I. Chair’s Announcements  Stan Glantz UCPB Chair
Chair Glantz welcomed alternates Ted Dejong (Davis) and Evan Heit (Merced), and noted that members Pat Conrad, Paul Koch and Malcolm Gordon would be calling in to the meeting at various times in the day and that Senior Vice President Darling would not be able to attend. (To accommodate schedules, the rest of the Chair’s announcements were made after agenda item V.)

March 22 Academic Council Meeting. The Regents current deliberations on OP reorganization were discussed with senior managers. The plan would add three top officials at OP, but could bifurcate the administration and potentially undercut the operation of shared governance. Action on the SCSC copyright proposal was deferred to the April 19 meeting.

GSAC. UCPB’s letter urging action on the part of GSAC was approved and sent forward to the GSAC chair. In the meantime, though, a meeting of GSAC has been called for this Friday.

II Consent Calendar
Action: The February 7, 2006 minutes were approved with one amendment. The March 7, 2006 minutes were approved as written.

III. Consultation with UCOP
Larry Hershman, Vice President – Budget
Budget update:
- Budget hearings will continue until mid-May, and now the discussions are turning to some of the substantive issues raised by the LAO. President Dynes’ testimony last week was well received. Meetings are scheduled this week for UC and CSU consultation with the Department of Finance and the LAO.
- The LAO reports that revenues are up this year and will also show an increase next year. Nonetheless, there is still a large structural problem in the budget of about $4 to $5 billion. Among the UC-related recommendations in the LAO report are the following:
  - UC enrollment estimates are too high; based on a demographic analysis, enrollment growth is about 2%.
  - Marginal cost of instruction should be $8500/student. (UC is questioning the formula used to arrive at this number.)
  - The state buy-out of student fees is not advisable; student fees should be increased by another 3.5%.
  - COLA increase should be reduced to 3.5%.
  - All research space should be funded by recovered indirect costs.
UC will be contesting the LAO’s recommendations.
• The report on UC academic preparation programs will be filed shortly. It will argue that funding be restored to most programs, and will be available on line.
• Research – Funding for the Labor Centers was not included in the Governor’s budget. UC will initiate a larger discussion on research funding and argue for a multiyear program building up to $50M in funding that is not tied to targeted programs and can be used flexibly.
• No resolution to the bond issue has been reached.

Comments on the “Futures Report”
1a. How to evaluate income vs. need: Tying state funding to state per capita income is a good measure for research funds but not for education. The current funding model based on enrollment and determining support on a per-student basis is more effective.
1b. Core funding: Looking at UC’s share of the state budget is not necessarily a strong analysis. The report takes out auxiliaries and hospitals and includes only a portion of overall federal funds.
2. It is debatable how far below comparative levels UC faculty salaries are; the differing estimates need to be clarified in the report.
3. Projections: The report’s look at alternative outcomes/projections is helpful. However, the calculations on the Compact scenario should include provisions for 8-10% retirement costs. Also, it should be recognized that the Compact is a minimum that allows opportunity for funding of initiatives. Therefore, it may make sense to include a projection (the “Compact Plus”) that takes those provisions into account. With respect to the roll-back scenarios, going back to an earlier benchmark is a “hard sell.”

UCPB comment: A high proportion of instruction is dependent on state money; there is a concealed pain in the core instructional budget in connection with those faculty members who do not generate much research funding. Personal income was used because it’s less political, and because it may help people think more concretely about state funding.

EAP Budget issues: funding history
VP Hershman was asked: What precipitated this budget crisis? What is the current funding model and is it viable? (Students are taking more and more one quarter programs as opposed to one year programs, but funding is still based on FTE not on program length or headcount.) What can UCPB do to address these issues?

VP Hershman: The current model of funding the EAP is based on an earlier agreement to use state funds as the sole source the program’s support. At the time, no one foresaw future significant cuts in state funding or the subsequent rise in student fees. It is clear that this funding model for EAP is not viable now. EAP has not received a share of the increases coming from student fees, and that, together with cuts in the state budget, has left EAP seriously under-funded. It would be appropriate for UCPB work with the administration on developing a new funding model that will work. Any change, though, will have to be done in close cooperation with the campus Academic Vice Chancellors, who will have to re-allocate funds; there has to be buy-in on the campus level. The
question of how effectively UOEAP administered its funds is a separate issue. UCPB should focus on the funding model part to develop a proposal that will work.

**Q and A**

**Q:** How is it decided what portion of funding goes to UOEAP and what portion to campus centers?

**A:** That is more an issue of how EAP spends its money. But the campuses receive fee money from EAP students that is going to other purposes, and EAP is losing out.

**Comment:** There is apparent duplication of effort, for example, students are vetted at both the campus centers and at the systemwide office.

**Response:** Again, that is an issue of how UOEAP operates. There are, though, organizational issues and questions about what the appropriate amount of administrative effort is and how to run certain activities more efficiently and provide adequate support for academic programs.

**Q:** Are the funds that now go to campuses allocated according to a standard formula?

**A:** EAP funds go directly to UOEAP. That office distributes money to the campuses and runs the abroad programs. If we take student fee money from campuses, AVCs will have less money for other things. One could make the argument that campuses are receiving money that is earned by EAP students but used for other purposes.

**Comment:** There is also the question of how academically valuable the short (one-quarter) programs are.

**Consultation with UCOP: Rory Hume, Acting Provost**

**Comments on the draft “Futures Report”**

The Long Range Guidance Team is the planning side of the equation, and to do good planning they need a clear idea of possible future scenarios and outcomes. UC also has to consider how best to interact with other sectors, with the Legislature and with the public in order meet common goals and to represent UC’s current and future value to those constituents. It is clear that UC must invest more in the overall public education system and not compete with K-12 or the CCCs.

**Discussion:** Discussants made the following suggestions for the report:

- Outcome measures could be put in sidebars, such as:
  - the decline in graduate student quality
  - data on faculty turnover, especially at the mid-level, which can be early indicator of decline.
  - Show in concrete terms what would be restored, and what the results will be/have been of a slow suffocation.
- Add a paragraph on UC’s role in California’s public education system, highlighting that stresses in other segments are linked to UC stresses.
- Alternatively, the report can cite documents that make the case of UC’s benefit to the state.
- Avoid saying that UC can make do with less.

**EAP budget issues – Discussion:**

The EAP subgroup briefly reiterated the questions that were forwarded to the Provost’s office in February (which focused on how EAP is funded), and asked what the status was
of the response. They emphasized the need to get answers soon that will be helpful to the campus center directors. Chair Glantz also suggested that the membership of the ad hoc committee that is currently reviewing EAP should be enlarged to include representatives from UCPB and UCEP, plus a campus director or some other appropriate Senate member. Acting Provost Hume replied that he had been developing a fiscal arrangement together with UOEAP Director Marcum that would address the immediate budget shortfall. He assured the committee that a response to the UCPB’s questions would be forthcoming within a week, and also agreed to consider adding members to the EAP review committee.

IV. UCPB “Futures Report”: Review and finalization of report Chris Newfield, Henning Bohn, Calvin Moore

[This item was largely addressed in Item II above.]

It is hoped to have a final draft of the “Futures report” ready to bring to the Academic Council at its April 19 meeting. The final draft can then be forwarded to the Long Range Guidance Team in time for their next meeting, and be discussed with Regent Hopkinson at UCPB’s May meeting.

**Action:** Members of the “Futures” report subcommittee will revise the report based on today’s discussion.

V. UC Education Abroad – Budget and Planning Issues, EAP Subcommittee: Pat Conrad, Steve Cullenberg, Stan Mendoza

[Discussion of this item was held during consultation with Vice President Hershman and Acting Provost Hume, Item III above.]

**Action:** If the formal response from the Provost to UCPB’s letter of February 17 is not received by next Tuesday, UCPB will forward another letter to the Acting Provost asking that it be sent without further delay.

**Action:** A letter will be drafted to the Academic Council recommending the appointment of a representative from UCPB and from UCEP, and of one additional Senate member to the EAP review committee.

VI. Executive Session - Senior Management Group Compensation

1. UCFW’s Additional Recommendations on Senior Management Pay

**Action:** UCPB unanimously approved a revised letter suggesting changes to UCFW’s recommendations and advising that both UCPB’s and UCFW’s views be incorporated in a single Council statement. UCPB’s letter will be submitted to the Academic Council for consideration at their April 19 meeting.

2. Upcoming Visit from Regent Hopkinson

**Action:** UCPB’s formal position statements on compensation, graduate student support and the “Futures” report will be forwarded to Regent Hopkinson before the May meeting with a note asking what her preferences are for discussion topics.
3. Growth in UC Bureaucracy

**Action:** The draft letter on growth in UC employment will be revised based on today’s discussion. It will be sent to Council Chair Oakley, asking that he forward it to President Dynes with a request for a response as to how the disparities in growth are to be understood and what UC’s plans are for future growth.

**VII. UCSB Student Resolution Urging Support of the UCSA Student Compact**

**Action:** This item was deferred to the next UPCB meeting.

**VIII. 15-Year Review of the UC Committee on Latino Research**

*Lead reviewers: Norman Oppenheimer, Malcolm Gordon.*

Dante Noto, Director, Humanities, Arts, and Social Science Research Programs, joined the committee for discussion of this item.

**Issue:** UCPB’s subgroup has drafted comments on the 15 year review of UCCLR that is in basic agreement with the conclusions of the review, including the recommendation to increase its funding. UCPB additional recommendations would be to: establish UCCLR as a regular MRU; consult with the groups whose support will be terminated to determine if they can continue to provide a level of service that is beneficial to the program as a whole; encourage pathways in the natural sciences; take into consideration intra-university equity when characterizing the importance of Latino research.

**Discussion:** Director Noto clarified that UCCLR is primarily a grants program that distributes money towards campus infrastructure or re-granting. This group has had the same across-the-board cuts (25%) as the entire MRU portfolio over the last 2 ½ years. Members agreed to add: 1) a request for information on the number of qualified proposals being turned down; and language that encourages UCCLR to continue its interest in the policy areas and the electronic networking activity provided by CPRC, LMRI and CLEN.

**Action:** UCPB approved the draft comments, pending changes based on today’s discussion.

**IX. 15-Year Review of UC Biotechnology Research and Teaching Program (BREP): Appointment of UCPB Review Subcommittee**

**Action:** Members Eric Stanbridge and Paul Koch will take the lead in drafting committee comments on the 15-Year Review of BREP.

**X. LANL Management Contract and Relationship between UC and LANL/LANS: Response to UCPB’s Queries and Possible Follow-up**

**Issue:** In December, when the UC/Bechtel team was awarded the LANL management contract, UCPB asked to see the contract. The Office of Lab Management indicated that certain terms of the contract would not be public because of proprietary concerns or because the contract was still in the protest period. Subsequently, in its January 19 letter, which was first distributed to ACSCONL and then sent to President Dynes, UCPB articulated a number of questions about LANS and the relationship between UC and LANL, the answers to which (forwarded in the president’s letter of March 3) are not on
the whole satisfying and generate additional questions and concerns. UCPB will consider its follow up to that response.

**Discussion:** Vice Chair Newfield went over the President’s answer to each question, pointing out possible further comments and concerns. Members agreed that the responses call into question the nature of UC’s public service role with regard to managing LANL. They also wished to express continuing concerns about intellectual property, conflict of interest and commitment, and the financial impact on the UCRS. Also discussed were the likelihood of separate contracts among the three principals, and the fact that this arrangement evolved beyond the propositions the faculty voted on two years ago when they endorsed the idea of bidding on the LANL management contract. It was agreed that UCPB should request to see all contracts between UC and other entities associated with the management of LANL.

**Action:** Vice Chair Newfield will draft a letter expressing UCPB’s continuing concerns and requests, to be circulated to members for approval. The letter will go to Council Chair Oakley, for forwarding to President Dynes.

**XI. Consultation with UCOP- Bruce Darling, Senior Vice President-University Affairs**
Item cancelled because SVP Darling was not able to attend.

Attest: Stanton Glantz, UCPB Chair
Minutes prepared by: Brenda Foust, Policy Analyst

**Distributions**
1. Draft UCPB comments on the 15-Year Review of the University of California Committee on Latino Research.