



Henry C. Powell  
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Chair of the Assembly and the Academic Council  
Faculty Representative to the Board of Regents  
University of California  
1111 Franklin Street, 12th Floor  
Oakland, California 94607-5200

August 31, 2010

**PETER KRAPP, UCPB CHAIR  
UNIVERSITY OF CALIFORNIA**

**Re: The Choices Report**

Dear Peter:

As you know, the Academic Council was impressed with UCPB's "Choices" Report, particularly its comprehensive treatment of budgetary issues, and in April voted to disseminate it widely in order to help serve as a framework for discussion of many of the same issues being considered as part of the review of Working Group recommendations to the UC Commission on the Future. It later voted to conduct a systemwide Senate review of the document. Six divisions (UCI, UCLA, UCM, UCR, UCSB, UCSF) and three committees (UCAP, UCEP, UCOLASC) opined. Because the Senate had commented on many of these issues individually throughout the year, and given that the report addresses multiple, complex topics, some of which Council did not agree upon, Council did not explicitly commit itself to each specific point in the document. Instead, ***Council endorsed the report as a document that provides history, context and analysis supporting future discussion of next steps in the budget process.*** This endorsement recognizes the value of the report's consideration of the issues in the larger context, as well as the way in which it addresses trade-offs and offers opinions about priorities. It is Council's hope that this coordinated approach to fiscal issues and the report's nuanced analysis will guide future budgetary decision making. I commend and thank you and UCPB members for your leadership. The remainder of this letter will outline broad areas of agreement and disagreement among Senate agencies and will highlight areas in which more data is needed in order to make informed choices.

Senate agencies concurred with the principles motivating the report—that maintaining the quality of research and teaching at the University of California should be paramount and should guide all budgetary decisions. To that end, there was broad agreement on the vital importance of maintaining competitive total remuneration for faculty (UCI, UCLA, UCR). A number of divisions and committees also agreed on methods to fund competitive salaries and benefits, including increasing numbers of non-resident students (UCLA, UCSB, UCSF), redoubling advocacy efforts to increase state support (UCLA, UCR), and adopting a multi-year fee schedule (UCI, UCLA, UCR). Senate agencies also agreed that that online education should not be considered a source of cost savings or revenue generation (UCI, UCLA), and most agreed that introducing differential fees by campus or major would be detrimental to the institution (UCI, UCR, UCSB). They also concurred that greater

transparency on budgetary issues would be desirable (UCLA, UCSB, UCSF), particularly the way revenue from indirect costs is allocated. Finally, there is broad agreement (with the exception of UCLA, which could not reach consensus on this issue), that UC Merced should be treated differently from the other campuses and be insulated from budget cuts (UCM, UCSB, UCEP).

There was some disagreement among respondents on aspects of the Choices report's proposals regarding indirect cost recovery, course buy outs and alternative salary sources for faculty, and online education. UCR strongly disagrees with the assertion that all funding, including gifts, be subject to increased indirect costs. UCR also opposes the report's recommended prohibition on course buy outs, although they favor regulation of the practice. Several respondents felt that the tone of the Choices report on the subject of online education was too negative and that online instruction can be effective in certain circumstances (UCSB, UCSF). However, respondents agreed that its expansion should be subject to rigorous evaluation for quality and effectiveness (UCI, UCLA, UCR). While UCI and UCEP favor limiting construction unless the costs, including operating costs, are completely covered by external sources, UCLA states, "UCLA would like to see a nuanced position that allows for recruiting and the disciplined use of philanthropy on capital projects." Finally, UCAP emphasized that the faculty salary plan should not be reinstituted, as it is now outdated and "woefully inadequate."

UCR's Faculty Welfare committee commented that it did not agree with the trade-offs outlined in the report's Executive Summary, and UCI and UCSB recommended that the Academic Council rank order its preferences for cuts and revenues (UCSB provided an ordered list of its preferences). UCI and UCR also recommended that the University be more explicit about future fee increases and that those increases make up the difference between the cost of education and what the state provides. UCI suggests that UC adopt a multi-year fee strategy using a metric that clearly predicts annual tuition increases based on State funding to UC, i.e., average tuition at the private campuses of the comparison eight minus state funds equals UC tuition.

UCLA commented that future analyses should provide more data on several topics in order to make informed choices, including differential fees and shifting faculty salaries to grants. They also commented that the report should provide discussion of its recommendations to avoid suffocating core academic programs and to delay the start of new programs. Some of UCR's committees asked that the supporting data be presented more clearly and in-text references be provided.

Again, I thank UCPB for its leadership. The "Choices" report served to bring a Senate perspective to deliberations of budgetary options throughout the spring. I am confident that it will continue to shape discussions of the future of the University.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry C. Powell", with a long, sweeping horizontal line extending to the right.

Henry C. Powell, Chair  
Academic Council

Copy: Martha Winnacker, Academic Senate Executive Director  
Jim Chalfant, 2010-11 UCPB Chair  
Michael LaBriola, UCPB Analyst



Office of the Academic Senate  
3700 Berkeley Place South  
Irvine, CA 92697-1325  
(949) 824-2215 FAX

June 24, 2010

Harry Powell, Chair, Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200

**RE: Senate Review of the UCPB Choices Report**

At its meeting of June 15, 2010, the Irvine Division Academic Senate reviewed the UCPB Choices Report as requested by the Academic Council. The Senate Cabinet applauds UCPB for its attempt to be proactive in solving some of the major issues facing the University of California. We support the idea of setting priorities, and urge the Council to seriously consider producing a rank-order of cuts we should enact and revenue enhancements we should develop. For example, instead of stating that we favor X over Y and A over B, we prioritize such that we state that we favor the following types of cost cutting measures in this order: A, B, C, D, etc. And we prefer to pursue types of revenue enhancement in this order: X, Y Z, etc. In addition, the Cabinet agreed with the following points raised by the individual Councils.

*The Council on Planning and Budget (CPB) agreed that **The Choices Report**, in comparison with draft Committee on the Future documents, provided a much more thorough and relevant discussion of issues affecting the cost of maintaining high quality teaching and research while retaining quality access for the broad spectrum of California students. The draft letter from the Academic Council, on the other hand, was viewed by the CPB as more definitive, and we unanimously endorse the recommendation that **the Commission on the Future should adopt as a guiding priority the maintenance of the quality of the University of California research and teaching faculty** and that **maintenance of a quality faculty requires remuneration that is competitive with peer institutions.***

CPB also endorsed the four key recommendations:

- a) Increase revenue by increasing fees – We suggest that this recommendation be made more explicit. We suggest adding at the end a 2-3 year timetable for fee increases that would restore UC funding from a combination of state contributions and student fees to the cost of education of approximately \$20,000 (FY08). Without increased state contributions, this could require increasing fees to \$17000-\$18000 over that period. We also suggest adding a sentence before the last listing other potential cost savings or incremental income that would help, even in a minor way. For example: *Additional administrative savings, an increased proportion of non-resident students, a temporary moratorium on new programs and capital construction will all help in reducing the budget shortfall, but in aggregate are not enough to solve the problem.*
- b) Temporarily downsize the Faculty via attrition – We suggest that the recommendation concerning *limiting faculty replacement of losses due to...* be expanded to make clear that some replacement to preserve core teaching or research would be allowed. We also propose that there be a specific recommendation that the short term reduction in faculty and staff numbers be accompanied by a temporary reduction in student numbers (particularly undergraduate) in order to maintain educational quality.
- c) Forgo new building/capital projects not essential for safety – Buildings funded entirely by sources exclusive of campus operating budgets and of UC bonds were endorsed as an exception, providing that operating costs also be covered, in the same sense that funds for new academic programs be identified as in recommendation 3d. We are concerned that using bonds to finance construction could limit the ability to raise funds for other purposes (e.g. pension obligation bonds). We recommend adding language to this section that further limits construction if issuing bonds for the construction restricts the ability of the University to issue bonds for higher priority uses.
- d) Start new programs only if stable operating funding is guaranteed – We endorse this recommendation.

The *Council on Educational Policy* (CEP) agreed with the UCPB Choices Report's affirmation, first, that the University of California will not be able to avoid difficult trade-offs to resolve its budget situation and, second, that the single most important priority for the university is to maintain the quality of its faculty, even at the cost of short-term reductions in student access and affordability. CEP also noted that online education should not be considered a cost savings or revenue generating option. Moreover, CEP opposed an increase in summer session enrollments to support 3-year degree programs as it would diminish the quality of instruction.

The *Council on Faculty Welfare, Diversity and Academic Freedom* (CFW) endorsed the two goals of offering competitive total remuneration to faculty, and restoring the integrity of the step system for faculty advancement and compensation. If there is an increase in funds for faculty compensation, members suggested that half of the increase should be used for a Cost of Living Adjustment (COLA) for all faculty members and the other half should be devoted to increasing the step scale.

The *Council on Academic Personnel* (CAP) agreed that a tiered or stratified ranking of the ten UC campuses must be avoided. Separate Academic Personnel Manuals and different salary scales would undermine the unity of the UC system. CAP also agreed that future budget proposals should address total remuneration for UC faculty (i.e., funding for benefits and restore the integrity of the UC salary scales through the four-year Faculty Salary Plan). Members' responses were mixed regarding the report's opposition to the practice of using grant funds to buy out courses. The rules on this vary greatly among the UCI Schools as well as the UC campuses. While it makes sense to set limits on this practice, it does not seem necessary to abolish it altogether.

The *Council on Student Experience* (CSE) suggested that before any recommendations about online courses can be made, up to date data on the effectiveness of particular courses as online or in-person must be compared. Second, members pointed out that the Choices Report proposal to have faculty design online courses and then have T.A.s actually teach these courses is a particularly bad idea.

The *Council on Research, Computing and Libraries* (CORCL) noted that there wasn't any mention of the UC Libraries. Nothing was discussed concerning how the Libraries would be affected by the budget situation. The UC Libraries are world renown and provide necessary and fundamental research collections and tools for students and faculty; thus the UC Libraries should be on the forefront of the larger discussion of UC's budget. In addition, Compliance Issues involving human or animal subjects, or rDNA require that funding be contingent on approval of the protocol by the IRB, IACUC or IBC. Adhering to these protocols is still unnecessarily expensive and inefficient.

The Irvine Division appreciates the opportunity to comment.

A handwritten signature in black ink, reading "Judith Stepan-Norris". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

Judith Stepan-Norris, Senate Chair

C: Martha Kendall Winnacker, Executive Director, Academic Senate



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June 23, 2010

Henry Powell  
Chair, UC Academic Council

**In Re: UCLA Response to UCPB's *Choices* Report**

Dear Harry,

I am writing on behalf of Robin Garrell, UCLA Academic Senate Chair, who is out of the country and without email access. Upon receipt of the UCPB *Choices* report, we sent it to the Graduate Council, Council on Planning and Budget, Undergraduate Council, Council on Research, and the FECs to review and opine, despite the fact that the Academic Senate has already reviewed and opined on many of the substantive matters addressed in the report.

On behalf of my colleagues, I would like to take this opportunity to convey to you the general frustration that is felt with this type of approach. As the College of Letters and Science FEC has written "In general discussion, there was considerable opposition among the FEC membership to taking part in this kind of "survey" in lieu of our general method for evaluating proposals from all sources, which involves discussion and, most often, consensus or near consensus achieved through looking at the issues from a multitude of perspectives. This method is essential to the way our committee works and forms the basis for our consultative process. The current method, driven by artificially imposed time restraints, gives the appearance of consultation but actually makes genuine consultation impossible."

We urge restraint in sending matters for review, especially when most of the issues have been substantively reviewed under various different proposals. In summary, although there are aspects of this report that UCLA supports, we cannot endorse it in its current form.

Although I am attaching a spreadsheet for a more detailed response to the particular recommendations, our general comments are enumerated below:

1. Recommendations 1, 4, 6, 9, 13, 15, and 17 were dealt with substantively in the UCLA Academic Senate's response to Commission on the Future's preliminary first round recommendations. See [UC Commission on the Future First Round Recommendations](#).
2. Regarding recommendation number 8, the UCLA Academic Senate opined on this matter when it reviewed the UCPB Paper on Differential Fees by Major/Campus and Nonresident Tuition. See [UCLA Response to the UCPB Paper on Differential Fees and Nonresident Tuition](#). In short, we found that no data or feasibility studies are available to construct an informed position. Nothing in the *Choices* report has persuaded us to modify this position.
3. Recommendations 10, 11, and 12 were reviewed when the Academic Senate opined the UCFW/TFIR report. We concur that total remuneration must be a top tier priority for the

University, though not necessarily the single highest priority; we conditionally supported the consideration of Pension Obligation Bonds to shore UCRP, and at UCLA there "is consensus" that online and remote education is no longer avoidable at the UC; we have no illusions that such programs would reduce costs. See: [UCFW/TFIR Recommendation on Assuring Adequate Funding for UCRP.](#)

4. Regarding the remaining recommendations, the attached grid provides you with UCLA's response.

Thank you for your review and consideration of this response.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Goldstein". The signature is fluid and cursive, with a large, sweeping final stroke.

Michael S. Goldstein  
Immediate Past Chair, UCLA Academic Senate

Cc: Robin Garrell, Chair, UCLA Academic Senate  
Martha Kendall Winnacker, UC Systemwide Academic Senate Executive Director  
Jaime R. Balboa, CAO UCLA Academic Senate

<b>Recommendation</b>	<b>Current UCLA Position</b>	<b>Notes/Brief Explication of Current UCLA Position, Links</b>	<b>UCLA Position on New Recommendations</b>	<b>Comments</b>
(1) Maintain or increase state support	UCLA Agrees	The Academic Senate opined on this question during the review of the Commission on the Future's preliminary first round recommendations. See <a href="#">UC Commission on the Future First Round Recommendations</a>		
(2) Avoid suffocating core academic programs			Revise and resubmit.	As the School of Theater, Film, and Television (TFT) FEC noted, this language is not helpful. There is no direct discussion of issue in the report. Moreover, we were unable to locate a specific discussion of this in the report.
(3) Delay the start of any new programs until the core is stable			Revise and Resubmit	The Faculty Welfare Committee notes that starting new programs may be appropriate if it is in response to cost cutting measures, e.g. the replacement of other more costly or less efficient programs. Generally, there was consensus that this recommendation requires more information before it can be endorsed or opposed.



(4) Adopt a multi-year fee strategy	UCLA conditional-ly agrees	The Academic Senate opined on this question during the review of the Commission on the Future's preliminary first round recommendations. See <a href="#">UC Commission on the Future First Round Recommendations</a> , which reads, in pertinent part, "Any such policy must be careful to ensure that (1) students and their families can reasonably anticipate a fee increase from one year to the next, and (2) that the UC has the flexibility to respond to externally created budget crises (e.g., unplanned State budget allocation shortfalls). Moreover, it does not make sense that students from two different cohorts could conceivably take the same course, but pay different fees for it. One suggestion for managing these concerns is to have two options: (A) students may opt to have a set fee schedule at a higher rate, or (B) may opt to go year-to-year, taking their chances of either paying more or less. There are grave concerns about implementing this recommendation."		
(5) Increase budget transparency			Agree	The FEC for TFT notes that this is worth supporting "as long as 'transparency' means fully transparent and accurate budget reporting that is comprehensive and with full disclosure"
(6) Balance system-wide needs and campus needs	UCLA conditional-ly agrees	See <a href="#">UC Commission on the Future First Round Recommendations</a> . "The cumulative impact of budget cuts over several years will be quite large. In such an environment the overall academic footprint of UC may be harmed without systemwide planning to ensure that quality and diversity of offerings are maintained. Cross-campus collaborations have the potential to reduce costs and leverage limited resources."		Although UCLA has opined on this matter, the School of Arts and Architecture (SOAA) FEC notes that, as presented in <i>Choices</i> , "This recommendation is overly broad. It's hard to disagree with a term like balance, which implies moderation, neutrality, fairness. However, without a specific discussion of the actions that would be taken to produce or ensure such balance, we find it impossible to take a position on this recommendation."

		<p>We must recognize that critical thresholds of academic activity and quality cannot be maintained for every discipline on every campus.</p> <p>“However, striking the appropriate balance between system and campus needs is not as easy as it might appear. Trust must be built among faculty, students, and administrators regarding the System’s ability to do detailed systemwide academic planning. Moreover, coordination across Campuses with different calendars: quarter vs. semester is quite difficult.</p>		
(7) Disentangle sources of funds but recognize essential cross-subsidization			Agree conditionally	This recommendation can be supported “As long as we retain our academic stature in order to compete with private universities as well as our sister campuses,” notes TFT’s FEC. Still, the SOAA FEC finds the recommendation too broadly written to support.
(8) Avoid stratification and tiering	UCLA requested data and feasibility studies before endorsing any specific position	The Academic Senate opined on this matter when it reviewed the UCPB Paper on Differential Fees by Major/Campus and Nonresident Tuition. See <a href="#">UCLA Response to the UCPB Paper on Differential Fees and Nonresident Tuition</a> . In short, we found that no data or feasibility studies are available to construct an informed position.		
(9) Increase diversity by recruiting non-resident students	UCLA conditionally agrees	The Academic Senate opined on this question during the review of the Commission on the Future’s preliminary first round recommendations. Our position is to support this only if it will not negatively impact resident students. See <a href="#">UC Commission on the Future First Round Recommendations</a> .		

(10) Prioritize retirement funding and total remuneration	UCLA conditional-ly agrees	The Academic Senate opined on this question during the review of the UCFW/TFIR report. We concur that total remuneration must be a top tier priority for the University, though not necessarily the single highest priority. See: <a href="#">UCFW/TFIR Recommendation on Assuring Adequate Funding for UCRP</a>		
(11) Honor its commitment to current employees by rewarding future service under current UCRP plan terms	UCLA conditional-ly agrees	The Academic Senate opined on this recommendation when it reviewed the UCFW/TFIR report. "Along with CPB, the Executive Board found that "retirement plan options for new UC hires should be different from the one currently in place. First, consideration should be given to the creation of two retirement plan options: a defined contribution and a defined benefit plan. A defined contribution model may be more adequate for faculty members who may not have made a commitment to remain employed by the UC for the length of their careers. Clinical faculty members may be an example of those who may prefer to own a mobile type of retirement plan. For those employees who opt for a defined benefit plan, the formula should be modified so that the age threshold is subject to some increase and the retirement pay caps at a somewhat lower rate than it currently does." See <a href="#">UCFW/TFIR Recommendation on Assuring Adequate Funding for UCRP</a> .		

<p>(12) Consider Pension Obligation Bonds to maintain the health of UCRP</p>	<p>UCLA conditional-ly agrees</p>	<p>The Academic Senate opined on this recommendation when it reviewed the UCFW/TFIR report. "Regarding POBs, faculty expressed varied opinions about using them to address the unfunded liability currently faced by the UCRP. As CPB wrote, 'on one hand, POBs appear to be the only available instrument to quickly inject a substantial amount of money into UCRP. On the other hand, POBs are simply a way to borrow money that will need to be repaid at a later time, and do not represent a true increase in net revenue for UCRP.' Moreover, the arbitrage opportunity that has been mentioned as an advantage of POBs (UC can borrow money at a lower interest rate than it can earn) may be a fragile assumption that is subject to the macroeconomic scenario and can therefore vary substantially. The January 2010 Issue Brief<sup>1</sup> from the Center for State &amp; Local Government Excellence presents a compelling case that POBs should not be issued when a state is 'fiscally stressed and in a poor position to shoulder the investment risk.' We conclude that POBs should be issued only after all other options to address shortfalls associated with UCRP have been exhausted. If issued, they should be used only sparingly and judiciously." See <a href="#">UCFW/TFIR Recommendation on Assuring Adequate Funding for UCRP</a></p>		
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(13) Recognize that online education will not substantially cut cost	UCLA Agrees	<p>UCLA opined on this matter when it reviewed the first round recommendations of the UCCOTF. "There is consensus at UCLA that online and remote education is no longer avoidable at the UC, but that implementing online and remote education programs should be done incrementally, with academic and financial analysis and review of the quality and effectiveness of existing programs guiding the development of future programs. The experience of faculty in our online Engineering MS program has been that teaching an online course is as much or more work than teaching an online section, suggesting that faculty workload should be explicitly taken into account in the fiscal analysis. Academics cannot be sacrificed toward the ends of cost savings or revenue generation. We should also be sure not to equate 'online and remote instruction' with distance learning, especially of full courses. Technology is used most effectively to supplement classroom learning, rather than to supplant it. We caution against any assumptions that online and remote instruction represent a cost savings/revenue generating option for the UC. UCLA's FEC of UCLA's School of Theater, Film, and Television (TFT) reported previously that its online program 'has been able to generate revenue to support its core academic programs. Our system for building online courses has shown itself to be cost effective, with every course recouping direct expenses in their first summer offering.' Overall, our faculty feel that UC should take an incremental approach to implementing online curricula by gaining experience with pilot courses of various types as a prelude to developing online degree</p>		
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		programs. As an aside, we note that there are particular reservations about system-wide degree programs, as they raise questions about the ability of the faculty, through the Senate and its Divisions, to exercise its delegated responsibilities for the content, structure and review of academic programs. See <a href="#">UC Commission on the Future First Round Recommendations</a>		
(14) Recognize that shifting salaries to grants will have adverse consequences			Revise and Resubmit	<p>There is generally consensus that this recommendation requires supporting data and documentation before it can be supported. As our FWC stated, "A revised compensation plan that provides faculty the ability to amend their current salary through external grants and other funds has potential risks and benefits, which must be carefully considered before implementation and monitored if implement."</p> <p>Moreover, disparities of compensation and resources between the sciences and the arts and humanities is a major concern of the SOAA FEC.</p>
(15) Overhaul Indirect Cost Recovery	UCLA agrees.	In the Academic Senate of UCLA's response to the first round recommendations on COTF, we noted that "Faculty should be provided with information about how ICR funds are allocated." We also agreed that the UC should improve ICR rates with federal agencies. <a href="#">UC Commission on the Future First Round Recommendations</a>		
(16) Tax auxiliaries and medical centers		There were mixed responses to this proposal, with schools in the health sciences not surprisingly opposed while other units were more favorable, despite raising concerns about becoming reliant on what may be a very unstable sources of funding.	No consensus	<p><b>TFT:</b> The report never really defines "auxiliaries" and there are no real examples given. No data.</p> <p><b>School of Dentistry FEC:</b> The FEC of the School of Dentistry is opposed to the concept of taxation of the medical center. Taxation of</p>

			<p>medical centers does not represent a stable source of income, since their financial status fluctuates significantly. In recent years, financial pressures have forced the closure of many medical centers throughout the state. The UCLA Medical Center has suffered serious financial hardship in the not so distant past. Recent increases in expenses (e.g., employer contributions to the UC retirement plan, costs of federally imposed government health care regulations, etc.) are certain to erode the fragile profits presently recognized by the medical center.</p> <p>The proposal to tax the medical center because it is profitable today seems short-sighted and risky. If the general campus is to tax the medical center when profitable, then it should be prepared to financially support the medical center during difficult financial times in the health care industry. The overall cost to the general campus could be significant.</p> <p>The sole reason that the medical center is under consideration for taxation is because it is profitable. If the medical center incurs increased taxation, then any unit on campus is at risk for increased taxation if it also generates a profit. Specific targeting of the medical center for taxation sets a negative and potentially detrimental campus-wide precedent.</p> <p>SOAA FEC: We may agree with this unconditionally, but we were unable to find a specific discussion of this recommendation in the report.</p>
(17) Increase fundraising efforts	UCLA Agrees	The UCLA Academic Senate opined on this recommendation when it reviewed the first round recommendations of COTF. See <a href="#">UC Commission on the Future First Round Recommendations</a> .	

(18) Review growth of campus administration			Agree	
(19) Curb construction projects			Revise and resubmit.	Capital construction is often justified on the basis of private donations, but after cost overruns the campus general funds suffer. Moreover, curbing capital projects also equates to curbing new hires, for whom new labs, etc., are often part of the recruitment package. UCLA would like to see a nuanced position that allows for recruiting and the disciplined use of philanthropy on capital projects.
(20) Recognize UC Merced's unique situation and fund that campus accordingly		On this matter there were strongly held views that ranged from acknowledging the unique role of this campus to an insistence that no single campus be favored over others in the need to accept cuts. In sum, there is no consensus on this matter at UCLA.	No consensus.	<p><b>College FEC:</b> -Construction at UC Merced should stop as well.</p> <p><b>TFT:</b> The new campus deserves to grow, especially since it is serving a growing population and underserved demographic.</p> <p><b>SOAA FEC:</b> We do not see the logic of safeguarding the expansion of one campus while all other campuses are forced to make severe cuts. This recommendation seems to rest largely on the goal of maintaining access. However, as the report itself argues, when that goal comes at the cost of cutting core programs and reducing value overall, "one has to question whether access has been improved or eroded."</p>



June 10, 2010

Professor Robin Garrell  
Chair, Academic Senate

**RE: UCPB Choices Report**

Dear Robin,

In response to your request on May 25, 2010, to comment on the UCPB *Choices* Report, I write to inform you that the Graduate Council will not be able to review the document or its recommendations.

As you know the Graduate Council, despite experiencing furloughs, has worked very hard this Academic Year to manage the unusually large number of program reviews, last-minute proposals, and myriad Senate items for review. The only meetings scheduled following receipt of your request were on June 4<sup>th</sup> and June 11<sup>th</sup> – held over two consecutive weeks to ensure we are able to tend to as many items as possible. By the time we received your request to comment on the *Choices* report, our agendas for these meetings were completely full. I should also note that because of faculty furloughs I refused to allow senate staff to either add time to an existing meeting or to add an additional Council meeting to review this or to approve a number of program reviews. The reviews will appear on Graduate Council's agenda in the Fall Quarter.

In the future we ask that both campus and systemwide Senate Leadership be mindful of Councils' workloads, which for many reasons increase towards the end of the academic year, and provide realistic deadlines that allow for thoughtful discussion and comments on these reports.

Sincerely,



Steven Nelson  
Chair, Graduate Council

cc: Jaime Balboa, CAO, Academic Senate  
Kyle Cunningham, Graduate Council Analyst, Academic Senate  
Dorothy Ayer, Executive Assistant, Academic Senate

June 7, 2010

Professor Robin Garrell  
Chair, UCLA Academic Senate

Re: **UCPB *Choices* Report**

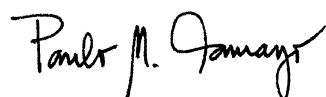
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Dear Dr. Garrell,

The Council on Planning on Budget (CPB) has had the opportunity to examine the document entitled "*UCPB Choices Report*" via email. Responses are recorded on the attached.

Please let me know if you have any questions.

Sincerely,



Paulo Camargo  
Chair, UCLA Council on Planning and Budget

cc: Michael Goldstein, Immediate Past Chair, Academic Senate  
Ann Karagozian, Vice Chair, Academic Senate  
Jaime Balboa, Chief Administrative Officer, Academic Senate  
Linda Mohr, Assistant Chief Administrative Officer, Academic Senate

June 23, 2010

Robin Garrell  
Chair, Academic Senate

**RE: UCPB Choices Report**

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Dear Robin:

The Undergraduate Council reviewed the UCPB Choice Report at its meeting on June 4, 2010. Responses are recorded on the attached spreadsheet that you provided to indicate agreement, conditional agreement, disagreement, or no comment on each of the recommendations.

Please let me know if you have any questions.

Sincerely,



Joseph B. Watson, Ph.D.  
Chair, Undergraduate Council

cc: Michael Goldstein, Immediate Past Chair, Academic Senate  
Ann Karagozian, Vice Chair, Academic Senate  
Jaime Balboa, Chief Administrative Officer, Academic Senate  
Linda Mohr, Assistant Chief Administrative Officer, Academic Senate  
Judith Lacertosa, Principal Policy Analyst, Undergraduate Council  
Dorothy Ayer, Assistant to Senate Leadership & CAO

June 18, 2010

To: Robin L. Garrell  
Academic Senate, Chair

From: Mitchell Wong  
Faculty Welfare Committee, Chair

Re: Senate Item for Review: UC PB Choices

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The Faculty Welfare Committee reviewed the Senate Item for Review UCPB Choices.  
The committee's response is indicated on the attached spreadsheet.

Cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Dottie Ayer, Assistant to Chief Administrative Officer, Academic Senate  
Brandie Henderson, Policy Analyst, Academic Senate


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# UCLA MEMORANDUM

College Faculty Executive Committee  
A265 Murphy Hall

June 17, 2010

To: Robin Garrell, Chair  
UCLA Academic Senate

From: Ray Knapp, Chair   
UCLA College Faculty Executive Committee

**Re: FEC Response to the University Committee on Planning and Budget “Choices Report”**

The FEC membership was given the opportunity to opine late in the Spring quarter on the separate items outlined in UCPB’s “Choices Report.” Unfortunately, the quick turnaround time for responses did not allow for discussion of the proposed individual changes. For this reason, I am forwarding the responses from individual FEC members in tabulated form.

In general discussion, there was considerable opposition among the FEC membership to taking part in this kind of “survey” in lieu of our general method for evaluating proposals from all sources, which involves discussion and, most often, consensus or near consensus achieved through looking at the issues from a multitude of perspectives. This method is essential to the way our committee works and forms the basis for our consultative process. The current method, driven by artificially imposed time restraints, gives the appearance of consultation but actually makes genuine consultation impossible.

Thus, in the strongest possible terms, we urge that this method be discontinued and identified as forthrightly as possible as a sham, and that strenuous protests be mounted against further requests of this nature. At the same time, we will welcome requests for *genuine* consultation, which requires time for us to consider and discuss the issues before the university.

You are welcome to contact me at (310) 206-2278 or [knapp@humnet.ucla.edu](mailto:knapp@humnet.ucla.edu) with questions. Kyle Stewart McJunkin, Interim FEC Coordinator, is also available to assist you and he can be reached at (310) 825-3223 or [kmcjunkin@college.ucla.edu](mailto:kmcjunkin@college.ucla.edu).

cc: Jaime Balboa  
Lucy Blackmar  
Kathleen Copenhaver  
Penny Hein-Unruh  
Judith Lacertosa  
Linda Mohr  
Joseph Watson

# UNIVERSITY OF CALIFORNIA, MERCED

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SANTA BARBARA • SANTA CRUZ

OFFICE OF THE ACADEMIC SENATE  
MARTHA CONKLIN, CHAIR  
[mconklin@ucmerced.edu](mailto:mconklin@ucmerced.edu)

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June 23, 2010

**To: Harry Powell, Academic Council Chair**

**Re: Systemwide Review of UCPB's "Choices" Report**

Dear Harry,

The Merced Divisional Council would like to commend UCPB for the preparation of The Choices Report. The report is timely and frames the discussion of the issues facing the University during this time of fiscal crisis. UC has to make choices and reevaluate what will make the system sustainable. The traditional UC system vision of "endemic excellence" as explained by then-President Saxon—upholding the high quality of academic programs throughout all the UC campuses, both large and small—must be maintained.

While all campuses are facing difficult choices, Merced is at an extremely difficult point in our development. We are not self-sufficient and need system and State resources until we grow to a size that revenues balance expenditures, yet we strive to meet the challenges of endemic excellence in all our programs.

The Choices Report provides a nuanced and evidence-based analysis of many issues facing the entire system, such as the decline in State funding, differential fees, remuneration including post-retirement benefits, online education, indirect cost recovery, capital spending, and the growth of administration relative to ladder rank faculty. It is a comprehensive and coherent document addressing the Senate's most important planning and budget concerns.

Merced recommends that the Academic Council endorse The Choices Report and appreciates the opportunity to opine.

Sincerely,

Martha H. Conklin, Chair

cc: UC Merced Divisional Council  
Martha Winnaker, Systemwide Academic Senate Executive Director



CHAIR, ACADEMIC SENATE  
RIVERSIDE DIVISION  
UNIVERSITY COLLEGE BUILDING, RM 225

ANTHONY W. NORMAN  
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June 17, 2010

Harry C. Powell  
Professor of Pathology  
Chair, UC Systemwide Academic Senate  
1111 Franklin St., 12th Floor  
Oakland, CA 94607

Dear Harry:

**RE: SYSTEMWIDE REVIEW REQUEST – CHOICES REPORT**

The review of the Choices Report was conducted by Committee on Research, Committee on Planning and Budget, Faculty Welfare, Academic Personnel, Graduate Council and Educational Policy. There was unanimous agreement that the document we well written. There were some reports that made suggestions for revisions. Also, it is essential that the bulleted points include a page number where they are described. Differential fees, faculty compensation, online education, indirect cost recovery and diversity of students were all addressed. Below is a listing of the comments from each Committee.

**Planning and Budget:**

UC-Riverside's Academic Senate Planning and Budget Committee members strongly endorse the *Choices Report*. The report is well written and compelling. Every choice and alternate choice is presented with supporting data, making the *Choices Report* an exceptionally valuable document. However, the recommendations listed early in the *Choices Report* (page 5) will likely become the focal point for discussion. We therefore suggest the following.

1. Number the recommendations so they can be easily referenced. If the authors want to avoid the idea that the numbering is related to priority, a disclaimer to this effect should be added.
2. Include the page number with each recommendation that directs the reader to the section in which the recommendation is discussed. If individuals don't read the whole document, maybe they will at least read the section discussing a particular recommendation.
3. Consider the following revisions (in Italics) for specific recommendations:
  - (i) Replace "Maintain or increase state support" with *"The Regents must fulfill their fiduciary responsibility to UC by securing increased State support or by increasing student fees using the metric – average tuition at the private campuses of the comparison eight minus state funds equals UC tuition."*

- (ii) Adopt a multi-year fee strategy *using the above metric that clearly predicts annual tuition increases based on State funding to UC*. The concept is “if the State does not provide X funding, tuition will increase by Y”.
- (iii) Avoid stratification and tiering *by campus, including historical inequities in the per student campus funding models that result in tiering de facto among campuses*.
- (iv) Increase recruitment of non-resident students. We suggest deleting the word “diversity” from this recommendation. It is disingenuous to suggest that we are increasing the number of non-resident students to increase diversity.
- (v) Add a new recommendation *“Fulfill UC’s mandate to California to educate a diverse student body that drives the State’s economic, social, cultural and political future”* between “Curb construction projects” and “Recognize UC Merced’s unique situation and fund that campus accordingly.”

UCR’s Planning and Budget Committee makes the following comments for the record.

1. We strongly endorse the recommendation to recognize UC Merced’s unique situation and fund that campus accordingly.
2. We strongly endorse the premise set forth in the last paragraph on page 18 under the section entitled “Differentials” that some campuses are more successful than others at enrolling a diverse student body and that spending less per student at the more diverse campuses would be terrible for UC’s public reputation. Additional funding for such campuses should be prescribed since many of UC’s ethnically diverse students come from our State’s most impoverished and underperforming school systems and thus, require additional support programs to succeed at UC.
3. We endorse the section on faculty total remuneration; current faculty salary scales, UCRP accrued liability, and proposed changes in post-employment benefits pose serious problems that jeopardize UC’s ability to attract and retain the high caliber faculty that have made UC the world’s greatest public university.
4. We endorse the section on online learning, which is especially well done.
5. We endorse advocacy on behalf of UC to educate politicians and the public that the University of California is one of the State’s most powerful engines for economic and social development and that the technical, social and cultural innovations that UC research drives will be impossible to sustain without adequate State support.

We also go on record in support of a faculty advocacy committee. The message reverberates throughout the pages of the *Choices Report* -- the faculty’s earlier and more recent deliberations and recommendations have been and are still being largely ignored by the office of the President and the Regents.

#### **Academic Personnel:**

1. We strongly agreed with statements that argue against weakening the ladder scale used for faculty merits and promotions. Like the authors of the reports, we do not support the concept of replacing ‘hard’ funding with grant funding. This is a very slippery slope that could irreparably damage faculty.
2. We strongly disagree with the assertion that all funding, including gifts, must be subject to increased indirect costs. The funds that are received greatly benefit the university, often through the hiring of graduate students. We believe that small gifts, specifically those



below \$50,000, should not be subject to any additional indirect costs. Should such an indirect cost recovery program be implemented, donors would simply find other places to give and these monies would be lost.

3. There was a suggestion that a key concern from the faculty viewpoint is the need for more graduate student support. At UCR this has been a critical issue and the subject of much debate. Of course, finding more funds is a difficult proposition in tough economic times. However, there are alternatives to the current funding structure that could be examined. For example, in many CNAS departments, highly qualified students are offered one year of support by the Dean and one year of support from the home department (where TA activities are required). At a cost of \$38,000 per year, just the two years covered by the Dean and Department cost UCR over \$75,000. UCR also pays for any additional quarters that they TA, so the costs are actually much higher. In order to stimulate faculty to write grants or encourage them to support fellowship applications that include graduate student costs, a stipend of \$1,000 per quarter per student that they pay for from grant funds could be added to faculty paychecks. A five year commitment could increase a faculty member's salary up to \$20,000 at no additional cost to the campus, while still saving the campus over \$55,000/student (even including the \$20,000 benefit to faculty). A four year commitment would provide the faculty member with \$16,000, while saving the campus about \$25,000. The cumulative savings would be substantial, and allow more graduate students to be supported. If a faculty member had two or more students the additional stipend could approach the economic effect of a merit. Realistically, the faculty benefit (and campus cost) would be somewhat less than \$20,000 because some TA activity would still be required, and the faculty member would not be provided a stipend while the student was supported on a TA. Those faculty that do not have equivalent funding opportunities would benefit by additional graduate student funding availability from the administration. This is only one possible scenario. However, this strategy benefits both the financial operation of the campus and the faculty. We suspect there are similar win-win strategies that could be investigated.

### **Faculty Welfare:**

The Committee on Faculty Welfare (CFW) carefully considered the "Choices" report from UCPB. In many ways, the narrative of the "Choices" report provides valuable and important arguments to rebut several of the recommendations by the working groups of the Gould Commission. CFW strongly recommends that these arguments be considered carefully by both the Administration and the Academic Senate before any of recommendations from the Gould Commission are adopted. CFW found the arguments in the "Choices" report against differential fees and in support of a unified System of campuses (Section 2b) to be particularly compelling. From a strict viewpoint of faculty welfare, CFW strongly supports UCPB's arguments in favor of restoring competitive total remuneration that addresses shortfalls in both salaries and benefits (Sections 3a and 3b). CFW also agrees with UCPB's concerns about the unintended, potentially deleterious consequences of adopting alternative salary plans for faculty (4b). CFW also found UCPB's concerns with the assumptions underlying the expansion of on-line instruction to be well-articulated and worthy of detailed consideration prior to making any decision about on-line instruction within the UC System (Section 4a). Finally, CFW agrees with UCPB that the historical priorities for campus construction (Section 6b) and growth of administrative positions (Section 6c) in view of the current budget climate need to be reconsidered.

CFW was less enthusiastic about the specific choices and recommendations offered in the Executive Summary, however. Although these are indicative of some of the choices and actions that will need to be made, the narrative did not support the premise that the indicated choices were the only, or least-worst, ones available. Several members of CFW pointed out the absence of a coherent set of principles that might justify one choice or recommendation over another. The absence of any detailed cost-benefit analysis of either the cost-saving or revenue-generating recommendations on p. 5 also was perceived as a serious limitation by CFW. Thus, although CFW finds much to applaud in the narrative of the "Choices" report from a Senate and Faculty Welfare perspective, the absence of sufficient financial detail leads CFW to recommend caution in adopting the Choices report as the Senate's primary position paper on the financial restructuring of UC.

### **Committee on Educational Policy:**

The Committee had a positive response to this report and values and supports many of the main points contained therein. Among the points supported by CEP are:

- Opposition to differential fees by campus, i.e., different campuses charging different fees for enrollment in the same major.
- Opposition to differential fees by major, i.e., charging different fees for different majors on one campus.
- Strong questioning of the rush to increase use of on-line instruction without conclusive evidence that on-line instruction will result in budget savings and without analysis of cited examples of abandoned efforts to set up on-line subsidiaries at other major universities.
- Opposition to extending compensation plans similar to medical schools for core campus faculty, i.e., shifting the source of funding for salaries from state funds to grant funds for regular faculty in certain core disciplines.

Other issues require further discussion, however, in the opinion of CEP:

- The report contains no in-depth discussion of issues relevant to staff, their current hardships and grim prospects. The CEP would like to suggest UCPB create an addendum dealing with this issue.
- The CEP would also like to encourage UCPB to continue its investigations into the growth of the senior management (MSP) sector and clarify if and how this surprising increase will help the mission of the University.
- The position taken in the report in connection with course buyouts seemed too one-sided. There are some benefits associated with this practice, and not only to the participating faculty. The CEP recognizes the issues raised in the report and does not support that this practice be encouraged without regulation; but, the Committee also opposes a blanket prohibition.
- The CEP would like to emphasize the many potential problems associated with an increase in the number of non-resident students, especially if they were to be accepted mainly in the most visible campuses of the System.
- Certain aspects to the format of the report are problematic. The manuscript is too wordy, making it difficult to see clearly the main points and the corresponding supporting arguments. The figures are not referred to in the text, which misses the opportunity of using graphic presentation of the data in support of the points being made. There are no references for the sources of data being presented; references are collected for each chapter/section, but this implies a reader might have to go through several documents before finding out where the data came from. The main concern about this report, however, is that it will be ignored, as others have been. What kind of *sustained* action can

the Senate take to insure the Regents become familiar with the issues raised in the Choices Report?

### **Committee on Research:**

The overwhelming initial consensus was that the report seems well informed but almost unreadable. The executive summary doesn't help at all and the section title "True Cost of Research" seems incorrect since the section does not really attempt to answer that question but instead ranges through a number of related but different topics.

Many of the charts and graphs are basically incomprehensible. Overall, figures are shown without reference. It is not at all clear what statement is being made by their introduction. It should not be the reader's responsibility to determine what the authors had in mind. One responder wonders why the university doesn't undertake a university cost study in order to find out the true cost of research. If the various UC campuses have similar accounting systems then it would be possible to estimate a cost function just for UC using panel data (which combines time series and cross section data).

It was also felt that the section paid insufficient attention to incentives. One wants to allocate the revenue from indirect cost Recovery not only to pay for indirect costs, but also to provide Appropriate incentives: i) to faculty members to apply for external Funding; ii) to departments to appropriately reward faculty members who bring in research dollars; and iii) deans to appropriately reward Departments that bring in research dollars.

The report posits a number of interesting conundrums. For instance, UC is losing money by doing research because the overhead rates are insufficient to cover the full costs. It needs to be clearly pointed out that the current push on faculty to go out and get more grants will only make this situation worse. Until the overhead rates match actual expenses, then every new grant that comes in, even with maximum allowable overhead, is going to lose more money for the university.

Before instituting one proposed remedy to this situation, namely lifting the cap on the portion of IDC that is allowable to cover administrative costs, the UC needs to get its house in order by culling and streamlining the tremendous administrative burden on the system, which has grown out of all proportion to the overall growth in student and faculty numbers. The report points out that administration has increased well over 100% while faculty have increased only 25%, and a large proportion of these administrators are in the managerial and senior professional categories. This over emphasis on bureaucracy, compliance and administrative oversight is slowly sucking the vitality out of the system and produces nothing useful.

In so many instances in the past, when faced with having to cut administrative functions or services, the university's response has simply been to download more of the responsibility to the faculty. This is absolutely self-defeating. The more faculty time gets taken up with administrative duties, the less time available for teaching, research, and service.

The responses generally support the recommendation against differential fees that would continue the ghettoization of UCR. For the same reason, responders also commended the report's insistence on cross-subsidization and agreed with the report's caution regarding online learning as a cost-saving measure; it will certainly erode UC excellence. Although the report does not mention this, it would be especially difficult for UCR students who do not have the same online

access as other UC students. Also supported was the report's call for "total remuneration", closing the gap between UC's presently non-competitive salary scales and those of the private sector.

In summation, responders were irked by the ponderous nature of the text. Beyond that it was felt that greater emphasis should be placed on faculty incentives and streamlining bureaucracy. Responders commended the report for arguing against differential fees, advising caution in online learning and supporting total remuneration.

#### **Graduate Council:**

*Overall impression.* The GC endorses the key points of the report as they pertain to graduate education. Where choices are advocated that affect graduate students, they are in line with the prioritization of sustaining and improving training, and in a broader sense the recruitment and retention of high-quality faculty that serve as graduate student mentors.

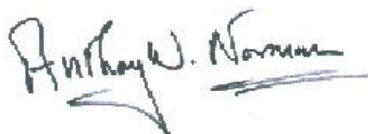
*Programs.* It makes sense to delay starting new graduate programs until the 'core' is stable, as doing so without new resources will compromise existing programs. One GC member felt that investment in new interdisciplinary graduate programs could be a priority as these are a good way of attracting strong students and federal training grants.

*Diversity.* Although the Choices report refers to increasing the number of non-resident undergraduate students, recruiting non-residents for graduate school is good for diversity, which is a good indicator of successful graduate programs; the main issue is finding resources or policies that make it less expensive to do so. Many of the programs at UCR have seen slight declines in out-of-state and international students in recent years. It was also suggested that diversity could be increased at the postdoc level (through such programs as the UC President's Postdoctoral Fellowship program).

*Online education.* At the graduate level, our Council has been skeptical that a UC-quality graduate education can be achieved with solely online content delivery. The additional information that such programs are costly and may actually increase faculty workload all argue against the use of online-only courses. At best, hybrid courses that are a blend of online and traditional training should be considered, if a case can be made that they would save money, are pedagogically rigorous, and/or increase access.

*Other comments.* Broader issues such as advocating for *not* shifting salaries to grants, maintaining competitive post-employment benefits, and avoiding stratification of differential fees by campus, are all consistent with strategies to maintain excellence of graduate programs at UCR and retain/recruit the best faculty to train students.

Sincerely yours,

A handwritten signature in blue ink that reads "Anthony W. Norman". The signature is fluid and cursive, with a horizontal line underneath the name.

Anthony W. Norman  
Distinguished Professor of Biochemistry and  
Biomedical Sciences; and  
Chair of the Riverside Division

CC: Martha Kendall Winnacker, Executive Director of the Academic Senate  
Sellyna Ehlers, Director of UCR Academic Senate office



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Joel Michaelsen, Chair  
Deborah Karoff, Executive Director

June 22, 2010

Henry Powell, Chair  
Academic Senate

RE: Review of UCPB Choices Report

Dear Henry,

The following groups reviewed the Choices Report written by UCPB: Council on Planning and Budget (CPB), Graduate Council, Council on Research and Instructional Resources (CRIR), Council on Faculty Issues and Awards (CFIA), and the Faculty Executive Committees from the College of Letters and Science (L&S FEC), the College of Creative Studies (CCS FEC), and the Education FEC. All groups commend UCPB for its work on writing the Choices Report which provides both history and context in regards to the ongoing budget crisis at UC. Some groups commented that the Choices Report assisted them in their discussion of the Recommendations from the UC Commission on the Future.

At the same time, of concern to some of the reviewing groups is how to ensure that the report will truly influence decision makers especially given past experience with previous Senate reports about the budget. Some groups also suggest that a more condensed report that targets decision makers may have more traction.

CPB states that "the current Executive Summary delineates some truly substantive recommendations and choices, but in a manner that is somewhat oblique, and sometimes defensive." CPB suggests that focusing on high priority/high impact areas may enhance the ability of UC leadership to work with decision makers as budget discussions move forward. CPB recommends a prioritization of the major points in the Report as follows:

A. Cost Saving

1. Reduce administration where disproportionate growth occurred in the last 10 years, particularly among MSP funded from non-extramural funds
2. Reduce resident enrollment to match State funding level, with care to not open 'back channels' for less qualified residents to enter as non-residents by paying more
3. Commence new programs only with careful scrutiny, solid planning, and good probability for success
4. Confine construction to targeted areas of unmet needs and scholarly excellence, and defer certain construction; replace costly leases with purchased buildings.
5. Oppose cost saving via:
  - i. Continued furloughs
  - ii. Inappropriate cost cutting at UC Merced

- iii. Encouraging buy-outs of teaching from faculty grants or increased support of faculty salary by extramural funds
- iv. Growth in lecturer positions out of proportion to ladder faculty positions
- v. Further reduction of graduate student support

#### B. Revenue Enhancement

- 1. Strongly support all efforts to convince the State to halt the reduction in and to restore its contribution to the University of California
- 2. Increase non-resident enrollment with superbly qualified non-resident students
- 3. Increase the tax on auxiliaries, such as housing and on-campus concessions, and on Medical Centers
- 4. Increase development and fundraising
- 5. Develop a multi-year fee strategy
- 6. Expand summer session without compromising core campus instruction
- 7. Overhaul Indirect Cost Recovery
- 8. Use UC debt capacity for Pension Obligation Bonds rather than for further construction
- 9. Oppose revenue enhancement via:
  - i. Raising graduate fees
  - ii. Taxing faculty consultation income

#### C. Organizational Improvements

- 1. Increase budget transparency
- 2. Disentangle sources and flow of funds
- 3. Implement online education where appropriate
- 4. Merge departments rather than eliminate or centralize administration

Graduate Council echoes CPB in their affirmation that graduate fees need to stay low, even at the expense of undergraduate fees and that graduate block grant funding levels be maintained. The L&S FEC sees this issue differently as they believe that fees for undergraduates should not be raised for both practical and political reasons. GC, CFIA and the L&S FEC strongly support UCPB's recommendation that there be a reallocation adjustment in campus funding. GC also concurs with UCPB in its recommendation to avoid stratification and tiering through differential fees.

In regards to on-line instruction, two groups (CRIR and L&S FEC) caution against being overly negative about the possible value of on-line instruction. CRIR says, "while we too oppose any attempts to replace faculty with on-line courses, we do support developing these materials as a supplement to classroom instruction. We also recognize that in some cases, particularly the hard sciences, on-line instruction can facilitate education when made available to campuses when there is no campus faculty representing a particular aspect of study." The L&S FEC, "thought that online instruction could be used effectively in certain circumstances." Among other things, they note, "the complementary use of technology in the classroom (i.e., course management systems) has proven highly effective, and in some cases transformative, and is supported by the Academic Senate." They conclude, "the statements on p. 32, about online learning and use of computers in general, struck some members as technophobic and unwarranted." On the other hand, the CCS FEC feels strongly that moving towards on-line education will be detrimental to the quality of a UC education.

Although the Report calls for a reduction in administrative staff, the L&S FEC suggests that further study be conducted to "identify what factors have driven the expansion in middle-level managers at UC." In particular, they ask if regulatory requirements, technology, or valued initiatives like increasing diversity, can explain the growth in administrative staff. The CCS FEC supports the idea that "administrative efficiencies can be gained if UC develops more risk tolerance." The CCS FEC also suggests it would be imprudent to follow the suggestion of transferring the brunt of future staff cuts to

the campuses. They note that, at UCSB, staff are “reaching the breaking point” given workload increases.

The CCS FEC supports the recommendation by UCPB that the quality of UC’s faculty must be preserved and that salaries need to be raised as soon as possible. In addition, they suggest that the Faculty Salary Plan instituted before the budget crisis had highly detrimental effects on leading faculty with off-scale salaries and they recommend that it be abandoned.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, reading "Joel Michaelsen". The signature is fluid and cursive, with the first name "Joel" written in a larger, more prominent script than the last name "Michaelsen".

Joel Michaelsen, Chair  
UCSB Division



## **Communication from the Committee on Faculty Welfare** **Jacque Duncan, MD, Chair**

June 17, 2010

Elena Fuentes-Afflick  
Chair, UCSF Academic Senate

Re: UCPB "The Choices Report"

Dear Chair Fuentes-Afflick,

The Committee on Faculty Welfare was asked to review "The Choices Report" created by the University of California Planning and Budget Committee. The Committee has reviewed the document, and we support the many careful analyses of the budgetary challenges facing the University which it contains. Specifically, we appreciate the clear urgency communicated in the report for immediate action to prevent permanent damage to the pre-eminent status of the UC system. We feel it provides an invaluable starting point for discussion on increasing revenue and decreasing cost.

A crucial issue that this report promotes is that of transparency; to date, budget allocation within UC has been a somewhat arcane process and, going forward, we should strongly support a much more open and transparent UCOP and campus budget allocation process. Of particular concern is the allocation of indirect cost recovery (ICR). We would appreciate clarification on the formula/rationale used to determine the allocation, and why is such a high percentage (18.75% in the example given in this report) of these funds going to UCOP? This ICR funds are designated for facilities and administration, but only ~33% (in the example given) of ICR funds go back to the campus that generated the revenue and incur the majority of the associated facilities and administrative costs. We are pleased to see that this report addresses the current UC ICR rates. To our knowledge, of the Comparison 8 institutions, UCSF has the second lowest ICR rate. Negotiations with grant awarding bodies should be made to align UC's rates with the Comparison 8.

Regarding revenue generation and allocation, we would be interested to learn details of the amount of revenue generated from patents, and how patent revenues are distributed.

While having less impact on UCSF (given the relatively few students), we support the suggestion to increase non-resident enrollment. This would have the effect of increasing revenue (due to the higher non-resident tuition); while it could be argued that a place for a non-resident displaces a potential California resident, this might put political pressure on the California legislature to at least partially restore the severely reduced per student FTE funding that has occurred over the last decade. We support the suggestion of reducing system-wide unfunded enrollments and allowing UC to maintain student numbers at capacity by increasing non-student enrollments until the state funds more resident students.

One of the recommendations of the report is: "We would rather cut campus staffing than reduce UCOP staffing levels further." While UCOP staffing has been cut significantly (27%), further reductions at the level of UCOP should be considered.

The committee has reservations about the suggestion in the report that "there is some room to take on additional debt if it is done cautiously and prudently." Given the likelihood for issuance of a pension

obligation bond, we have concerns about taking on additional debt. Like UCPB, we would rather tap UC's debt capacity for the pension system than for capital planning.

The report appears to be very much against using online teaching as a potential new source of revenue. This is based on many failed ventures by universities in the past. However, we believe that this option should not be rejected completely -- there may be other models that have worked. Perhaps school or department level online courses may be more successful at generating revenue than courses supported at the campus or system-wide level.

The following are included in the executive summary of the report:

"We recommend that UC:

- Maintain or increase state support
- Avoid suffocating core academic programs
- Review growth of campus administration"

However, no specifics are provided in how to achieve these commendable aims. In particular, we would have liked to see some ideas on what steps can be taken to try to ensure stable or increased State support.

While the undesirability of off-scale salary is covered in the report, we would like to have seen mention of eliminating this inequitable system in the executive summary.

Finally, there are a couple of typographical errors:

Page 12 "Without rehearsing details of the compact", it should read "rehashing" rather than "rehearsing"  
Page 25 " post-retirement benefits" should probably be "post-employment benefits".

Sincerely,

Jacque Duncan, MD, Chair, Committee on Faculty Welfare  
Susanne Mueller, MD, Vice Chair  
Pam Bellefeuille, RN, MN, CNS  
Carolyn Calfee, MD  
Paul Green, PhD  
Donald T. Kishi, PharmD  
Maria Orellana, PhD, DDS  
Abe Rudolph, MD

Senate Staff:



UNIVERSITY COMMITTEE ON ACADEMIC PERSONNEL (UCAP)  
Alison Butler, Chair  
butler@chem.ucsb.edu

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Phone: (510) 987-9466  
Fax: (510) 763-0309

June 22, 2010

HENRY POWELL, CHAIR  
ACADEMIC COUNCIL

**Re: CHOICES REPORT**

Dear Harry,

UCAP members have carefully read the University Committee on Planning and Budget's Choices report. Members agreed that the report is impressive and support much of what is articulated. Specifically, UCAP endorses the section on Alternative Compensation Plans and opposes the idea of using charging salary to grants.

UCAP does, however, disagree with UCPB's assessment of the faculty salary plan. UCAP finds the previous salary plan to be outdated and the simple restart of the year two would be woefully inadequate. The UCPB-UCAP-UCFW subcommittee is drafting a proposal which argues for a new multi-year plan.

Sincerely,

A handwritten signature in cursive script that reads "Alison Butler".

Alison Butler, Chair  
UCAP



UNIVERSITY COMMITTEE ON EDUCATIONAL POLICY (UCEP)  
Keith Williams, Chair  
krwilliams@ucdavis.edu

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June 23, 2010

Henry Powell, CHAIR  
ACADEMIC COUNCIL

**Re: UCPB Choices Report**

Dear Harry,

UCEP discussed the Choices Report from the Senate Planning and Budget committee at its June meeting. We especially appreciate the comprehensive perspective that is central to the discussion of issues related to the fundamental changes that have taken place with UC's budget, and the need to fully consider all the various influences and consequences when determining the best courses of action to take in efforts to preserve UC's long term commitment to access, affordability, and quality. We endorse the document as a useful tool for both the Senate and UC administration to use to help frame the discussion as the next steps are considered for dealing with budget shortfalls.

Since a primary aspect of UCEP's role in shared governance is to consider issues of importance to the education and curriculum provided to students, we appreciate the conflicts that arise when having to make "choices". We especially concern ourselves with efforts to preserve and enhance the quality of education at UC. Ultimately, that quality is derived from a variety of sources, but central to any discussion of quality is the intellectual environment in which the students reside during their UC experience. While that environment is influenced by many factors, the centerpiece is the faculty and the rich research environment they bring to UC. UC has invested deeply and wisely in the type and distribution of faculty it hires, and both the loss of existing faculty and the failure to replenish the faculty through new hires would cause changes to the educational environment that would be devastating to the overall quality of UC in the long term. Every effort must be made to maintain the quality of the UC faculty as we deal with the budgetary crisis.

The first step in preserving quality is to make sure we are making the most effective use of our current resources. Though campuses have been working on effective resource management for several years, the continuing budgetary shortfall and the pending action related to the post-employment benefit funding issues necessitate even more resourceful planning and full review and implementation of existing workload policies. Beyond these efforts, further alterations to UC operations resulting from the budget crisis should make every effort to maintain quality at the highest level possible, including taking steps to preserve and sustain the faculty at the highest level possible. While this may create conflicts with access, perhaps resulting in a temporary reduction in the number of students we educate, and affordability, perhaps through increasing fees and reliance on funding sources outside state funding, we believe it would be easier to recover from losses of access or decreases in affordability than it would be to recover from a reduction in the quality of the faculty.

There is considerable anecdotal evidence that quality has already suffered as a result of the budget decreases that have accumulated over the past few years. Faculty recruitments have come to a standstill, temporary teaching funds and support for TA's have diminished considerably, class sizes have increased, and grading methods are more frequently making use of less time-intensive modes of assessment due to reduced support personnel. In these and many other ways quality is being eroded, and the Senate needs to work with administration both to document what has changed and to develop strategies for what should be done in the short and long term to maintain quality at as high a level as possible. The Choices Report details issues related to total remuneration of the faculty, including both salaries and benefits, and these considerations will be key to the ability to retain and attract top quality faculty. We do not mean to diminish the importance of other instructors, researchers, staff and administrators – they are also vitally important to the success and quality of the university, but preserving quality has to start with preserving the Senate faculty system.

Graduate education is just as important as undergraduate education, and brings with it the added value that graduate students provide a direct benefit to undergraduate education through their roles as TA's, mentors, and instructors, including during summer sessions where their involvement can provide a more cost-effective compensation model. However, while graduate students play important roles in educating undergraduates, UC should not grow too dependent on their instructional contributions in lieu of faculty participation and must also provide appropriate mentoring to their teaching efforts. An overutilization of graduate instruction in summer sessions will also take valuable time away from their graduate studies. Similarly, Unit-18 lecturers have long been an excellent and necessary component of undergraduate teaching, but the central role of Senate faculty in teaching activities over the long term cannot yield substantially to the less expensive and less comprehensive, in terms of research perspective, contributions from lecturers.

UCEP has recently endorsed a pilot project being undertaken regarding online education, a pedagogical study that will explore a variety of course types and modes of instruction from which UC will hopefully learn more about how online instruction might best be used at UC. The Choices Report comments on many of the same issues regarding online education that UCEP did in its letter, raising questions regarding quality, workload, intellectual property rights, cost, and interaction methods. While use of hybrid models involving both face-to-face and online instructional methods are widely seen as beneficial models, how well fully online instruction can complement traditional offerings is still to be demonstrated, and the Choices document raises a number of key questions that the pilot study will help to answer. At this point UCEP does not endorse online undergraduate degrees or an online university, and how pervasive online courses should become in different majors is yet to be determined and will likely vary substantially by discipline.

We support the many positions taken by UCPB in the Choices document, such as indirect cost recovery, use of alternative funding resources, consideration of restrictions in new buildings, and treating UC Merced as an exception until their growth puts them on a path more similar to the older campuses. We agree with their point of view of taking a comprehensive perspective on the many interconnected issues facing UC due to the budget crisis, and hope UC administration likewise considers these perspectives carefully.

Please contact us if we can provide any further information or clarification.

Sincerely,

A handwritten signature in black ink, reading "Keith R. Williams". The signature is written in a cursive style with a prominent "K" and a long, sweeping underline.

Keith Williams, Chair  
UCEP



UNIVERSITY COMMITTEE ON LIBRARY AND SCHOLARLY COMMUNICATION  
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June 8, 2010

HARRY POWELL, CHAIR  
ACADEMIC COUNCIL

**Re: Choices Report**

Dear Harry,

The University Committee on Libraries and Scholarly Communications (UCOLASC) is writing to comment on the "Choices" report from the UCPB. UCOLASC appreciates and recognizes the careful deliberations that went into this report and agrees with its overall conclusion, which is to maintain the high quality of academic and research programs throughout the UC System.

After reviewing this report, however, UCOLASC was alarmed to find that a discussion of Libraries was notably absent. Libraries were referenced nominally in the section entitled, "The True Cost of Research," and done so within the broad category of "Utilities" by being listed as a category between "fire protection" and "radiation safety." We believe that characterizing UC Libraries as a mere utility diminishes the vital and indispensable role that they play in fulfilling a key component of the UC mission, which is to serve society "through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge."

Libraries have always been fundamental to the UC System. During our recent financial crisis, UC Libraries have clearly shared the burden, and in many cases have borne a greater proportion of cuts than other units. This has occurred despite the fact that the dramatically changing landscape of scholarly communications makes libraries an even more central and imperative infrastructure for sustaining the teaching and research environments throughout the UC System.

A popular myth is that the digital age has reduced the costs and need for libraries. In fact, in multiple ways, the digital age has led to increasing costs and a far greater need for library services. Just as the "Choices" report cautions that online courses might not generate cost reductions, we know that, because of rising licensing fees, complex delivery systems, and the avarice of for-profit publishers, the price of information is rapidly increasing. Moreover, while many aspects of UC Libraries have become modernized and digital, the conventional "brick and mortar" library remains as important as ever to the mission of the University and to the academic environment on campus. Students demand library space so they can gather, study, and collaborate, and Faculty continue to rely on necessary library services such as interlibrary loan and the curation of unique and rare book collections. Such assets give this University great depth and sustain the caliber of research for which UC is a recognized leader.

The UCOLASC recognizes that these are difficult times, but in a discussion of Indirect Cost Recovery funds, UC Libraries need to be recognized as mission essential for research and teaching. We believe that not doing so will unduly and undoubtedly weaken our shared goal of perpetuating the great promise of our University of California.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Schneider", with a long, sweeping horizontal line extending to the right.

Richard Schneider, Chair  
UCOLASC