

**University of California Academic Senate  
University Committee on Planning and Budget (UCPB)**

**Minutes of Meeting – October 7, 2008**

**I. Chair's Announcements – Patricia Conrad**

**Report:** After brief introductions, Chair Conrad welcomed UCPB members and reviewed the charge of the committee. UCPB makes recommendations to the Academic Council on a broad range of policy issues affecting planning and budget. The committee is also encouraged to initiate projects and policy reviews.

UCPB has had a significant impact on University-wide conversations about the budget over the last few years under the leadership of Stan Glantz and Chris Newfield. Both the 2006 [“Futures” Report](#) and last year’s [Cuts Report](#) have been distributed widely and reviewed by the new President. This year’s committee can also make a difference. Members are encouraged to communicate with their local committees about systemwide issues and discussions, and in turn, to share local concerns and issues with UCPB. Members should bring local perspectives to meetings, but should also try to forge a systemwide perspective that takes into account what is best for UC as a whole. UCPB members occasionally have access to confidential information and materials that should not be distributed beyond the committee. A member who cannot attend a meeting should try to find an approved alternate with the help of their division.

The UCPB chair attends monthly meetings of the Academic Council and meetings of the Academic Assembly, the Special Committee on Lab Issues ([ACSCOLI](#)), and the Faculty Salary Scales Work Group. A UCPB member will also represent the committee at meetings of the Systemwide Library and Scholarly Information Advisory Committee ([SLASIAC](#)) and the Technology Transfer Advisory Committee ([TTAC](#)), and Council has asked UCPB to appoint a representative to a subcommittee discussing revisions to the Compendium.

President Yudof spoke at both the September 24 Council meeting and a Senate leadership retreat attended by the UCPB chair and vice chair. He views the Senate as an important partner and is communicating closely and frequently with the faculty leadership. Council also reviewed 2007-2008 Senate Chair Michael Brown’s [Open Letter to the President on the State of Shared Governance](#). The president noted that he is interested in reviewing data outlining the consequences of budget cuts for enrollment growth and enrollment caps, and Executive Vice President Katie Lapp presented Council with long-range budget projections that model various funding scenarios. UC is preparing for large increases in health care costs and the re-start of employee contributions to UCRP. The future of the faculty salary scale plan is in doubt as a result of the budget crisis.

UCOP recently made two high level appointments – John Stobo, senior vice president for health sciences and services, and Alan Hoffman, senior vice president for external relations. Robert Gray continues as Interim Provost during the search for a permanent provost.

Chair Conrad encouraged both new and returning members to participate actively in meetings and to send her agenda suggestions. Student representatives are also encouraged to speak freely and to bring their issues and ideas to meetings. Students are non-voting and are excluded by default from executive sessions, the listserve, and the document database.

**Action:** The committee voted to give the student representatives access to the Document Database, the UCPB listserve, and executive sessions except in rare instances.

**II. Consent Calendar**

1. Approval of the 2007-08 UCPB Annual Report

2. Approval of the June 10, 2008 UCPB Meeting Minutes
3. [Proposed Revisions to Academic Personnel Policies](#)
4. Approval of the October UCPB Agenda

**Action:** UCPB approved the consent calendar with the exception of the annual report, which was an earlier draft version of the one completed by the 2007-08 UCPB chair. The final version will be circulated to the 2007-08 members for approval and noticed in the next agenda. UCPB clarified that it would not opine on the proposed APM revisions.

### **III. Compendium Reviews**

**Issue:** Per the “[Compendium](#),” UCPB reviews the establishment and reconstitution of Schools, Colleges and Multi-Campus Research Units (MRUs) with the Coordinating Committee on Graduate Affairs and either the University Committee on Educational Policy or the University Committee on Research Policy. For the following two reviews, CCGA is the lead review committee and will collect and collate responses from the other committees.

#### **1. 5-Year Academic Review of the California Institute for Quantitative Biosciences ([QB3](#))**

QB3 is the second of the four [California Institutes for Science and Innovation](#) (CalISIs) to come up for review. Last year, UCPB reviewed the California Institute for Telecommunications and Information Technology ([Cal-\(IT\)<sup>2</sup>](#)). The CalISIs are a state initiative that supports research partnerships between UC campuses and private industry. In December 2005, the UCPB and UCORP chairs submitted a [Review Protocol](#) for the Cal ISIs, noting concern about the long-term budgetary issues surrounding them and their potential impact on campus budgets.

**Action:** Peter Krapp and Bjorn Birnir volunteered to review the proposal and draft and circulate a preliminary analysis prior to the November meeting.

#### **2. Proposal to Reconstitute the UCR Graduate School of Management**

UCPB reviewed an earlier version of the proposal in 2006.

**Action:** James Chalfant and Susan Gillman will draft a preliminary analysis, which will be circulated prior to discussion the November meeting.

### **IV. Budget Consultation with the Office of the President – Associate Vice President for Budget Operations Debora Obley**

**Report:** Associate Vice President Obley reported that the 2008-2009 state budget contains no new cuts to UC; however, the budget allocation remains flat for the second straight year, and the University will have to absorb costs for new students, a 9% increase to employee health benefit costs, continuation costs for last year’s salary increases, and maintenance of newly constructed space. She said UCOP will provide campuses funding for faculty academic merit increases, but year two of the faculty salary plan, which was expected to provide \$68 million in additional range and salary scale adjustments, is being set aside. UCOP is also asking campuses to direct a third increment of \$10 million for “graduate student support,” although campuses have discretion about how to use the money. There are a number of legislatively-mandated research priorities in the state budget that cannot be touched, although this year, the legislature reduced the funding amount of those line items by 10% across the board, which freed up some money for a one-time allocation to the CalISIs. UCOP is currently evaluating the viability of all the line item programs in the state budget.

UCOP is assembling a budget for 2009-2010, which asks the state to restore marginal cost funding for current enrollment and an additional 5000 students, normal base budget adjustments, and the expected re-start of contributions to the retirement system necessary to keep UCRP viable. UCOP is discussing different scenarios for employee contributions. One possibility for the first year is to redirect the 2% Defined Contribution Plan allocation to the UCRP. This year, UCOP's budget request asks for the normal workload budget, but also includes a section listing UC's total needs, similar to what is outlined in the Futures Report. She also said that the budget crisis may force UC to make additional cuts by March 2009.

**Discussion:** UCPB members urged UCOP to be open and direct with the state about UC's real long term and catch up fiscal needs.

## **V. Consultation with the Academic Senate Office**

**Report:** Academic Senate Chair Mary Croughan, Vice Chair Henry Powell, Executive Director Martha Winnacker, and Associate Director Todd Giedt joined the meeting. Chair Croughan welcomed UCPB members and thanked them for their volunteer service to the Senate. She said the top two priorities of the Senate have been, and continue to be, the faculty salary plan and graduate student support. The current budget does not include the \$68.5 million required to implement year two of the salary plan, although UCOP may provide a smaller pool of money to the campuses for targeted recruitment and retention purposes.

President Yudof's recent white paper, "Understanding Revenues and Expenditures in the University of California Office of the President," explains that most of UCOP's operating budget is created through a pass-through "tax" on unrestricted monies generated by the campuses, which can be shifted to different priorities or returned to the campuses. UCOP staff reductions (from 1700 to 1100 over the last year) have freed up \$10 million in unrestricted money that UCOP is asking campuses to direct to graduate student support. UC also plans to issue bonds to generate money for seismic upgrades, deferred maintenance, and new campus facilities.

Chair Croughan noted that President Yudof is committed to communicating the urgency of UC's chronic under-funding to the legislature and the potential effects on educational quality if funding is not restored.

The President's [Draft Accountability Framework](#) is the first step in establishing an annual report that tracks the University's progress in meeting key goals. Chair Croughan encouraged UCPB to look at any section of the framework related to planning and budget. Its review should focus on areas that may not have been addressed or were addressed inadequately; areas where additional analyses might need to be done to clarify issues or address the root of a problem; or new qualitative and/or quantitative data that can illuminate various areas. This is a critical opportunity for the Senate to help set a baseline for the report.

Chair Croughan said the Senate should strive to give President Yudof evidence-based, data-driven input and advice. There is a new effort to include need-based analyses into academic planning, and the president is now asking that proposals for new buildings define how the facility fits into the campus's strategic plan and vision. There was a question about UC's plans for adopting a modern depreciation schedule for capital projects, and concern about the large gap between UC Merced's capital funding needs and the funding UCOP is actually providing. The Merced representative also distributed an update on the UC Merced budget to UCPB members.

She said the president is committed to increasing the percentage of graduate students at UC, and Senior VP for External Relations Alan Hoffman is looking for data and faculty stories that illustrate the impact of research on California. It was noted that a reinvigorated public relations campaign is important to highlight for the public and legislature the significance of research and

graduate education to the state. It was noted that a [TTAC](#) subcommittee is exploring metrics to measure the impact of UC research, and that graduate students make significant contributions to their communities through internships. There was a question about how UC will determine and implement the proper graduate student-to-faculty ratio with an expansion of graduate education.

The President has asked the UC Education Abroad Program director to produce a business plan for EAP by the end of October, which will then come to UCPB for informal review. An academic plan will be released at a later date. Draft revisions to APM 670, the Health Sciences Compensation Plan, will also come to the committee for review.

Finally, Chair Croughan noted that protocol requires UCPB members to communicate to the committee chair, who in turn should communicate all requests, including media inquiries, through the Senate chair. She asked members to assume that documents are confidential unless otherwise noted, and added that the analyst is available to draft agendas, minutes, committee memos and reports, to share institutional knowledge, and to help ensure proper protocol.

## **VI. Consultation with UCOP - Report of the MRU Advisory Board Recommendations and General Discussion of Other Research Issues**

- With Steven Beckwith, Vice President, Research & Graduate Studies;
- Cathie Magowan, Director, Science, and Technology Research Programs and Initiatives;
- Dante Noto, Director of Humanities, Arts, and Social Science Programs and Initiatives

**Issue:** In June 2006, a [report](#) from the Joint MRU Work Group recommended that an Advisory Board be formed to implement the recommendation of the Work Group that UC “introduce greater flexibility into the provision of multicampus research funding to allow new opportunities to emerge on a competitive basis.” Accordingly, the MRU Advisory Board recently issued a set of recommendations for opening the [MRU](#) funding process to competitive review, along with general criteria for how to evaluate proposals.

**Report:** Vice President Beckwith reported that one of the Senate’s longtime goals has been to increase the flexibility of the Office of Research’s MRU funding structure. The Advisory Board report is part of a seven-year process involving the Senate and administration. It recommends that the Office of Research issue a call for proposals and convene experts to develop specific evaluation criteria in each of six MRU focus areas. He said MRUs have served the system well by bringing together campus experts to collaborate on specific research issues, and because the UC system has a large number of highly ranked universities, MRUs play to an area of strategic advantage for the University. At the same time, UC may be losing out on new and innovative research initiatives because potential projects have never competed directly with established funded activities. The potential for new ideas is often underestimated in a system that does not solicit them. This summer, for example, a general RFP for funding generated by DOE Labs fees generated 564 proposals.

Directors Magowan and Noto added that some MRUs are decades-old institutions, while others fulfill their purpose quickly and dissolve. Some of the longstanding MRUs may in fact be worthy of continued funding, but UCOP will judge their proposals not only on evidence of past success, but also on their forward-lookingness, risk-payoff potential, and innovation. For the first time new opportunities will be provided to people who have been squeezed out.

VP Beckwith said 3-5 years is the right award timeframe for most MRUs, but the Office of Research is asking applicants to propose a timeframe in the RFP and there will be no strict limit. He asked UCPB to comment on a forthcoming draft RFP, which will be released for review in the near future.

**Discussion:** UCPB members expressed general support for the recommendations. UCPB has repeatedly stated a concern that money locked up in ongoing MRUs might be put to more strategic use elsewhere. It was also noted that many in the UC community will need education about the new initiative. VP Beckwith said the biggest challenge may be encouraging faculty in the humanities and social sciences to participate and limiting the size of the RFPs may help reduce barriers to applying. There was a concern that the description of focus area 3, noting that UC should support research in “arts and humanities areas that receive little funding from the federal government,” could discourage faculty who receive federal funding. Moreover, it was unclear why this wording was included specifically in the description for humanities and social sciences, but not the other four areas. There was also a suggestion that the first two area descriptions for “International and Area Studies” and “California Issues” –mention humanities and social sciences research. Chair Conrad noted that UCPB would submit comments and asked UCOP to provide the Senate with enough time to review the draft RFP.

The committee also asked VP Beckwith about a memo of concern sent to the Industry University Cooperative Research Programs (IUCRP) Steering Committee and forwarded to UCPB regarding the redirection of \$2 million in July from IUCRP to the Office of Technology Transfer. He said IUCRP money comes out of the general fund, which the president has the authority to spend for other purposes, and other commitments came to light at the end of the last fiscal year as a result of the fiscal crisis that had to be addressed with fungible money. Unfortunately the money cannot be retrieved and there may be other affected programs. He suggested that UCPB reaffirm publicly that research is critical.

**Action:** UCPB members will forward any comments about the MRU Advisory Board report to the analyst who will draft some comments, which will be circulated to UCPB members and then sent to for the Office of Research.

## **VII. Systemwide Senate Reviews**

### **1. Policy on Reemployment of University of California Retired Employees**

**Issue:** The policy was adopted by The Regents in September 2008 without Senate review, but with a promise that the President would circulate it to the UC community for review after its adoption. The final version will go into effect on January 1, 2009 and may incorporate clarifications and additional guidance from the Senate and other reviewers. The policy comes after a public outcry over an arrangement that allowed the UC Berkeley Police Chief to retire with a \$2.1 million package and then return to the same job right away at a higher salary.

**Report:** Senate Director Winnacker noted that at the point of retirement eligibility, UC employees can take their accumulated pension as either a lump sum or a monthly payment. The new policy prohibits retirees who took the lump sum from returning to work at UC as a full time employee (they can return at 43% time for up to 12 months) without special, high-level approval for both the appointment and for any exception to the 12 month limit – for staff, senior level approval on the campus; for SMG position, presidential approval; and for others, Regents approval. The policy also requires evidence of “exigent circumstances” for the exception. Employees who took the monthly payment option have a choice of either giving up their pension and returning to work full time, or remaining retired with the pension and returning for up to 12 months at 43% time. It exempts retired faculty returning to a faculty position under APM 200.

**Discussion:** UCPB members expressed several reservations about the policy. First, members hoped the method by which it was approved, particularly the unusual step of bypassing a Senate review, does not set a precedent. It was also unclear what effect the Senate's comments may have at this late stage.

The committee agreed with the need to prevent future situations like the one at Berkeley, but there were concerns that UC is making a general policy to address a specific incident, and that it may not really prevent future Berkeley-like incidents, because the change merely specifies the individual permitted to make the exception to policy. In particular, it seems as though exceptions to policy may still be made for highly paid employees, while those whose salaries, and perhaps pensions, would not attract public scrutiny will not be granted exceptions, even when both the individual employee and UC would benefit from the recall.

The requirements for exigent circumstances and documentation regarding a failed search likely will cause some departments to decline to seek a recall, to ignore the policy altogether or perhaps to engage in a search that is guaranteed to fail, in order to meet the requirements for a recall. The policy may create onerous requirements for small departments, which, as a result, may fail to take sensible actions, now written into policy, to retain a valuable employee – its MSO, for instance. Therefore, it is possible that the policy will allow a police chief at Berkeley to be rehired through a high level exception, but will discourage and obstruct a small department from taking steps to retain its MSO. Thus, the policy imposes costs on UC and its employees, while doing nothing about the culture of exceptions to policy for highly paid employees that led to the public scrutiny in the first place. None of these outcomes serves the University's interest. While establishing a protocol for policy exceptions is sensible, it is unclear that adding more bureaucracy and oversight without an outright prohibition on such practices that took place at Berkeley will have the desired effect.

The policy is an overreaction to a situation that was legal, but embarrassing. A balance needs to be struck between having a clear policy in place to manage negative publicity, and allowing flexibility and authority for decisions to retain or recall employees at the appropriate level when needed by the University.

**Action:** The analyst will draft and circulate a memo with comments for review by October 15.

## **2. UC Task Force on Planning for Professional and Doctoral Education: Report of the Subcommittee on the Professional Doctorate**

**Issue:** The Subcommittee's report discusses the rise of the "professional doctorate," proposes principles for evaluating whether UC should offer certain professional doctoral programs and for determining whether and when CSU and UC should share granting authority over professional doctoral titles. The report also recommends that UC strive to retain sole public authority in California over the right to grant the kind of doctorates based on research and scholarship.

**Discussion:** Members noted that the report successfully identifies some of the key issues and questions facing post graduate education in California. It provides an opportunity to discuss a longstanding debate between CSU and UC over intersegmental academic "turf," as well as long term academic planning issues facing the state.

There is growing demand for professional doctorate degrees such as the PharmD, EdD, and AuD. The report raises a number of questions including whether UC is doing enough to meet the demand, and if not, whether it should do more; whether CSU should have more power to grant a limited type of professional doctorate; and whether UC should seek to retain control over all doctorates. In UCPB, there was hesitancy about the cultural shift but a sense that UC should try

to play a larger role in professional doctorates. UCPB found the distinction made in the report between research and professional degrees appropriate, but the committee was not prepared to say definitively whether or not it would be appropriate for UC to develop more professional doctorate degree programs or share with CSU its long-standing authority within California public higher education to award individual doctoral degree titles.

At times the document is vague, and perhaps overly diplomatic. There are more questions raised than clear recommendations provided. Is it intended to start a discussion? It is sometimes unclear what the report is arguing for with regard to professional doctorates. On the one hand, it recommends that UC retain authority over research-focused doctorate education, but the authors also seem open to the possibility of loosening that authority in some cases. If the purpose and intention of the document is to argue against CSU expanding into certain doctoral areas, particularly the PhD, it should state that more consistently and explicitly.

Confronting academic and professional demand in a state facing a severe budget crisis is an urgent matter, and the segments must work together more than they have in the past to confront the new challenges. UCPB supported the recommendation for maintaining an open, collegial relationship with CSU and the need to discuss state authority for new programs on a case by case basis. The segments will need to discuss and arrive at a mutual agreement regarding the individual degree programs as well as larger philosophical issues. Both segments are drawing on the same pool of human talent, so both should be partners in every decision of this sort and have full vetting oversight over them.

The report recommends using the CSU/UC Joint Graduate Board, a revitalized CPEC, or some other overarching body to oversee a new intersegmental planning effort. More information and discussion is needed about this proposed body. It is not clear exactly who would be making postdoctoral education planning decisions and what knowledge base they would use to accurately assess the future graduate training needs of the state. It is important to have broad faculty input into any new decision-making mechanism. There are many questions this body would need to ask UC and CSU: how to assess need, demand, and the impact on established doctoral programs; whether a need must have a threshold of demand to be considered for a doctoral program; whether resources will be available to meet these needs adequately; how to determine the cost of setting up and running these programs in a timely and effective manner; and whether certain programs will need to partner with the clinical resources at an established medical school.

It was noted that to pursue the report's recommendations, the Senate will need data about market demand and how viable such degrees are in the marketplace, in the context of both state/national need and demand. However, is it contrary to UC's principles if all PhD and professional degree programs are defined on a "need based" metric? What is the long term horizon for a need based evaluation? There was also a concern that UC may not be able to build new programs because of the budget crisis, which harms UC's mission. Moreover, the fiscal impact of this policy to the UC system, if not done correctly, is potentially disastrous.

**Action:** The analyst will circulate draft comments for consideration.

### **3. Request from the University Committee on Academic Freedom (UCAF) to change Senate bylaws and add UCAF to Council**

**Issue:** UCAF requests a standing seat on Academic Council and a two-year chair.

**Discussion:** UCPB was divided on the question of adding UCAF to Council, but there was general support for the requested two year term for the chair, which UCPB felt could help make



UCAF stronger by providing it with more continuity of leadership. Some members noted that academic freedom is sufficiently important to be represented permanently on Academic Council. There is an academic freedom component many discussions that may be missed without committee representation. This is not unlike the issues of diversity, which was UCAAD's successful argument two years ago for inclusion on Academic Council. Approval of this request would increase the size of the Council, which will increase the cost. There is also a question of why UCAF, which generally only meets twice a year, should be included on Council and not other or all committees. In addition, some concern was expressed that the increased number of standing committee chairs would upset the current balance of divisional and committee chairs on Council. There are sufficient mechanisms in place to allow non Council committees to bring their issues and concerns forward to Council, but perhaps Council needs some better mechanism to integrate the business of UCAF and other non Council committees than has been the practice.

**Action:** The analyst will circulate draft comments about the pros and cons for consideration.

#### **4. Draft UC Accountability Framework**

**Issue:** Committees were asked to review the Draft Accountability report for input to see if it contains the appropriate measures.

**Action:** Committee members volunteered to divide the review responsibility for UCPB-relevant sections, and will bring preliminary analyses to the November meeting.

Section 2- Undergraduate Affordability: Mary Gauvain and Mathew McCubbins

Section 6- Graduate and Professional Student Profiles: Doug Jorgesen and Bjorn Birnir

Section 7- Faculty: Norman Oppenheimer and James Chalfant

Section 8- Research: Evan Heit and Patricia Conrad

Section 10- Finance, Capital and Development: Susan Gillman and John Ellwood

The meeting adjourned at 4:00 pm

Minutes prepared by Michael LaBriola

Attest: Patricia Conrad