

October 18, 2005
Minutes of Meeting

I. Chair's Announcements, *Stanton Glantz, UCPB Chair*

Chair Glantz welcomed new and continuing UCPB members, asked that self-introductions be made, and noted that although UCPB Vice Chair Chris Newfield is absent this month and is sabbatical this year, he will be present at most meetings. Issues under current consideration by the Academic Council and other system wide groups were then noted, including:

- Plans to use savings from the Strategic Sourcing Initiative (SSI) for graduate support.
- A recent lawsuit filed against the UC Regents and some individuals (including the chair of BOARS) by a group of Christian publishers and educators.
- The Science and Math Initiative. The Senate's role in the program, which is crucial for curriculum development and credentialing matters, is currently being discussed and defined by the Academic Council. (Once the program is better established, UCPB will probably want to look at how it is or can be funded.)
- The recently established Graduate Support Advisory Committee (GSAC), operating as a one-year pilot, and of which Chair Glantz is a member. At its first meeting GSAC discussed various proposals for increasing graduate support.

Some other issues for UCPB's possible consideration were identified, including:

- Implementation of plan to apply savings from the strategic sourcing initiative to graduate support (see action below).
- Funding for the implementation of the Science and Mathematics Initiative.
- Resources and planning for the expansion and reintroduction of nursing programs at UC campuses.
- Follow up on last year's report on budget cuts to campus mental health services.
- UC's indebtedness and funding capital projects.

Action: Analyst Foust will distribute the information packet provided to GSAC members at their first meeting, if it is available.

Action: Calvin Moore will represent UCPB at the upcoming Council on Research

Action: At a future meeting, UCPB will consider the budgetary impact of the resumption of UCRS contributions on extramural grants.

II. Selection of UCPB Representative on the Technology Transfer Advisory Committee (TTAC)

Action: Member Norm Oppenheimer (UCSF) was appointed to serve on TTAC as the UCPB representative.

III. Presentations from the Systemwide Senate Leadership and Office, *Clifford Brunk, Academic Council Chair; Maria Bertero-Barcelo, Senate Director*

Academic Council Chair Brunk introduced himself and explained his role on UCPB as an ex officio member. He stressed the importance of Senate engagement with research policy in light of the university's mission, and outlined his function as liaison with the Academic Council, the administration and the Regents in maintaining a flow of communication. He mentioned UCPB's important role in the consideration of strategies for increasing support to graduate education, in particular the plan to use savings from the Strategic Savings Initiative to fund graduate education, and suggested that UCPB offer advice on how the 19900 funds can be recaptured.

Executive Director Maria Bertero-Barcelo provided a brief overview of Systemwide Senate operations, and explained that she is responsible for the oversight of all Senate resources, including the budget and staff. Faculty are asked to use UCLA Travel, which saves a substantial amount of money in travel costs. Members are urged to keep in mind when approving minutes that they are made public. Public agendas and approved minutes of each committee will be posted on the public portion of the committee's website. Committees will also have password-protected websites for the posting of drafts of agendas, minutes, reports, and other committee documents. She noted the various roles of the Senate staff, and reminded members that the systemwide office now tracks legislative issues and coordinates Senate responses on relevant issues.

Discussion: In regard to the SSI, Chair Glantz noted that this can be seen as an unallocated cut, and that there is some question as to how much money will be realized in savings. A member made the point that implementation of the SSI should a focus of campus committees rather than of UCPB. Another noted that some better deals that have been negotiated by individual campuses may have to be lost in order to comply with the SSI.

Action: UCPB will consider whether and how to advise on implementation of UCOP's plan to support graduate education with the savings of 19900 funds that will be realized from strategic sourcing. UCPB members are asked to formulate questions that can be addressed to an appropriate UCOP consultant and discussed at a future meeting.

IV. Budget Update, Lawrence Hershman, Vice President-Budget

Report: UC's funding follows the economic cycles of the state, but there has also been significant growth over time in research money (attributable to the quality of UC faculty), and more private money than in the past. What is remarkable now, is that we are not in a recession, and yet the state and the federal government are in serious fiscal difficulties, some of which, at least for the state, is due to one-time spending during the last good economic period. State revenues are okay, but there is a \$5 to \$6B deficit even after cuts and other measures. There is great concern over whether or not the state will continue to meet its obligations under the Compact after the current budget year.

Proposed 2006-07 UC Budget

Budget strategies.

- Require a 3% general increase for operating funds

- Get funding for 5000 more students (which includes summer instruction)
- Increases, as per the Compact of undergraduate fees by 8% and academic graduate fees by 10%,; no increase on non-resident graduate students and 5% increase for undergraduate non-residents
- Eliminate tuition for non-resident graduate students after they advance to candidacy
- Fund a 4% increase for salaries, merits and COLAs from a combination of state funds and student fees, which, over time, should bring salaries back to competitive levels.

Enrollment issues.

- There is start up funding in the current year for expansion of nursing at Los Angeles and San Francisco.
- Discussions have been ongoing regarding enrollment growth funding. Enrollment growth has been funded at the margin at \$7500 per student. What will be proposed is \$9500 per student as a general campus rate, which would include maintenance. In addition an agreement will be sought for health sciences programs to be funded separately at a medical school rate and dealt with individually.

Financial Aid

- For undergraduates whose parental income is \$60-\$100K (some of whom are needy, some not) a return to aid plan that provides 50% of the fee increase as financial aid as a one-time plan while a longer term solution is sought.
- For graduate students, there will be no tuition for candidates and funding from the SSI savings (which is estimated to go up to \$40M).

Other issues.

- Academic preparation programs will be evaluated and those that are demonstrably effective will be proposed for continued funding.
- Funding will be asked for to support research and state-wide grants programs at the Labor Research Centers at Berkeley and Los Angeles.

Professional Schools.

The budget will propose a one year fee increase only in 06-07 and then have a two-year planning period. Because of the add on coming from the law suit , the fee increase this year will be limited to 5%, except for the law and business schools at Berkeley and LA, which may have 10% increases to compensate for state cuts. Also, a statement of principles on professional school fees is being drafted to present to the Regents for discussion.

Action: VP Hershman will provide UCPB with the material on professional school fee increases that was reviewed by the EVCs at their meeting the same day that UCPB met.

V. UCPB Resolution on Maintaining the Public Status of the University of California

Issue: The original UCPB resolution that was forwarded to the Academic Council last year requested the establishment of a task force to address the issue of forces and trends that may be effectively ‘privatizing’ UC. The Council agreed with the resolution in principle, but did not endorse the idea of a new task force, By an oversight, the Resolution was not sent on, as was planned, to the Provost’s Long Range Guidance Group. After consultation with the current Council Chair, an amended version of the Resolution is now proposed for the committee’s review and approval. The amended

version corrects grammar, slightly condenses some of the recitations, includes language that clarifies that the resolution does not oppose private fund raising, and requests that the statement be forwarded, with the endorsement of Council, to the long range planning group.

Action: The proposed revised resolution was amended to combine the fourth and last ‘whereas’ clauses. Pending that amendment, UCPB unanimously approved the revised resolution. It will be forwarded to the Academic Council for endorsement and transmittal to the Long Range Guidance Team.

VI. Proposed Structure for the Review of the Cal ISIs

Issue: For more than four years, UCPB has been actively involved in trying to establish regularized review of the Cal ISIs that would include Senate participation and oversight, and address issues of how the Institutes operating budgets will be funded and how they integrate into the academic planning and budgetary environments of their host campuses. UCPB offered preliminary comments last year on a proposed review process. The Provost’s response to this preliminary review reflected a number of the Senate’s recommendations, but did not agree to a final ‘closing the loop’ report to the Senate (on both the campus and system wide levels) on the review outcome.

Discussion: Academic Council Chair Brunk noted that at this point the best way to make progress may be to institute a pilot review as soon as possible -- probably of the IT2 -- and then to make adjustments to the process and policy as needed. Others noted the political nature of the institutes’ inception and the importance to build into the review process a way of addressing campus concerns and senate oversight.

Action: Analyst Foust will distribute to UCPB members UCORP’s memo in response to the Provost’s 9/27/05 letter re: review of the Cal ISIs.

Action: UCPB agreed that the Council’s letter to Provost Greenwood should reflect UCPB’s concerns regarding campus and systemwide comments on the report of the review committee, a final “closing the loop” response from administration; and UCORP’s concerns regarding Senate input into the development of review guidelines/charge to the review committees.

VII. Proposed Policies on University-wide and Senior Leadership Compensation

Bob Miller, Mercer Human Resources Consulting; Judith Boyette, UC Associate Vice President-Human Resources

Issue: At the September 22, 2005 Regents meeting the Regents Committee on Finance presented to the board RE-61, Policies on University-wide and Senior Leadership Compensation and Procedures for Senior Leadership Compensation,” a three-part proposal recommending that the Regents: A) work to bring all UC salaries up to market comparability over a ten year period; B) adopt new procedures for setting salaries for senior leadership; C) augment funding of salaries over \$350K with private funds for 42 senior leadership positions. A report, developed by Mercer Human Resources Consulting entitled “UC Total Remuneration Current Situation and Planning for the Future” supplemented the proposal. The Regents will be acting on the proposals at their November meeting. The Academic Senate discussed RE-61 and the Mercer report at its

September meeting, and will be considering them further in October in order to formulate a Council position that may be taken to the Assembly. Bob Miller of Mercer was invited to UCPB to offer a presentation of the report similar to those made at the Regents meeting and for Council.

Report: The Mercer study looked at total remuneration: salary, benefits, and retirement, offering a ten-year projection and a proposed philosophy of “total competitive remuneration.” It finds that UC salaries are below comparable market salaries by an average of 15%, but that total remuneration for the average employee is at market level. This value will likely decrease when employee retirement benefits resume. It is important to note that the value of benefits and market salary comparisons varies greatly by employee group. The current salary review process for setting senior leadership salaries are seen as ineffective, therefore a new administrative procedures are recommended that a structure for determining and setting salaries of senior management positions earning more than \$168k/year except for the top 30 positions, which will be reviewed and approved by the Regents. The third recommendation to augment some senior management salaries with private funding was not developed by Mercer. The cost over ten years, if changes are instituted in 2006, is projected to be \$3.5M, which includes \$1.2M going to augment those salaries above \$350K.

VIII. EXECUTIVE SESSION: Proposed Policies on University-wide and Senior Leadership Compensation

Action: Chair Glantz and Analyst Foust will develop a first draft of a UCPB resolution on university-wide and senior leadership compensation, and circulate it to members tomorrow for finalization. The resolution will then be forwarded to Academic council Chair Brunk for consideration at the October 26 Council meeting.

Attest: Stan Glantz, Chair
UCPB

Minutes prepared by
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Distributions:

1. Regents Item RE-61, from the September 22, 2005 meeting of the UC Board of Regents.