



Kum-Kum Bhavnani
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*Chair of the Assembly of the Academic Senate
Faculty Representative to the Regents
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200*

July 1, 2020

**JANET NAPOLITANO, PRESIDENT
UNIVERSITY OF CALIFORNIA**

Re: Academic Council Principles for Managing the COVID-19 Financial Crisis

Dear Janet,

The Academic Council has unanimously endorsed the attached set of principles for managing the budget crisis. The Principles were a joint effort between the University Committee on Faculty Welfare (UCFW) and the University Committee on Planning and Budget (UCPB).

We offer these principles in the spirit of shared governance to frame the difficult choices that the University must make in the coming months.

Please do not hesitate to contact me if you have additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Kum-Kum Bhavnani".

Kum-Kum Bhavnani, Chair
Academic Council

cc: Provost Brown
Associate Vice President Alcocer
Chief of Staff Kao
Academic Council
Senate Directors



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Jean-Daniel Saphores, Chair
saphores@uci.edu

Assembly of the Academic Senate
1111 Franklin Street, 12th Floor
Oakland, CA 94607-5200
Phone: (510) 987-9466

UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)
Sean Malloy, Chair
smalloy@ucmerced.edu

July 1, 2020

**KUM-KUM BHAVNANI, CHAIR
ACADEMIC COUNCIL**

RE: Academic Council Principles for Managing the COVID-19 Financial Crisis

Dear Kum-Kum,

As you know, in the U.S. alone the COVID-19 Pandemic has so far killed over 109,000 people, resulted in the loss of more than 40 million jobs, and caused untold suffering, none as acute as in disadvantaged communities. Neither California's economy nor the finances of the University of California have been spared. Substantial cuts in the state's proposed budget allocation to UC, combined with heavy losses at the UC medical centers, the prospect of reduced research funding at the federal and state levels, and travel restrictions on out-of-state and foreign students are severely straining the University's budget. As a result, opportunities for students to access the education and research opportunities for which the UC is lauded may be affected for years to come.

We are stewards of UC's future, and UC's response to possible cuts will affect its course for decades. Well-informed and equitable decisions are needed to maintain the University of California as the preeminent public higher education system in the world, as a driver of opportunity and social mobility for all Californians, and as an innovation engine for the state. This document outlines key principles to help guide UC out of the current crisis and toward a more sustainable future, without jeopardizing the health of the University's community members.

As always, our foundational principle is shared governance. As mitigation and recovery planning gets underway, shared governance, the bedrock of decision-making at UC, is key to moving forward. By drawing on the principle of shared governance, the Academic Senate, Regents, and Administration working together will be able to address the crisis expeditiously while making sure that UC continues to serve all Californians. Faculty can offer essential expertise to this planning, budgeting, and rebuilding process. All major decisions must be made in sustained consultation with the Academic Council and its member committees well before they are finalized.

Sincerely,

Handwritten signature of Jean-Daniel Saphores.

Jean-Daniel Saphores
UCFW Chair

Handwritten signature of Sean Malloy.

Sean Malloy
UCPB Chair

Academic Council Principles for Managing the Covid-19 Financial Crisis

Principle 1. The University must at all costs avoid catastrophic, long-term damage to its capabilities to deliver a quality education and to serve as the state's essential source of original research. This is the first of UC's four major cuts cycles in which all major revenue streams are reduced at the same time. In this context, any reduction in state funding will do long-term damage to UC and take years to undo. The explicit, baseline goal of recovery planning is that there should be no adverse effects to UC's core educational and research budget net of Covid-19 costs. Failure to adequately fund UC's "core budget" will directly affect the quality of education at UC and compromise its ability to provide upward social mobility for students from less privileged backgrounds. To avoid further long-term damage to UC's mission, UC should aggressively pursue all options, including sensible borrowing and federal and state relief.

Principle 2. It is essential to maintain a stable employee base and hire faculty strategically. New cuts and austerity may cause valued faculty to depart, impair recruitment of the country's best graduate students, and compromise retention of the best staff. UC's success depends on a stable core of top-quality, career-based employees to function productively. Eroding this core would adversely impact teaching quality, lower faculty's research productivity, and further depress morale. Renewed austerity will hurt UC's ability to hire the most talented and diverse junior faculty possible.

Principle 3. Maintain integrity of and equity in career advancement and development. One of UC's core strengths is its highly creative and committed workforce, inclusive of faculty and staff. Key milestones of career advancement and development, marked by merit reviews for staff as well as faculty, cannot be eroded. Failure to do so would weaken the career commitment of UC's extraordinary work-force.

Principle 4. If financial cuts prove to be necessary after all other options are exhausted, they should be progressive, commitments to retirees should be honored, and preserving benefits should be prioritized. In accordance with UC's values, layoffs should be avoided, those least able to bear cuts (graduate students, lowered paid staff, junior faculty, retirees) should be spared, and our commitments to retirees (including retiree health benefits) should be honored. Preserving benefits should be prioritized because they provide an effective incentive for faculty.

Principle 5. Emphasize stewardship over expansion. UC has succeeded over the past decades in expanding its scope and global influence. To weather current challenges and emerge stronger, UC would benefit from a renewed emphasis on strategic growth, and responsible and forward-looking stewardship of its human resources and infrastructure.