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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 11, 2010

**SENATE DIVISION CHAIRS
SENATE COMMITTEE CHAIRS
UNIVERSITY OF CALIFORNIA**

Re: Request for Systemwide Review of Council Recommendation and UCLA Statement on the Future of the University

Dear Senate Division and Committee Chairs:

As you know, at the June 16, 2010 meeting of the Academic Assembly, the Assembly voted to send for systemwide review and comment two documents regarding the future of the University of California. The first was a recommendation from the Academic Council to the UC Commission on the Future, which was narrowly approved by Council. The second is a Statement of Academic Senate Values and Recommendations, which was developed by the UCLA division. These documents will be part of an ongoing process of reflection engaged in by the Senate over the course of the next academic year. We hope to fashion a comprehensive statement of values with specific recommendations for charting the next several years. If we are successful, the Senate will help steer the University through these difficult times in a way that maintains its commitment to the faculty and to excellence.

We ask that you submit comments to SenateReview@ucop.edu by **November 10, 2010**. Please do not hesitate to contact me or, after September 1, incoming Council Chair Dan Simmons. if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry C. Powell".

Henry C. Powell, Chair
Academic Council

Copy: Academic Council
Martha Winnacker, Academic Senate Executive Director

PROPOSED COMMISSION RECOMMENDATION FROM THE ACADEMIC COUNCIL

Recommendation: 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, which is the driving force of the University of California's contribution to the State of California.

Implementation of this recommendation includes the following elements:

1. The University of California is one of the world's premier research universities. The value and prestige of all of its degree programs stems from the high quality research faculty at each of the University's ten campuses. At the undergraduate level, the University of California uniquely offers an undergraduate education at a high quality research university to qualified students from the diverse public of the State. The University must not be reduced to an institution focused solely on the throughput of undergraduates to a bachelor's degree regardless of quality, nor shall the University of California strive to be a competitor of for-profit universities that enroll large numbers of students in online courses with high fees.
2. The maintenance of a quality faculty requires remuneration that is competitive with peer institutions. Competitive remuneration consists of a combination of current compensation, current health and welfare benefits, deferred compensation that offers secure retirement income to faculty who have maintained a long career with the University, and adequate retirement health programs.
 - a. A competitive world class research faculty also requires a highly qualified professional staff, with competitive compensation, to assist in teaching and research endeavors and provide direct administrative support to the teaching and research missions.
3. In the face of the current financial shortfalls:
 - a. The University should take all possible steps to increase revenues. The sources are State funding, federal funding, increased research contracts and grants (including indirect cost recovery), and fees imposed on the recipients of all aspects of the educational program. As painful as it may be, increased fees are the only source of revenue under UC's direct control that is available to replace shortfalls in other available funding sources.
 - b. The University must operate at a size that is affordable. This means downsizing the University over the short term by reducing the size of the faculty and reducing administrative and other staff. Downsizing includes limiting replacement of faculty lost due to retirements, terminations or other separations.
 - c. Until stable revenues are secured, the University should forego new building and capital projects that are not absolutely essential for safety. Where state bond funding is available for projects that are necessary to maintain the core academic program of the University the projects should be pursued. However, in

undertaking any capital project, the campuses must be required to assure that operational funding is available for the support and maintenance of space and that operational funding is available for activities undertaken within expanded space.

- d. In the event new academic programs are established, the Chancellor of the campus must identify a funding stream that guarantees stable and appropriate funding and specify how diversion of funds will affect existing programs, or identify offsetting cuts in positions or programs that are required to fund a new program
4. These measures are a tactical response to a short term economic crisis, but should not distract the University and the State of California from understanding the strategic need for growth in response to growth of population whose needs for higher education, consistent with the Master Plan, can only be effectively met by a state supported public sector.

Rationale:

- In the absence of research quality the University's contribution to the economic well-being of California through 140 years of discovery and innovation will be lost.
- In the absence of the high quality research faculty, the value of the UC degree in comparison with other public and private institutions will be vastly diminished.
- The quality of education at the University of California is fundamentally derived from two key components: the background and expertise of the faculty and students; and the rich research-based environment inherent in the system of ten top-tier public land-grant research institutions. To maintain quality at the highest level the quality of faculty must be assured.
- The current shortfall in budget support from the State of California is forcing the University into difficult choices, all of which require adjustment to the three pillars that have sustained the University over its 140 year history: A high quality teaching and research faculty, access to a high quality education program for the diverse student population of California, and access to an affordable high quality education at a campus of a leading research university.
- The loss of affordability or access can be remedied over a short period, either through increases in financial aid, fee reductions, re-opening classroom space, and hiring additional faculty.
- If the quality of the faculty is lost, the prestige of the University, the quality of the University, and its continued research productivity will not be recoverable for decades, if ever.
- The problem with expansive capital projects, even those funded from external sources, is that capital budgets do not provide for the salaries of persons hired to occupy new

facilities, they do not provide for the equipment necessary to use new facilities, nor do they cover the increased costs of service and maintenance for new facilities. In the absence of stable revenue sources to eliminate these strains on operational budgets, capital projects must be rejected.

Impact on Quality:

- This recommendation is focused on protecting in the long-term the quality of University of California teaching and research programs by maintaining a high quality faculty.
- A reduction in the number of creative faculty supported to do first class research will have an economic impact as fewer new discoveries come to a market that is dependent on technology now that industrial manufacturing has migrated overseas.

Impact on Access:

- This recommendation focuses on maintaining access to a high quality educational program at one of the world's top research universities.
- Maintaining the size of faculty that the University can afford in terms of competitive remuneration may require reducing the size of the University and may also result in a reduction in the number of students who have access. A reduction in faculty while maintaining current enrollment levels reduces the value of the access for enrolled students by reducing the quality of the education.
- Maintaining the quality of the University, through maintenance of the quality of the teaching and research faculty means that in the future there will still be a high quality and prestigious university to which California students may have affordable access should the State of California once again recognize support for higher education as a budget priority.
- Failure to maintain the quality of the University will mean that if the people of the State of California once again recognize support for higher education as a budget priority, there will no longer be a high quality prestigious university to which students could be provided affordable access.

Fiscal Implications:

- This recommendation requires that in making budget decisions, adequate funds be directed to maintaining competitive remuneration for faculty.

Challenges:

- Advocacy for the maintenance of faculty quality with competitive remuneration forces the faculty to place itself in competition with other deserving elements within the University. The Academic Council has historically taken positions consistent with the maintenance of a single university that provides competitive compensation for all of its

employees. Nonetheless, in making choices through a period of budgetary turmoil, protection of the quality of the UC faculty must remain a paramount priority.

- Downsizing faculty numbers in order to maintain competitive remuneration means downsizing and/or eliminating academic programs that are important and productive parts of the academic environment. The elimination of programs has never been easy for the University and mechanisms for making those choices must be developed.
- The State needs are defined by the requirement for an adequate workforce poised for employment with minimal further training and instruction. The State needs are also driven by demographic growth and the historic framework of the Master Plan.

Next Steps for Implementation:

- Recommendations from the Commission should maintain a focus on their impact on the quality of the University teaching and research programs through their impact on retention and recruitment of the University's research faculty.
- Budgetary decisions on both the expenditure and revenue sides must include overall competitive faculty remuneration as a first priority.
- In order to assure academic cohesion in a difficult fiscal environment, budgetary decisions should be jointly made by administration and the Academic Senate.



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4 June 2010

Henry Powell
Chair, Academic Council
University of California

In Re: Statement of Academic Senate Values and Recommendations 2010

Dear Harry,

During this particularly difficult year in the history of the University of California, the Academic Senate has been called upon to reflect on the University of California's mission and future. We have written, critiqued, and endorsed numerous position papers and have opined on the first-round recommendations of the Commission on the Future. Most recently, the Academic Council supported a resolution to the Commission that emphasized the importance of total remuneration for maintaining the quality of our faculty and recommended four measures that should be taken to address the current financial shortfalls.

The UCLA Division has approved a statement that we now ask the Academic Assembly to endorse and forward to President Yudof. This statement expresses the fundamental values shared by all UC campuses, including excellence, diversity, access, affordability, breadth and sustainability. The statement also synthesizes many consensus recommendations that have emerged through discussions at the campus and system-wide levels. It incorporates key points that were affirmed in the May Council resolution, as well as views expressed in the Council discussion that were not reflected in that resolution.

The Senate has its greatest impact when it speaks with one voice, clear and strong. We recommend that the statement attached herewith be endorsed as our framework for formulating policies and plans in this era of scarce resources.

Thank you for your consideration.

With best regards,

A handwritten signature in black ink, appearing to read "Robin L. Garrell".

Robin L. Garrell
Chair, UCLA Academic Senate

Cc: Martha Kendall Winnacker, Executive Director, Systemwide Academic Senate
Jaime R. Balboa, Chief Administrative Officer, UCLA Academic Senate

UC Academic Senate Statement of Academic Senate values and recommendations, 2010

The University of California has entered an era of scarce and diminishing fiscal support. The available resources are insufficient to maintain the current size of our faculty, provide educational opportunities for an increasing number of eligible students, or grow campuses and programs in ways envisioned even five years ago.

These changed circumstances compel the UC to focus on its highest priorities. We must examine the basic assumptions that underlie our resource allocation decisions. We must have the courage to make difficult choices, recognizing that change is essential and must be led and planned.

People are the #1 asset of the University of California. Their talents and diversity are central to fulfilling the UC's tripartite mission of teaching, research and service.

- 1. To attract and retain extraordinary and diverse faculty, total remuneration (salary, post-employment benefits, access to affordable housing, family-friendly policies) must be a top priority.**
2. To attract and retain the best staff, UC must offer competitive salaries and benefits.
3. To fulfill our commitment to the State of California, we must sustain and improve access for qualified resident students at all levels (freshman, transfer, graduate and professional) to education and research opportunities in the UC. At the same time, we recognize the value of providing greater opportunities for nonresident students.
4. To ensure student access and student diversity, we should aim to sustain current enrollments. If the state cannot support high quality education of those students, however, consideration must be given to reducing enrollments.
5. Affordability is a core value. We must make all efforts to re-build the state support that will ensure access to the UC as a public institution and economic engine. We must provide adequate financial aid to UC students through Pell grants, competitive CalGrants, return-to-aid, and financial aid to undocumented students.

The size of the University must be commensurate with its resources. In the short term, this means that the faculty and staff must shrink and academic programs must be reshaped. Even so, sustaining academic excellence and creating opportunities for innovation must remain top priorities. The long-term plan for capital projects needs to be critically reassessed, taking into account the current economic climate and a realistic multi-year budget outlook.

Implications for faculty and staff:

6. Each campus should develop a realistic plan for reducing the size of its faculty and staff by attrition and hiring at a slower pace, while sustaining efforts to increase diversity.
7. Special scrutiny should be given to management and administrative positions, both academic and non-academic, to avoid proliferation and redundancies, and to ensure that all core-funded positions are essential to providing support for the academic enterprise.

8. Implications for capital programs:

- a. There should be a 1-year moratorium on approving major new buildings that rely on university and state funds and borrowing capacity. For renovations, the highest priority must be placed on those that are essential for safety, leveraged by external resources, and address the needs of core academic (teaching and research) programs.
- b. There should be a commensurate moratorium on new funding commitments for the design and construction of major buildings that were conceived to accommodate new programs and enrollment growth, but which realistically cannot be actualized within the next 5 to 10 years.
- c. In undertaking any capital project, whether funded by the state or other sources, the campuses must be required to ensure that operational funding is available for the support and maintenance of that space, and for activities within expanded space.
- d. In the special case of the Merced campus, it may be appropriate to consider exceptions to (a) and (b), but not (c).

9. Implications for academic programs: The Senate and Administration must work aggressively, in the spirit of shared governance, to:

- a. Modify or disestablish academic programs that are moribund;
- b. Identify courses that are critical to students' degree progress and direct instructional resources accordingly; where possible and appropriate, modify degree requirements to increase flexibility and reduce demand on limited-capacity courses.
- c. Develop innovative curricular approaches, which might include distance and online instruction and multi-campus collaborations, in support the UC's goals of ensuring access, affordability and excellence in education;
- d. Sustain our capacity for curricular innovation as a key element of academic excellence. Because resources are highly constrained, however, growth in some areas needs to be offset by pruning in others. Decisions about academic programs should continue to be made through shared governance at the divisional level, keeping in mind potential systemwide consequences.
- e. Suspend commitments to creating new schools and institutes, especially if their long-term viability depends on identifying substantial, stable resource streams.

An adequate, stable funding base is essential for the UC to fulfill its mandate and mission. Available funds should be directed toward the core missions of teaching, research and service to the maximum extent possible.

10. The University should take all possible steps to increase revenues from the State, federal programs, contracts and grants and private philanthropy.

5 June 2010

11. Fees are a necessary component the funding base. Increases should be gradual and predictable, but this is predicated on the stability of other revenue streams.
12. Administrative redundancies on individual campuses and at UCOP divert resources from the UC's core research and teaching missions. Efforts to eliminate duplication, streamline processes and achieve efficiencies should be accelerated.