I. Chair’s Announcements

The Academic Council discussed how the Senate should interface with the UC Commission on the Future, and decided that since each campus has faculty representatives on at least three or four working groups, those faculty should form local communities to foster communication and reporting at the local department and divisional council level. In addition, the Senate’s systemwide standing committees should liaise with specific working groups. UCPB is interested in all five, but is most directly connected with Funding Strategies, which includes Chair Krapp as a member. Commission Chair Gould has asked each of the five working groups to submit reports on their top two or three priorities by March, and the administration has assured the Senate that any of the Commission’s recommendations will be sent to the Senate for a 60-day review.

Council also endorsed UCORP’s recommendations about changes to the UC patent acknowledgement form made after the recent Roche vs. Stanford lawsuit, and a UCFW request for UCOP to exclude from the furlough policy any faculty who elected to take reduced pay sabbaticals prior to the implementation of the furloughs. The administration responded to Council’s concern about a new consent button on the Open Enrollment website by removing the button and promising that nobody who had submitted the form would experience a change in benefits. UCOP and the UAW are negotiating over a collective bargaining contract for UC postdoctoral researchers.

Discussion: Some divisions are unhappy that not all Commission working groups include representatives from all campuses. UCSF and UCI Senate executive committees have officially linked each of their working group representatives with campus committees.

It was suggested that UCPB comment on postdoctoral unionization and/or weigh-in on the terms of the negotiations. Faculty have mixed feelings about the unionization of post-docs. Of course post-docs are central to the future of research and science and it is important to treat them well. On the other hand, a union-style manager/worker relationship model may not correspond well with the professor/post-doc apprentice relationship based on a joint scholarly endeavor. Some members felt the issue is best left to UCOP, and noted that other Senate committees may be in a better position to comment.

Action: Chair Krapp will check with UCAP and UCORP to assess their involvement. UCPB will invite Vice President for Human Resources Dwaine Duckett to a future meeting.

II. Other Updates

DANR Subcommittee: James Chalfant, John Ellwood, and Carol Lovett are UCPB’s representatives to a joint UCPB-UCORP subcommittee charged to develop queries to help facilitate critical thinking by DANR about its strategic vision and how to attain it. The subcommittee held an initial conference call last week. There was concern that the Senate was
not involved in recent decisions to close ANR centers and ORUs, which play a research and outreach role and should involve some Senate oversight.

**EAP Governing Committee:** UCPB’s EAP Governing Committee representatives David Lopez and Jean-Bernard Minster reported that the administration agreed to the faculty’s request for the next EAP director be a UC academic. The Governing Committee will also have a substantial role in the search and selection process for the director and in the oversight of all EAP decisions and issues going forward, including the proposed closure of programs. The administration also agreed that UCIE should have responsibility for EAP academic programs and quality.

**III. Consent Calendar**

1. Approval of the November 3, 2009 UCPB Minutes

**Action:** UCPB approved the consent calendar.

**IV. Salary Scales memo**

UCPB reviewed a draft memo to Academic Council from the UCPB, UCAP, and UCFW chairs, asking Council to make restoration of competitive salaries and benefits its top budgetary priority. The memo also asks UCOP to provide alternative cost projections for year two of the four-year Faculty Salary Scales Plan, which was approved by the Regents in 2007, but deferred after one year due to the budget crisis. The memo notes that while UC’s continued excellence depends on the relevance and integrity of a university-wide salary scale system, the UC scales lag competing and comparison institutions. As a result, UC campuses have turned to off-scales with increasingly frequency and in different ways to recruit and retain faculty, which has increased inequities across campuses and disciplines. A single salary scale is central to preserving the sense of UC as one University.

The UC Provost wants to convene a Special Joint Committee to consider the viability of an alternative salary funding plan similar to the Health Sciences Compensation Plan (HSCP), but for all main campus grant-funded faculty. The draft joint memo also asks Academic Council to reject this idea.

There was a concern that UCPB should not implicitly endorse the continuance of the 2007 Faculty Salary Scales plan without considering alternatives. Several members expressed opposition to extending the HSCP model to other faculty. One noted that it has helped create an inequitable system that provides vastly different levels of remuneration and should not be a model for the system. Such a plan would increase dependence on less stable grant-funded compensation, allow campuses to tax grants and contracts, and force faculty to choose between using grant funds for salaries or research. Members said UCPB should have a representative on the Joint Committee. Vice Chair Simmons responded that the Senate office had intended to ask UCPB, UCFW, and UCAP to nominate a member each, and he invited UCPB to do so.

**Action:** UCPB endorsed the letter unanimously with modifications. UCFW will review the letter at its next meeting. The Senate Office will re-send the request for UCPB to nominate a member for the special joint committee.
V. Indirect Cost Recovery

**Issue:** A subcommittee of UCORP and UCPB members (Chair Krapp, Warren Gold, Evan Heit) is pursuing a charge from Academic Council to update the Senate’s investigations into Indirect Cost Recovery. One recent subcommittee phone call included Vice President for Research and Graduate Students Steven Beckwith and Former Senate Chair Mary Croughan.

Chair Krapp said the subcommittee is looking at practices that may hinder UC’s ability to recover the indirect cost of research. UC has a lower ICR rate than many of its competitors; the funds recovered do not always cover utilities, maintenance and other indirect research costs; and the number and proportion of “vital interest” overhead waivers in gift or grant agreements have been increasing. There is also a growing practice of calling grants “gifts,” to get the lower gift tax rate—5% or 10% rather than 1/3 of the total grant granted for overhead (an overhead rate of 52% would be reflected as 52% on top of the base grant, for about 1/3 of the total.)

**Discussion:** It was noted that campuses do not view ICR mechanisms as fair or transparent. A 1990s UCORP analysis showed that less than 5% of ICR money was returned to the individual researcher. The subcommittee should look at why this is; investigate the policy that moves ICR money from the generating campus to other campuses; follow recovery dollars on the campuses; and track how UCOP and others use their tax on ICR. These funding paths are difficult to follow, but the University would benefit from greater transparency and accountability.

It was noted that a campus may categorize a grant as a gift when it does not require data reporting by the research office. If given a choice, many sponsors prefer not to pay a 50%+ Federal overhead rate. It was also noted that some departments use the gift device to advantage.

VI. Non-Resident Tuition (NRT) and Enrollment

Vice Chair Simmons invited UCPB to consider the costs and benefits of increasing non-resident enrollment to help address budget shortfalls. UCOP now gives campuses specific NRT revenue targets and allows them to keep all NRT revenue, but this gives campuses a financial incentive to increase non-resident enrollment. It also imposes a cost to campuses that are not able to attract as many non-residents as UCLA and UCB, and shifts resident enrollment to other campuses. The policy and the potential increase in non-residents is also a political risk; the public may perceive UC as abandoning its promise of access to CA residents. Does it serve our educational mission if UC considers non-residents as a source of income? Would it be fairer to pool NRT centrally and reallocate it to campuses?

**Discussion:** There was concern that NRT is intended primarily as a revenue-generating mechanism, not as a way to fulfill UC’s mission. UC is a public university and should not seek to deliver high quality education to the highest bidder. UC should only increase non-resident enrollment after it meets its Master Plan commitment. There is a danger that UC will lose the essence of its public mission and identity in the process of addressing the budget crisis.

Other members noted that international students enhance academic quality, and UC should increase their enrollment. Moreover, for all its inequities, NRT is one of the only mechanisms campuses have to increase funding and generate revenues for faculty salaries and other priorities. UC has limited options in the current environment where the state and its citizens are unwilling to fund public institutions.
It was noted that the current plan does impose burdens on campuses that are not able to attract non-resident students. It is inconsistent for the Senate to support a system that allows campuses to go their own way on non-resident enrollment, but then advocate against tiering and differential fees and support a single salary scale and the sharing of differential building maintenance costs. It was noted that UCPB went on record last year in support of implementing an NRT revenue-sharing plan if non-resident enrollment increases. One member suggested that UCOP pool and redistribute NRT revenues that are generated beyond a specific percentage target.

It was suggested that UCPB gather data about how NRT is collected and used on the campuses, and that UCPB should address this topic in a section in the Choices Report.

VII. Choices Report

UCPB’s 2006 Futures Report and 2008 Cuts Report helped sound the alarm about the state funding crisis. Last year, UCPB resolved to update its previous analyses in a new report on budget choices, some of which are now immediate. Chair Krapp sent out a draft report just before the meeting. He also recently surveyed UCPB members about their preferences for revenue generation and expense cutting. The top revenue choice is increasing the number of domestic and international non-resident students. On the cuts side, the top two are reducing central campus administration and reducing construction. The least popular revenue ideas are taxing outside faculty consulting income and raising graduate academic fees. The least popular cost-cutting options are reducing the graduate block and suspending the merit cycle. Members noted that most of the choices are bad in some way, and Chair Krapp encouraged members to forward new ideas.

The report should address topics such as privatization, access, compensation, accountability, educational delivery, and the issue of size—i.e., how many students can UC enroll, and what are the faculty and space requirements? It was noted that the appropriate size of UC should be based on the state’s needs for education and research to ensure a vital economy in the coming decades. This is in contrast to plans for reducing enrollment and faculty lines and increasing class size already emerging at campuses.

**Action:** Members will review the Choices report draft and send suggested prose and data points.

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The meeting adjourned at 1:00 pm
Minutes prepared by Michael LaBriola
Attest: Peter Krapp