

Annual Report on Shared Governance

Shane N. White, Chair of the Academic Assembly and Academic Council 2017-18

The University of California owes its preeminence to a robust system of shared governance among the 3 branches of its leadership; constitutional autonomy; it being a public trust with a clearly defined and differentiated mission, historically supported by the State; and it being a single university containing a federated multi-campus system. These foundation stones are not separate, but intertwined in the University's conduct of its business.

Much has been written about the history and utility of shared governance; the purpose of this report is not to duplicate prior writings. Likewise, the Academic Senate's business in the 2017-18 year can be read in the agendas, minutes, actions, reports and recommendations of Academic Council and its parent, the Assembly of the Academic Senate, and as reviewed in the Academic Council's Annual Report to the Academic Assembly 2017-18. Instead, this report focuses upon the Senate's involvement in and the conditions of shared governance through two major events in the 2017-18 Academic Senate year, so that lessons learned will not be forgotten; and on the Senate's healthier relationship with the Board of Regents.

University Leadership Crisis

The April 2017 Report of the California State Auditor

The relationship between the California State Auditor (CSA) and President Napolitano had become strained, particularly following the March 29, 2016 release of a CSA report: *The University of California: Its Admissions and Financial Decisions Have Disadvantaged California Resident Students, Report 2015-107*. That same day, the University of California took the unusual step of issuing its own data-based rebuttal because it strongly believed the state audit consistently failed to consider key facts and data and reached erroneous conclusions: *Straight Talk on Hot-Button Issues: UC Admissions, Finances, and Transparency March 2016*.

Subsequently, another report from the California State Auditor (CSA), *The University of California Office of the President - It Failed to Disclose Tens of Millions in Surplus Funds, and Its Budget Practices Are Misleading, Report 2016-130*, was released in April 2017. That report also contained misunderstandings, inaccuracies and inappropriate comparisons, leading to some unfounded conclusions. However, that report made 33 largely constructive recommendations which mostly concerned guidance on business practice and clarity. The transmittal letter of the report from the CSA to the Governor and Legislative Leaders ended in the following way: "We found it particularly troublesome that the Office of the President intentionally interfered in our efforts to assess the types and quality of services it provides to campuses. Correspondence between the Office of the President and the campuses shows that the Office of the President inappropriately reviewed campuses' survey responses, which resulted in campuses making changes to those responses prior to submitting them to us—campus statements that were critical of the Office of the President had been removed or substantially revised, and negative ratings had been changed to be more positive.

Taken as a whole, these problems indicate that significant change is necessary to strengthen the public's trust in the University of California. To achieve this change, we believe the Legislature should increase its oversight of the Office of the President."

The University of California is a single one University; all parts are inseparable and communications among all parts are routine and a strength. Although this fact may not have been fully appreciated by State Government or the CSA, it cannot excuse deliberate interference in a state audit.

President Napolitano's Response to the 2017 CSA Report

President Napolitano accepted the recommendations of the 2017 CSA Report, mostly business practices, and convened the *Task Force on Implementation of the 2017 Audit Recommendations*; this task force lacked Senate representation. An implementation plan was created and rigorously followed, with 60 day, 6 month and 1 year updates being issued; these were shared broadly with Senate leadership and appropriate bodies.

Independent consultants, Sjoberg Evashank Consulting Inc., were engaged to monitor and report on the implementation process. They issued quarterly reports, at this time of writing available through July 2018, finding that: "*UCOP fully addressed the form and intent of the CSA's first year recommendations related to the budget. In particular, the UCOP sought to either reduce or keep line budgets flat for the upcoming fiscal year.*" Sjoberg Evashank interviewed and consulted with Senate leadership.

As part of her response to the 2017 CSA Audit, President Napolitano re-constituted the dormant UCOP Executive Budget Committee (EBC), in September 2017, to include senior administrative representatives from each campus, the current and immediate past Senate chairs, and the UC Provost, COO, EVP for Finance, "*to continue reviewing the annual UCOP budget guidelines and preliminary budget and making recommendations to the president*". To date, the EBC has been effective in advising on the substance and clarity in communication of the UCOP budget to the Board of Regents. Some past advisory bodies, similar in aim to the EBC, such as the Council on Research, remain dormant; others, particularly term-limited task forces may lack adequate Senate representation; whereas, others such as the Academic Planning Council (APC) flourish.

The Huron Group was engaged by President Napolitano in September 2017 to report on UCOP's *Organizational Optimization Engagement*. Huron interviewed and consulted with Senate leadership. Their report took the form of a January 17, 2018 47-page slide deck, absent of analytical data. It found that "*UCOP is World Class in terms of its focus and services, many of which are standard and best practices across higher education, and though some of these services could be managed more efficiently and effectively – as we heard from stakeholders across the UC system – UCOP is often at the forefront of what system offices can achieve.*" This notwithstanding, the Huron Report contained 30 bullet point options for structural changes, while acknowledging that "*many of the changes that we have identified would be difficult to implement*". The Huron Report, like the Monitor Report a decade before, caused much dismay among UCOP employees and bodies of the Academic Senate. Academic Council reviewed the Huron Report, and a vigorous process of shared governance ensued; the Senate generally viewing the Huron change options as spurious efforts to make UCOP appear to be smaller in fiscal and FTE footprint by moving, 'offshoring' functions or programs, predominantly academic, from 1111 Franklin to other locations without attention to any gain in functionality or efficiency (please see text below and Council's 2017-18 Reports and Recommendations).

California State Budget for 2017-18

On June 27, 2017, Governor Brown signed the 2017-18 State Budget, largely reflecting his initial January Governor's budget along with some subsequent involvement by the State

Legislature. It included State General Fund augmentations of \$131M, with an additional \$5M to support undergraduate enrollment; one time funding of \$169M in one-time Proposition 2 funding for UCRP unfunded liability; \$50M being withheld by stipulations based on agreements made between Governor Brown and President Napolitano concerning activity based costing, and achieving a 2:1 ratio of freshman to transfer students at every campus beginning in the 2018-19 academic year; reporting of additional budgetary information; elimination of certain benefits for senior managers; and adoption of the CSA's April 2017 recommendations. In addition, the appropriation for the UCOP and UC Path budget became a separate line item, with UCOP's budget being held flat. Although the budget broadly followed the Governor's compact with the university, it can reasonably be interpreted as being punitive to President Napolitano and the University, while interfering with the University's internal business, particularly with UCOP.

Independent Fact-Finding Review for the Board of Regents of the University of California:

In May 2017 the Regents authorized then Chair Lozano to retain an independent external law firm to assist the Regents in reviewing actions undertaken by the Office of the President (UCOP) with respect to surveys issued by the California State Auditor, and campus responses to those surveys, as part of the recent audit of the Office of the President budget and administrative expenditures. Justice Carlos Moreno (former Associate Justice of the Supreme Court of California) and the law firm of Hueston Hennigan were retained for this work. Justice Moreno and the Hueston Hennigan law firm had previously been retained by the university. Chair Lozano also appointed a working group of Regents to review the findings consultants and make recommendations to the Board. This report was made available, in confidence, to the members of the Board of Regents, including Faculty Representatives White and May, as part of the agenda for a closed session of a special Regents' meeting, but was subsequently released publicly.

California State Auditor's Whistleblower Investigation on Interference by UCOP in its Survey of UC Campuses

Following a whistleblower complaint on UCOP's interference in the CSA, Elaine Howle's, administration of a survey of the UC campuses about UC, the CSA initiated a separate inquiry into that interference. The Whistleblower report was transmitted to the head of the state agency concerned, i.e. to Board of Regent's chair George Kieffer. Immediately prior to the November 16, 2017 special meeting of the Board, the report was made available for confidential viewing by all members of the Board, including Faculty representatives White and May. As to the report's contents, the Los Angeles Times reported on November 22, 2017: "*These actions impeded her audit "by impairing [her] office's statutory right to access records, failing to provide the requested documents in a timely manner, failing to provide unaltered records, and contributing to inefficiency and waste," Howle wrote in an Oct. 26 letter to George Kieffer, chairman of the UC Board of Regents.*" Whistleblower reports are not always made public, or even publically acknowledged to exist, for obvious reasons.

November 16, 2017 Special Meeting of the Regents of the University of California

Upon adjournment of the Regular Regents meeting, a special Regents' meeting was held; most of this meeting was held in closed session. Item B2(X), Action Personnel Matters Relating to State Audit Report was discussed for over 4 hours in an extraordinary closed session. Immediately thereafter, a very short open session was held and an informational item, B2, was presented. A public statement was made by Chair Kieffer on behalf of the Board of Regents admonishing President Napolitano. The Board had taken the course to reprove, rather than to

dismiss the President. Whilst it was stated in a subsequent press conference that the Board's vote had been unanimous, a newspaper report stated that "*Although regents backed Napolitano's continued leadership, behind closed doors they sharply disagreed over disciplinary measures*" (Los Angeles Times November 16, 2017). At the conclusion of the open session, President Napolitano made a statement of apology, as quoted in the Board's minutes.

No disciplinary actions were taken against any other officers of the university; the minutes of the open meeting stated: "*The Regents had noted that while serious disciplinary actions regarding former Chief of Staff to the President Seth Grossman and Deputy Chief of Staff Bernie Jones were warranted, any actions were now rendered moot as both Mr. Grossman and Mr. Jones had resigned from the University.*"

With the aim of clarifying and strengthening reporting relationships, Board of Regents Chair Kieffer stated in the open session that: "*The Board would be taking action on policies and bylaws at the January 2018 meeting that would further strengthen its oversight of the Office of the President and of positions that report to both the Board and the President.*"

November 17, 2017 Special Meeting of Academic Council Minutes

"I. Discussion of Regents' Special Meeting of November 16, 2017

The Academic Council met to discuss the action by the Board of Regents at their November 16, 2017 special meeting pertaining to President Napolitano's conduct in response to a recent State Audit.

The University of California through its century and a half history has been extraordinarily successful in serving the people of California. In recent years, however, the relationship between the State government and the President of the University has become strained. These strains, for which the State government is not blameless, threaten the effectiveness of the University in its ability to carry out our mission of teaching, research, and service to the State, Nation and World. To be effective in that integrated mission, The University of California, as one of the preeminent institutions of higher learning in the United States, must maintain and uphold standards of the highest integrity.

The Academic Council is deeply concerned by the recently released report commissioned by the UC Regents: "Independent Fact-Finding Review for the Board of Regents of the University of California: Summary of Findings" (<http://regents.universityofcalifornia.edu/regmeet/nov17/b2attach3.pdf>). This report indicates a lack of such high standards in the conduct of the President in the University's response to a State audit of UCOP. The Board of Regents has admonished President Napolitano (<http://regents.universityofcalifornia.edu/regmeet/nov17/b2attach1.pdf>). President Napolitano has apologized (<http://regents.universityofcalifornia.edu/regmeet/nov17/b2attach2.pdf>).

In the coming weeks, the Academic Senate will review these and all other available materials relating to this issue judiciously. The Academic Senate will carefully consider all courses towards improvement in University governance.

The current controversy must not distract the University of California or the State from the remarkable work and achievements of the University, its 260,000 students, and its 200,000 employees, including those at the University of California's Office of the President. The University must continue to advance and serve the people of California with dedication and integrity."

November 29, 2017 Academic Council Meeting Minutes Excerpts

“State Audit: *President Napolitano apologized for UCOP’s handling of the surveys administered as part of the state audit of UCOP, and said she accepts responsibility. She issued a formal apology to the Regents following the closed session of their November 16 meeting. She noted that she is working to repair relationships and to assemble a fulsome plan for budget advocacy and engagement. She intends to continue as president and bring the University to a better place. She understands that faculty are concerned about University governance. The Regents have asked her to initiate an examination of the UCOP culture to determine what led to the governance failure, and to recommend any appropriate policy changes. The President is meeting with UCOP senior managers tomorrow to discuss possible organizational changes. She said the reputation of the University of California remains strong. It is a unique institution that marries commitments to academic excellence, access, and diversity.”*

“Discussion: *Academic Council members observed that the future health of the University depends on rebuilding trust between UCOP and the Legislature. Council members encouraged the President to initiate a robust “lessons learned” process that identifies key communication silos and 4 blocks, and enables stronger shared governance with the Senate. They noted their support for a strong UCOP, but also for finding the right balance between UCOP leadership and campus autonomy that preserves the distinct identity of the campuses. Council members acknowledged that the University is in an environment of constant criticism, which can have a chilling effect on transparency; however, the University should not be afraid to air weaknesses. Organizations improve by identifying and understanding weaknesses, not by hiding them. Council members said it may be prudent to increase the role of campuses in advocacy, and offered to help by meeting with individual legislators.*

Chair White also expressed dissatisfaction with the governance of the University and recommended three improvements:

- 1) The appointment of a senior advisor to the President, with deep campus operational experience in teaching, research, policy, with diplomatic skills, not otherwise involved in the administration or conduct of the University, and someone that the President would be comfortable working with, not necessarily faculty, but possibly a former Senate chair.*
- 2) Elevation of the role of the Provost to a level consistent with that office’s historic level of responsibility, and to the level that protocol and policy describe, so that the full weight of subject-matter expertise on the policy and operation of the University’s teaching, research, and service missions be included in all key discussions.*
- 3) Inclusion of a Senate leader in the President’s “cabinet” or major planning meetings, whether informal or formal. Early involvement of the Senate in an initiative or in response to a crisis can only improve the outcome.*

President Napolitano responded that she will seriously consider the recommendations. She also said she welcomes a more active role for the Senate in advocacy. She said rebuilding trust requires both personal interaction and UCOP demonstrating that it follows through on its promises and commitments. She said she is committed to improving the culture of UCOP and its interactions with the Legislature and the campuses. She recognizes that she can be a lightning rod for criticism, but believes it is still important for her to personally reach out to legislators. The hostility toward UCOP is due in part to a lack of understanding about the good work it does. Breaking the negative feedback loop cycle is fundamental to the long term health of the University.”

December 13, 2017 Academic Assembly Meeting Minutes Excerpt

“IV. ANNOUNCEMENTS BY UNIVERSITY SENIOR MANAGERS

Janet Napolitano, President

State Audit: President Napolitano said that she accepts responsibility for UCOP’s interference in the surveys administered to campuses as part of last year’s State Audit. She is focusing on reforming policies and procedures, improving governance, mending key relationships, and resetting UCOP’s relationship with the campuses. The re-set will involve changing the organization of the President’s Advisory Group; increasing her one-on-one meetings with campus leaders; streamlining UCOP approval processes; delegating more authority to the campuses; and considering other ways to streamline the UCOP bureaucracy.

In addition, the President said she is acting on three Academic Council recommendations for improving University governance: 1) appointing a senior faculty advisor not currently involved in the day-to-day operation of the University to advise her on ideas and proposals; 2) enhancing the Provost’s role and including the Provost in all major decisions; and 3) incorporating Senate leadership into the President’s Advisory Group.”

“VI. REPORTS OF STANDING COMMITTEES

A. Academic Council, Shane White, Chair State Audit: Chair White discussed a recent State audit of the University and actions taken by the Regents at their November 16, 2017 special meeting pertaining to the President’s conduct during the audit. The April 2017 State Auditor report on UCOP budget practices and administrative spending included 33 recommendations to UCOP for changing or examining budget and accounting practices, including those related to travel reimbursement, compensation, and accounting procedures for systemwide academic programs and presidential initiatives. UCOP accepted the recommendations and is examining budgets for all centrally-funded programs and services.

However, the Auditor also found that UCOP had interfered with the Auditor’s confidential campus survey about the quality of UCOP’s services. In response, the Regents commissioned an investigation led by former CA Supreme Court Justice Moreno. The Regents discussed Justice Moreno’s report in a special closed meeting on November 16, and produced a statement criticizing the President for her role in the interference but also supporting her continued leadership.

The Academic Council held a special meeting on November 17 to discuss the matter, and the minutes of that meeting record Council’s concern. At its subsequent November 29 meeting, Council asked the President to make three governance improvements: 1) the appointment of a senior advisor not otherwise involved in the day-to-day operation of the University, possibly a former Senate chair; 2) the elevation of the Office of the Provost to its historic level of responsibility and its inclusion in the President’s cabinet; and 3) the formal or informal inclusion of the Senate chair in the President’s cabinet or major planning meetings.

Chair White encouraged Assembly members to bring the documents to the attention of their faculty. He noted that although UC administrators broke no State laws or statues, the Moreno report depicts a troubling failure in governance, ethics, and leadership. He added that the State has imposed on UC a series of damaging directives related to the budget, enrollment, and employee welfare. The University needs strong and stable leadership that can make an effective case to the State for full funding of the University’s mission and its continued autonomy. Creating a leadership vacuum at this time would not help the University. Nevertheless, the

Senate should monitor the current administration's ability to advance the University's priorities in the upcoming budget cycle.

Assembly members noted that they were encouraged by the President's response to Chair White's three requests, but the Senate should monitor their implementation and effectiveness. Others questioned the genuineness and candidness of the President's apology and expressed support for a separate Senate appraisal of the situation based on publically available material. It was noted that Senate bylaws give the Assembly the right to communicate with the President and also provide a process for the Assembly to memorialize the Regents on matters of Universitywide concern. It was noted that a memorial is a profound action that should not be taken lightly. It was agreed that the Assembly should consider making a statement directly to the President that her mistake was a violation of expected ethical behavior.

ACTION: A motion was made and seconded to authorize Academic Council to appoint a group of Council members to draft a letter for the Assembly's review at its next meeting. The motion passed unanimously with one abstention."

December 13, 2017 Academic Council Meeting Minutes Excerpt

"Recommendations to Improve University Governance: At the Academic Assembly meeting earlier today, President Napolitano indicated that she is accepting Chair White's three requests for governance improvements recorded in the November 29 Academic Council minutes.

Council members expressed hope that the governance improvements would help bring core academic concerns and faculty values to the forefront of UCOP decision-making, earlier in the process; help align UCOP policy-making with the teaching, research, and academic service missions; and help UCOP better understand the campuses and better represent the University.

ACTION: As requested by the Assembly, a group of Council members will draft a statement pertaining to the President's conduct during the State audit, for the Assembly's review at a future meeting."

February 14, 2018 Academic Assembly Meeting Minutes Excerpts

"University Governance: President Napolitano has acted on the Senate's three requests for improvements to shared governance. She announced in late December that former Academic Senate Chair Daniel Hare had accepted her offer to serve on a part-time, non-compensated basis as Faculty Advisor to the President, for one year starting in January. She also agreed to include the chair of the Senate in the President's Advisory Group. Earlier in fall 2017, the President also reconstituted the Executive Budget Committee (EBC) to advise her on systemwide budget matters. Senate Chair White and former Senate Chair Chalfant sit on the EBC, which has been an effective, independent voice on the UCOP budget.

Chair White recalled that in December the Assembly had asked the Academic Council to draft a statement concerning the President's conduct during the State audit of UCOP. A Council subgroup prepared a draft statement; however, action has been delayed until Council is able to more fully ascertain the administration's renewed commitments to transparency and shared governance. Several Council members observed that the Council had not made a formal decision to pause the effort indefinitely."

Outcomes

The President enacted the Senate's 3 requests. A Faculty Advisor to the President was appointed and remains. The role of the Office of the Provost, the second ranking office in the administration after the President, but more importantly the office directly concerned with the university's mission of teaching, research and service, appears to more commensurate in status with the responsibilities that it bears, particularly during one of only two presidencies where the incumbent has not been a career academician. The President has instituted inner and outer cabinets, Presidential Advisory Groups; the Provost sits on both, and the chair of the Academic Senate on the outer one; to date these arrangements are effective. Other governance changes, such as the reinstatement of the UCOP Executive Budget Committee were also initiated. However, the long-term efficacy of these changes, in actuality reversions towards long-held prior practices, cannot yet be measured. Nor could the President's future conduct and commitment to the principles of the academy be measured. Hence discussion of the President's conduct at Academic Council in leadership continued through the 2017-18 Senate year, particularly when shared governance hit bumpy ground, please see the section on UCOP Reorganization below. The subcommittee of Academic Council, authorized by Academic Assembly to draft a statement to the President, continued its deliberations through the late Summer of 2018, eventually deciding to withhold such a statement on condition that the history of the leadership crisis be preserved and communicated to the incoming Council, as herein.

Conclusion

Stability of the university was maintained; the Academic Senate provided balance through a firm but measured approach. The Regents made a choice. The President did not abdicate her position. The Academic Senate resisted external pressures from multiple directions and acted as it believed best for the University, the Students and the People. It must be understood that the Senate's disappointment with the President's conduct was not only its negative impact on the University; but also upon her role as President of the Academic Senate; and as a member of the faculty following ethical prescriptions affirming the highest professional ideals (APM-015); as well as the expectations of the Board, as expressed in Bylaw 30, including representing the University before the executive and legislative branches of government. The President took responsibility, apologized, and initiated positive changes in governance. Disappointingly, the State budget for 2018-19 did not fulfil the terms of the Governor's compact with the University; the UCOP Division of Agriculture and Natural Resources (DANR) was line-itemed, legislative interference in the University's internal business; and the other segments of state higher education were treated more favorably than the University of California. The University deserved better; the President, the Board, and the Senate must work together to improve relations with state government. Government must understand that the University is committed to its mission and is remarkably successful in its endeavors to serve the people of the State.

Reorganization of UCOP

The aforementioned tensions between state government and the UC President's administration diverted much energy from the University Mission to addressing political and politicized issues. Some prominent legislators believed that UCOP was too big and that part of its budget should be redirected to be spent in support of students on the campuses. However, they presented no analyses or comparisons to support the claim that UCOP was too big. They did not appear to appreciate that approximately half of the UCOP budget flowed through UCOP to be directly

spent on the campuses, and that almost all of the remainder was spent on services or programs in support of campus teaching, research and service activities. The distinction between the very small President's Executive Office (PEO), concerned with administrative governance, and the greater UCOP, that supports the academic mission, was not widely grasped. President Napolitano appeared eager to respond to these tensions and criticisms, whether substantiated or not, so that they could be left behind and the University advanced.

President Napolitano moved quickly to create and begin enacting responses to the 33 *Recommendations to the University of California* made in the CSA 2016-130 Report, issued in April 2017. Other changes, such as the re-institution of the UCOP Executive Budget Committee were also made. Furthermore, she engaged the Huron Group to produce a report on UCOP called *Organizational Optimization Engagement*. To many, this exercise appeared to propose substantive operational changes in reaction a political problem, albeit a real problem, rather than the operational needs of the university. This was reminiscent of the deleterious effects on UCOP's function following the Monitor Report a decade earlier, commissioned for similar reasons. Although the President has the purview to organize her own executive office as she sees fit, the greater UCOP is intimately involved with implementing and supporting the academic mission, and that must always come first. The Huron report was completed in January 2017 and presented to Council at its January 31 meeting:

Council's Receipt of the Huron Report

The Huron Report, described above, was not viewed by Council as being useful beyond its introductory section.

"Huron's report noted that UCOP is at the forefront of higher education system offices, called many UCOP services uniquely necessary and/or "world class," and concluded that UCOP is, in general, an appropriate size given the size and scope of the University of California. Huron noted that no other university runs its own retirement program, manages as many national laboratories, or has a similar system of shared governance. Furthermore, while other university systems devolve some central functions to a single flagship campus, UCOP manages several "best-in-class" functions such as undergraduate admissions, study abroad, research policy, and labor relations."

"Huron also presented several options for refocusing, realigning, and reducing UCOP operations... The scenarios project UCOP budget and FTE reductions of as much as 50% and 20%, although the realignments would reduce the overall UC budget by a much smaller amount, if at all given the costs of reorganization. Huron also notes that UCOP cost reductions are not necessarily in the interest of the system, and that while UCOP should evolve, it should not stagnate. It recommends an 18 month planning period before implementation and roll-out of any plan."

"Council members noted that their ability to independently assess the options and recommendations was limited by the absence of background data and analytics; the Senate leadership has repeatedly requested access to the "analytics". They noted that moving programs to campuses to reflect a smaller UCOP may be good political optics, but the proposed realignments would not necessarily improve operations or result in a net benefit for the University. They noted that the potential spin-off of UC Health is a major decision that would require a separate examination independent of the other options. Finally, they expressed grave concerns about Huron's recommendation to eliminate future funding for the President's

Postdoctoral Fellowship Program; such a recommendation was viewed as indicative of a general lack of understanding of UCOP's academic programs and operations.”

Council was not alone in its skepticism of the options for reorganization of UCOP enumerated in the Huron Report, their operational utility, disruption to current function, costs incurred in implementation, and lack of evidence of net savings; words such as “shell game” and “rearranging deck chairs” were often used, one example being comments in the January 30, 2018 Hearing of the Joint Legislative Audit Committee Assembly Budget Subcommittee #2 on Education Finance Assembly Committee on Higher Education.

Principles for interpretation of the Huron Report

Council transmitted a letter to President Napolitano on March 9, 2018: *Re: Principles for interpretation of the Huron Report – REVISED LETTER*. This letter outlined 3 key principles:

“(1) It is essential that UCOP's functionality not be harmed”

“(2) The Division of Academic Affairs must be preeminent and directly aligned with the mission of the University”

“(3) Any restructuring of major UC programs or entities are far beyond the scope of optimizing or reorganizing UCOP.”

The letter also reaffirmed *“some of Huron Consulting Group's important findings that reflect positively on many aspects of UCOP.”*

UCOP Reorientation

Council transmitted a letter to President Napolitano on March 12, 2018: *RE; UCOP Reorientation*. The goal was to address the political problems faced by the University as well as increasing transparency and understanding of UCOP's function without causing disruption or harming function and morale or incurring additional cost. Three key recommendations were made:

“(1) To separate UCOP's governance functions from its mission implementation role of providing services, operational support, and academic programs”

“(2) To change reporting relationships to better focus attention upon the University mission of teaching, research, and public service”

“(3) To consolidate UCOP's 12 current divisions within the new UC Systemwide Operations & Programs entity, to achieve efficiency and simplicity”

“The Senate believes that this reorientation will improve the alignment of the center of the University to its mission of teaching, research and public service, while also improving transparency, accountability, focus and efficiency. This will benefit the relationship between the center and the campuses, where the University Mission is realized, and improve the relationship between the University and the State.”

To date, recommendation (1) has received no traction, but numbers (2) and (3) have received some realization.

The Relocation of UCEAP

At the April 25, 2018 Council meeting: *“President Napolitano announced her decision to implement several options recommended in the Huron Report, including the relocation of the UC Education Abroad Program (UCEAP) and its budget to UCSB effective July 1, 2018.”* *“Council members agreed that the Senate should emphasize the importance of maintaining UCEAP as a systemwide program as well as the Senate's existing governance roles and responsibilities.”*

Provost Brown invited Council to comment on a draft charter and MOU for UCEAP's operation by UCSB, but not on the key question of location for this systemwide program. A subcommittee of the UCPB, UCEP, and UCIE chairs met to discuss the draft Charter and MOU and focused on the composition of a proposed Advisory Committee that would advise the Provost and UCSB Chancellor on UCEAP. In May, Council [endorsed](#) the UCIE-UCPB-UCEP subcommittee recommendation concerning the proposed Advisory Committee. Senior administrative leadership assured Council that no decisions had yet been made concerning UCEAP on May 30. Council's letter of June 6 concluded with the repeated words: "*No enhancement of UCEAP function has been posited to justify moving it to being managed by a single campus*". Council leadership subsequently learned on June 30, 2018 that a decision memo had been signed on April 11, 2018. This sequence of events increased concerns about the process of shared governance.

Concerns about Shared Governance in the Review of UCOP Reorganization

As UCOP's consideration of the Huron options progressed, Council became increasingly concerned that UCOP was evaluating potential changes to systemwide programs without sufficient shared governance consultation. In June, Council endorsed a UCPB letter that requested more faculty engagement in the review of organizational changes affecting the teaching and research missions and that asked the President to engage the Senate more fully in the review of proposals to reorganize systemwide academic programs housed in UCOP such as UCEAP, DANR, UC Health, and UC Press.

"Accordingly, Council requests that the Senate be fully engaged in the foundational review of proposals to relocate or reorganize systemwide programs or units housed at UCOP that wholly, or in part, relate to the academic mission."

Council also requested a systemwide Senate review of the work products of the Advisory Committees charged by the President with considering the Huron Consulting Group's recommendations concerning UC Health and DANR.

President's Response & Ongoing Review Process

President Napolitano responded to these concerns in a letter of July 12:

"I listened to, heard and take seriously the feedback and comments from the Council members at the June 27, 2018, Academic Council meeting. Like you, I am a firm believer that shared governance has served the University well."

"In addition to our regular meetings, where we have often discussed this topic, and receiving the formal responses to the Huron report from the Academic Senate and the Academic Assembly, I understand from Provost Brown that he regularly consults with you and Vice Chair May on the restructuring efforts that relate to academic affairs. In turn, I presume you keep the Council and its committees informed."

"Since the last Council meeting, I have had several conversations with the Provost and my staff to address your concerns. Prior to receiving your letter, I had already requested Provost Brown to develop a more robust consultation process with the Senate. I expect that Provost Brown will be discussing this with you and Vice Chair May as he develops the process. I have asked that he have this process in place by August 15, 2018. Thank you and the Council again for sharing your views with me. Let's keep the dialogue going."

The President's response affirmed commitment to shared governance and its inherent value to the University. However, it is important to understand that privileged conversations among

administrative and Senate leaders are neither shared governance, nor a substitute. In the words of then Assembly Chair Henry Powell to President Mark Yudof of March 2, 2010, and in his subsequent 2009-10 Annual Report on Shared Governance:

“Formal consultation is necessary for matters in the Senate’s purview. Consultation is formal only if there is a written record of the exchange (e.g., a formal request for input is made and reviews are submitted in response). While preliminary communication with Senate leaders always is appreciated, consultation with ad hoc bodies or selected individuals in leadership positions within the Senate is not a substitute for consulting with Senate committees and divisions.”

“the Senate’s voice is valid only to the extent to which it is truly representative broad committee consultation is necessary before a final Senate position can be articulated.”

The matter of the organization of the Division of Academic Affairs, its programs, units and function is intrinsic to the Mission of the University, central to the care and purview of the Academic Senate.

When multiple demands for truncated review of proposed policies, or draft reports, come from the administration, *“The Senate should have access to the resources needed to make fully informed decisions and provide timely, sound advice”* (Framework for Establishing a Divisional Senate Office, 2004). Abbreviated timetables and limited engagement of Senate bodies both diminish the efficacy of shared governance. It is hoped that adequate time and resources for meaningful review by Senate bodies will be available.

It was noted that the Division of Academic Affairs has consistently been decreased in size over the past two decades; whereas, other divisions that are less intimate to the mission have been enlarged. A constructive dialogue continued on the process for ongoing review of proposals relating to the reorganization of UCOP with Provost Michael Brown right up until the very end of the Senate year. *“A joint commitment by Academic Affairs and the Senate to develop guiding principles for the governance of systemwide programs that are not centrally located”* was agreed by Chair White and Provost Brown in late August, 2018. It was fully expected that proposals relating to UC Press; UC Mexico, UC Mexus, Casa de California; the relationships of DANR and UC Health to the greater University, and changes to other systemwide units or programs will receive normal consultation.

The Senate’s relationship with the Board of Regents

Since amendment of Article IX, section 9 (c) of the California Constitution in 1974, the Board has had the authority to appoint members of the faculty *as members with all rights of participation*. The Board is the place where all 3 branches of the University come together. Currently, the Senate chair and vice chair serve as non-voting Faculty Representatives to the Board. Chair White and Vice Chair May executed their roles as faculty representatives to the Board Regents throughout the year, acting in that capacity on the Board as well as its Standing Committees; Vice Chair May also served on the Regents’ ad hoc committee on orientation of new members. Although the Faculty Representatives serve alongside the Chancellors on Regents’ committees, the potential for improved dialogue exists, possibly re-instituting regular contact between the Board of Regents and Academic Council. (Likewise, the potential for improved communication, and re-instituting regular contact, between the Council of Chancellors and Academic Council also exists.) Chair White delivered remarks to the Regents at each

meeting; these are archived on the Senate website and are summarized in the Board's minutes. The Faculty Representatives to the Board appreciated the opportunity to return the Board's annual retreat after a gap of some years. Following a lapse in practice of some years until April 2017 when Regent Perez visited Council, Regents Kieffer, Park, and Tauscher all visited Council meetings and engaged in productive conversation concerning the University's major challenges. Chair White represented the faculty voice when Governor Brown consulted the advisory committee on his selection of new Regents. Chair White briefed the incoming Regents on the role of the Academic Senate in the shared governance of the University as part of their onboarding in August. The efforts of Board Chair Kieffer to ensure that the faculty voice be heard and appreciated were greatly valued. It is hoped that the current healthy level of engagement and discourse will be continued and even increased.

Conclusions

The tripod of shared governance has served the University well, especially in times when one of the three partners may have lost faith in another. The President's duties, as described in Regents' Bylaw 30, are many and onerous. Amongst them, the President serves as the academic leader of the University, subject to any authority delegated to the Academic Senate, and is expected to consult with the Academic Senate, consistent with the principles of shared governance, on issues of significance to the general welfare and conduct of the faculty. After a difficult episode, President Napolitano elevated the conduct of her leadership and her participation in shared governance. Throughout, she remained resolute in her determination to lead the University forward. She has responded directly and clearly to the Senate on many issues of mutual importance: concerns about governance, the reorganization of UCOP, academic salaries, enrollment growth, retiree health benefits, Student mental health, UC Press, UCEAP, and the welfare of DACA Students, amongst many others. Conversely, the President most appropriately challenged the Senate to create a guarantee of admission to qualified transfer students, but robust engagement of Senate bodies prior to public announcement would have been helpful. Shared governance is a two-way street; to quote former Senate Chair George Blumenthal: "*shared governance is not a perfunctory consultation or a sharing of information after the fact; rather, it is a vigorous, ongoing dialogue in which each side respects, learns from, adapts to, and, most of all, responds to the other*", and engagement should be initiated at early stages of formulation. Former Senate Chair Dan Simmons reminds us that: "*The Regents' delegation of authority also imposes strict responsibility upon the Senate to act in the best interest of the whole of the University of California.*" The Senate has worked constructively with the President and her administration, as well as with the Board of Regents, to maintain stability and advance the University at a challenging time. It is important that the Senate fully engage its responsibilities as mentioned above, but also in such areas as academic program review, admissions policy, and in the selection of new officers of the University. Likewise, the Board of Regents, the public trustees, are the fiduciaries of the University; they are responsible for its lifeblood, fiscal support. Lessons have been learned by all.

Let there be light, but none separating the Senate, President, and Board.