

**ACTION:** Chair Newfield/Analyst Giedt will send a process for recycling MRUs, along with a classification process.

**XIII. Systemwide Senate review of the proposed revisions to the Code of Conduct for Health Sciences**

**ACTION:** UCPB will not comment on this proposal.

**XIV. New Business**

*There was not any new business.*

**XV. Executive Session**

**REPORT:** Members did not hold an executive session.

The meeting was adjourned at 4:00 p.m

Attest: Christopher Newfield, UCPB Chair
Prepared by: Todd Giedt, Committee Analyst