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.