

ACADEMIC COUNCIL

**Approved Minutes of Meeting
Wednesday November 29, 2006****I. Chair's Announcements**

Chair Oakley welcomed members and announced that Provost Hume cannot attend the meeting today, and that Executive Vice President Darling will be joining the meeting at noon. The UC budget, which was presented at the November Regents meeting, may be a topic of particular interest to discuss with senior management. He then reminded members that the December 20th Council meeting will not be cancelled, but cancellation of the December Assembly meeting is on the agenda.

Chair Oakley's further remarks:

Riverside visit. On a recent trip to the Riverside campus, Chair Oakley met with Senate leaders and the Chancellor, and took note of the facts that the health of shared governance on that campus has improved with a trend toward more collaboration between faculty and administration; that the undergraduate student body reflects strong diversity; the current campus building boom and other projects. Chair Oakley and Vice Chair Brown would like to make visits to other campuses, and division chairs should keep them apprised of developments on their respective campuses.

November Regents meeting. The UCOP budget, which in the past has not been transparent or regularly reviewed, was discussed in closed session. Management bloat was commented on and a subcommittee of the Regents finance committee will be looking at the OP budget more closely. Regarding the National Labs, not much was. Now that the arrangement is understood to be 'for profit' it is likely that distribution of the fee will be a competitive process determined by relevance to mission of the labs.

Senior Management. The search process for the new EVCs is in the late stages. A task force has been formed, which included Senate representation, that will be looking at performance standards and merit review for senior management.

A letter to President the Regents Chair expressing the concerns of a group of students and faculty about the UC academic environment and anti-Semitism has been referred to the Senate Chair.

Chair Oakley plans to meet with the group's representatives to hear their concerns and to discuss the Senate policies and mechanisms in place for oversight of the curriculum, faculty conduct, and academic freedom.

Members and faculty at large are encouraged to submit nominations for the Senate Vice Chair so as to create a reasonably large pool.

Announcements of Academic Council Vice Chair, Michael T. Brown

- The activities of the Regents Task Force on University Diversity are being assigned to a number of sub panels. Vice Chair Brown will chair the subgroup looking at admissions, eligibility, and access issues. The Senate is well represented on the task force as a whole, and it is hoped that the Senate Standing Committees will feed into the task forces' efforts.
- BOARS is actively working on re-thinking the eligibility construct. In the agenda packet are two papers relating to undergraduate access to UC, which were presented at the recent

seminar on the impact of Proposition 209. Members' critiques of and thoughts on these papers are welcome.

- Vice Chair Brown is heading up the Intersegmental Council of the Academic Senates (ICAS) this year. The group is now focusing on aligning key aspects of admission policies among the California Community Colleges, the California State University, and UC. They may commission a work group to engage this issue in depth and make recommendations that would then come to the Council for consideration and endorsement. Our current transfer policy, the Intersegmental General Education Transfer Curriculum (IGETC) is codified in Senate Regulation 478; however some UC campuses do not accept the policy without a variance. That issue and making transfer easier for foreign students should be elements of transfer streamlining efforts. Additionally, ICAS has taken on the matter of accreditation by the Western Association of Schools and Colleges (WASC) and the role of faculty. ICAS may forward a related proposal for Council's consideration.

II. Approval of the Agenda

Action: The agenda was approved as noticed.

III. Consent Calendar

Two Items added to the Consent Calendar:

1. Slate of nominees to sit on the LANS Science and Technology Committee
2. Endorsement of a letter (distribution #4) from UCAAD on implementation of recommendations of the President's Task Force on Faculty Diversity. If approved, the communication of the recommendations will be from Council to the Provost and to the Division Chairs.

Action: Approval of the October 25, 2006 minutes was deferred to the December 20th meeting for further discussion of vote reporting.

Action: With the exception of the minutes, the consent calendar was approved.

IV. Proposed Amendment to Bylaw 110

Issue: Last year the Academic Council empanelled a subcommittee charged with looking at Academic Senate leadership and the structure of the systemwide Senate office, and to make possible recommendations for amending the Senate bylaws. The group, which is chaired by Senate Vice Chair Brown, has submitted to Council a proposed bylaw provision for the removal of the Academic Senate Chair or Vice Chair.

Discussion: Members complimented the subcommittee on its work, and it was generally agreed that the removal bylaw was a necessary addition to the Senate manual. Several language refinements to the proposed bylaw were made and agreed to, and members of the subgroup explained the reasoning behind some of the provisions. Council discussed at some length the process of, rationale for and merits of having a two-tiered decision for removal, in which a majority vote of the Council can suspend an officer and then a two-thirds vote of the Assembly would effect removal. Concern was expressed that, with only a majority vote needed for suspension, it is conceivable that a small number of Council members could effect such an action. Chair Oakley clarified that the proposed bylaw assumes that the Senate is run as a parliamentary system, in which the leaders serve the will of the group, as opposed to a system run by executive leadership. In a parliamentary structure, if, in fact, half of the members of Council were to express a vote of 'no confidence' in a leader, that leader would de facto no

longer be effective. It was also questioned whether the provision for calling a meeting of the Assembly within 30 days of suspension was feasible. In response, it was noted that there is a high likelihood of Assembly members being responsive to a call of such importance, and it was clarified that in the absence of a quorum of the Assembly, the Council may act on its behalf. A member requested that a cover letter explaining these governmental distinctions accompany the proposal when and if it goes out for review.

A member asked whether the subcommittee was going to be following up on the part of its charge to look at and make recommendations regarding the Senate office structure and related staff issues. Vice Chair Brown clarified that the group was still active and had further issues to deliberate.

No consensus was reached on the advisability of sending the proposal out for general review versus forwarding it to the Assembly directly from Council.

Action: Council voted 15 in favor, one opposed (with 2 abstentions) to postpone until the December 20, 2006 meeting further discussion and action on the proposed amendment to Bylaw 110

V. Consultation with the Office of the President [In the actual order of the meeting, this item directly followed Item I.]

Remarks of President Dynes

UC Budget. In a recent meeting on the UC budget with the Department of Finance, the case was made for increased support for faculty salaries, marginal costs, and research. Although the future of the university and budget priorities were stressed, it is unlikely that any additional commitment above the Compact will be made. MOP loans and the bond issue will be discussed at a further meeting tomorrow.

Searches. A final agreement is close on hiring a UCLA Chancellor. The Senate will be notified as soon as the agreement is finalized. Three candidates are being considered for the UC Merced chancellorship, and we are aiming at having someone in place by early next year.

The November Regents meeting. The findings of the Health Sciences advisory group were presented, which expressed concern over the lack of growth in health sciences relative to the growth in California's population, and recommended more growth in the areas of medicine, pharmacy, nursing, and veterinary medicine. Riverside's proposal for a school of medicine was approved. UC Irvine's proposed law school was also approved, although there is some concern about the need to receive CPEC approval. The search has begun for a UCI dean of law, and the school has already been offered significant outside funding. The 07-08 budget was approved, and points of negotiation will be the marginal rate, expansion of research in critical areas, restoration of the student-faculty ratio, and the state's portion of covering the first phase of resumed contributions to UCRP. UC's target ratio is modeled on the 11-5 split used in PERS, and so the start of contribution should also be aimed at a 2 to 1 ratio of employer to employee contributions.

Long-term planning. Although there is some opinion that funding should be determined before developing long-term strategies, the opposite approach is needed in which the vision drives the support effort. On campuses and elsewhere, the long-term planning vision will soon be rolled

out, either in town hall meetings or a more formal format. The 07-08 budget was approved. The marginal rate is being negotiated and will likely go up.

UCOP Budget. The Regents also discussed the OP budget. The amount appears large overall, but actual core OP operations are less than .3% of the total UC budget. The budget will be analyzed in detail. We should also be looking at efficiencies in all parts of the budget, for example payroll and information systems, and putting the savings into the academic enterprise.

Senior appointments. The new UC General Counsel, Charles Robinson, will start January 1st; Judy Sakaki has been hired as the Vice President of Student Affairs; and Harold Levine has been appointed as a part time Associate Provost of education initiatives in which role he will work on system-wide relations with K-12.

Remarks of Larry Hershman, Vice President - Budget

Enrollment funding and fees. The DOF is committed to the Compact and the University. It is likely they will fund enrollment at a higher marginal cost and with a 4% base budget adjustment. In our discussions, we emphasized the graph showing a decrease in dollars per students being equal to a \$500 million loss to the university. An increase in student fees will be necessary in order to get funding for faculty salaries, but this trade off is, as always, highly political. We estimate \$71 million is needed for a fee buy out or increase in this budget.

UCRP. We believe the state is obligated to fund employer contributions to UCRS. This is not disputed but they say adequate resources are not available. Nonetheless, the phase in of contributions needs to happen now, based not just on policy but budgetary considerations.

Other. There are no immediate problems for the capital budget either for this or next.

Additional funds for research will be requested over the next several years, but at the moment, there is no indication that anything more than the base will be funded.

Remarks of Bruce Darling, Executive Vice President- University Affairs

State election. Results from the election showed a 56% win on proposition 1 D, the education bond, which is good news for UC. There was no change in districting and the Democrats hold just short of 2/3 majority. Unions will have an increased influence in Sacramento, which will have some effect on UC plans. Proposition 84 passed, which provides funding for the UC natural reserve system. Proposition 90 on property rights failed. UC had no position on this item, although we can use eminent domain to help acquiring property for less than market value. John Garamendi was appointed to the Board of Regents.

National election. Nancy Pelosi, the new Speaker of the House, is a friend of UC and UCS. Democratic control in Congress means that the Republicans are not eager to conclude the federal budget before the end of the term. Consequently, federal research funding agencies will not have research budget, and will be limited to lowest spending from last year. As a result, the American Competitiveness Initiative is stalled out as well.

Competitions. UC campuses have been invited to compete for the BP biofuel research facility. The Governor has promised matching funds for a successful bid. The UC bid for management of LLNL is preparing to enter the next phase of the competition, which is an oral examination.

MOP loan program. An article in Sacramento Bee finds that the MOP program is for the most part used correctly, but claims that 49 cases of refinances may not have been appropriate. The audit office is reviewing the program.

UCLA taser incident. Tasers are useful as non-lethal weapons. Two investigations of the incident are underway and policies relating to their use are being reviewed.

Discussion

Members posed questions of how effective the Compact is as a long-term commitment, how it can be re-negotiated, and whether a PAC would be an effective way to articulate achievements and what is at risk. In response, it was noted re-emphasized that the Compact a floor, and that we now have instances of being able to go above it– e.g., the higher marginal cost or outreach funding. The approach isn't necessarily to renegotiate but to make the case UC underfunded. More importantly, UC has to muster support from alumni and other areas and bring that to bear on the Legislature when there is money to carve out. VP Hershman explained that UC is vulnerable because it is supported out of discretionary funds, and that the Compact was entered to stave off further decline.

EVP Darling reported that a statewide campaign for public support has begun but needs resources. PACs have been looked at, but are not a viable avenue for UC because they become a money machine to fund politicians, and would reduce UC to the level of being lobbyists. Regents will be involved in the campaign and plan to go to Sacramento several times in the year. Also, to ramp up the effort, campuses have arranged for 30 key influential people (usually donors) to work with elected officials and business leaders to act on UC's behalf. There also will be grass roots involvement from parents, students. The campaign will need about \$1.5 million, though, to be effective.

Concerns were expressed about the imbalance in resources that are available to the humanities as compared with other disciplines. The senior OP officers recognized this as an ongoing problem and said mitigating measures are always being sought, but that campuses set their own priorities.

Concerning the lab management fee, members and senior administrators agreed that a significant portion should be spent on programs that enhance research and the faculty's ability to interact with the labs. This could include funding for the Cal ISIs and other peer review programs. The LANL Director is also planning to put more of his lab money into research and education collaborations between UC and LANL. Council members showed strong support also for a portion of the fee to go to campus Committees on Research for distribution, and that the majority of that funding should go to the humanities.

Additional Q and A

Q: How is the plan developing for returning NRT to the campuses as 'tagged' funds? When is it tagged and who will know?

A: The funds will go back to the EVCs labeled as NRT. This practice will start this year, however, we don't know if we will be able to track the funds after they reach the campus.

Q: What happens if we overspend?

A: State money is not overspent, but there are a number of "rainy day funds".

Federal money can be spent only up to the amount granted.

Q: In terms of faculty recruitment we have some helpful programs like MOP, but isn't it better if we grow our own candidates and establish recruitment packages that include loan repayment packages?

A: That idea will be considered (President Dynes).

VI. General Discussion

In the interest of time, no additional discussion was held

VII. CCGA Issues

Issue: CCGA has proposed an amended Senate Bylaw 694 and a new Senate Bylaw 695.

At its October 25 meeting, Council members requested that the proposed amendments be sent back to CCGA for further explanation and modification. At its November meeting, CCGA reworded the proposed amendment to SR 694 for clarity to reflect that the university extension component (in off-campus instruction) is now optional. The proposed amendment includes a definition of legitimate satellite campuses. SR 695 is designed to outline residency requirements for online courses. This regulation also defines the criteria for on-campus (in-residence) and off-campus (not in-residence), which is important for residency requirements.

Discussion: A concern was raised about infringing on the business of campus committees on courses and curriculum. A suggestion was made to make more explicit the fact that courses may be reviewed if they transition to electronic media, and that divisions should ensure appropriate review by the courses committees.

Action: By unanimous consent, Academic Council agreed to send out for general Senate review CCGA's proposal for an amended Senate Bylaw 694 and a new Senate Bylaw 695.

VIII. UCPB Issues, Chris Newfield, UCPB Chair

1. Budget Priorities

2. Budget Recommendations

Report: UCPB Chair Newfield offered background on UCPB's draft budget recommendations that follow on the analyses in UCPB's report 'Current Budget trends and the Future of California' (known as the Futures Report) and respond to the Regents' budget priorities, as published in the UC 07-08 Budget. UCPB was asked to list budget priorities. These essentially would align with the top three priorities of the Regents – but ranking them as increased support for faculty salaries, graduate education, and improving student-faculty ratio (a proxy for overall educational quality). The 07-08 budget is basically the Compact, plus proposed extra funding above the previous year's base for research and UCRP employer contributions, and a possible fee buy-out of \$71 million (which may be too low an estimate). The Futures Report, however, showed a gap between the Compact and two other paths that would restore UC to past levels of funding equivalent to the levels of 2001 and 1990 respectively. Based on this analysis, the priorities of the Regents cannot be achieved by following the path of the Compact, and could only be fully achieved by restoring the 1990 level of funding. OP's budget presentation indicates a \$500 million shortfall in the 07-08 budget, which is not far from UCPB's estimate, but this funding is not being asked for. UCPB's draft recommendations are to: 1) calculate costs of achieving Regents goals; 2) return to the 2001 pathway (a compromise position); 3) have the return begin with the 07-08 budget and be sustained in following years; and 4) keep student fees at the level of inflation. The committee seeks feedback from Council and will submit its final version of the recommendations to Council for endorsement next month.

Discussion: Several members expressed agreement that receiving only the Compact's level of support is not enough for maintaining excellence and growth, and supported an articulation of UCPB's analysis and recommendations. It was also mentioned that, despite the unlikelihood of actually restoring support, the need should be stated in order to keep pressure on. The possibility was raised these recommendations disrupt negotiation strategies, or may actually backfire and make privatization look like a desirable path. Responding to those objections, Professor Newfield suggested that it is better to get the information out, especially since the UCPB analysis has actually been verified by OP.

Action: UCPB Chair Newfield will circulate his Power Point slides and UCPB's draft budget recommendations to Council members for their comments, and will forward those comments to UCPB. UCPB will submit a final version of the recommendations for the December 20 Council meeting.

IX. UCFW Update, Susan French, UCFW Chair [In actual order of meeting this item was addressed after item III.]

1. Howard Hughes Medical Institute (HHMI) / Ludwig Institute for Cancer Research - Draft Proposal to Increase Retirement Benefits (Ludwig)

Issue: UCFW has submitted their recommendation of a partial endorsement of the proposal, developed by UC HR&B, to increase benefits for UC faculty who are employed at the HHMI and Ludwig affiliates.

Report: UCFW reviewed the proposal and agreed to adopt the portions of it that allow salaries to be used to determine retirement, survivor and benefits level, and allow service be counted towards vesting for UCRP. UCFW did not approve the provision, as written, for buy back. HR&B is anxious to have the Senate's response so that a proposal can go before the Regents in January. The faculty whose benefits are in question are highly distinguished investigators. Their salaries are paid by the institutes who also fund their research and research facilities. If this calculation of benefits is not done, then the faculty would move back to their campus positions for the last 3 years of service on which their HAPC would be calculated. UCFW approved the above points of the proposal with the proviso that those actions would be "cost" neutral to UCRP. The estimated cost of the change is \$14 million, but would likely be covered by the EVCs in order to keep these valued faculty.

Discussion: In discussion it was clarified that these faculty leave UC for a negotiated higher salary than their UC salary, receive pension benefits from the institutes, and that while at the affiliates, continue to progress in the UC rank and step system, but they do not they do not accrue service years. Council members raised a number of objections to the proposal, many seeing the need detailed information on the nature of the arrangements and a financial breakdown before any action could be taken. Objections were also raised on the grounds the agreement would be "double-dipping" and that having the EVCs cover the pension costs is not acceptable budgetarily. Other members who favored the proposal emphasized that these faculty give up their FTE, which provide the deans with added FTE coverage, that the extra income stream is not much different from the health sciences compensation system, and that they are prestigious members of the faculty who may choose to go elsewhere, if not accommodated. One member expressed the view that these faculty are acting in good faith; however, the arrangements have not been made through the proper channels with Senate review. Another member noted that

UCLA is doing a study of these equity issues, which Council should review as part of any further deliberation of this matter. These additional points were raised:

- This constitutes a retroactive benefit.
- The proposal's comparison to Cal PERS is fallacious
- There are other groups as well, so the proposal is not comprehensive enough.
- The faculty list in the proposal is selective, and some salaries are much higher than indicated.
- In the proposal's list of benefits to campuses, the first is cost savings but it should be an academic benefit.

Moved and seconded: To disapprove the Office of the President Human Resources proposal regarding benefits for UC faculty who hold appointments at HHMI and Ludwig.

Substitute Motion (accepted): To express the Academic Councils' firm opposition to the Office of the President Human Resources proposal regarding benefits for UC faculty who hold appointments at HHMI and Ludwig on the grounds that it is unpersuasive, provides inadequate data, and presents a substantial risk to the proper fiduciary administration of UCRP. **Passed** by a vote of 14 in favor, 3 opposed, one abstention. Council's response will also indicate that further information related to this issue will be considered when it becomes available.

1. Mercer Report to the Regents on Total Remuneration

Report: UCFW has developed set of recommendations for consideration in revising the report of Mercer Human Resources Consulting. Recommendations focus on the understanding of total remuneration, correcting inaccuracies regarding salary calculations, and properly evaluating benefits. The revised Mercer report will be presented at the January Regents meeting for discussion.

Action: UCFW will submit draft recommendations to Human Resources and Benefits and will report to Council on developments regarding the Mercer Report.

X. UCIE Resolution on Student Enrollment

Issue: UCIE has sent its resolution to the UC Education Abroad Program, and submitted it to Council as information.

Action: Council has no comment on the UCIE Resolution on Student Enrollment in the UC Education Abroad Program.

XI. Information Technology Guidance Committee

1. Update on the TI Guidance Committee

2. ITTP Request for faculty input on the IT Guidance Committee's strategic planning efforts.

Action: These items were deferred pending rescheduling of Associate Vice Provost Greenstein's visit to Council.

XII. Joint AC/EVC meeting

Issue: The Council of Vice Chancellors has suggested April 20th as the date for the joint Senate/EVC meeting. Since that date presents some scheduling problems, an alternative date will be discussed with the EVCs.

Action: The Senate Office will communicate with the COVC to confirm a suitable date for the joint meeting.

XIII. MRU Workgroup Recommendations

Action: Council will consider this proposal at its December 20, 2006 meeting.

XIV. New Business

[No action]

XV. Items for Distribution

[No action]

Meeting adjourned, 4:35 p.m.

Attest: John Oakley, Academic Council Chair
Minutes prepared by Brenda Foust, Policy Analyst