

**“State of the Campus” Prepared Remarks
Chancellor Larry N. Vanderhoef
Academic Senate Meeting
February 3, 2006
MU II, Memorial Union**

Thank you, Dan. And thank you to my Academic Senate colleagues for this opportunity to deliver my annual “State of the Campus” address.

It is important to me – and to us – as partners in the governance of this university that we continue to take advantage of forums like today’s meeting. We cannot meet our respective responsibilities to move UC Davis forward if we do not seek to understand one another, if we do not try to address issues through dialogue.

In that spirit, I want to speak frankly about the pending vote-of-no-confidence ballot lest an elephant linger too long in this already-crowded room.

I respect your right to express your views in this way. But I’m disappointed that the 56 faculty and emeriti who signed the petition chose a resolution of condemnation rather than bringing the issue to this body today for the discussion some signers indicated they were seeking.

So I bring the issue to you today, inviting your questions and your comments.

I appreciated the early January opportunity I had to brief Dan and the chairs of several Academic Senate Committees about the petition’s solely referenced issue – the Celeste Rose agreement. As I shared with them then and reiterated in my letter last week to faculty, staff and students, my intentions were only to protect the university.

I wanted to avoid the financial and political costs of extended litigation; I wanted to avert the damaging impact of discrimination allegations, no matter their merit, on the recruitment and retention of our faculty, staff and students; and I wanted to prevent University Relations from losing ground in its preparations for our first comprehensive fund-raising campaign – a critically important undertaking for our campus.

It was the university’s best interests – not my own – that guided my thinking and decision-making. I can appreciate how all of us now, with the gift of

hindsight, might have chosen a different course. But at the time, with the best information available, I had to make decisions. Would I make those same decisions over again, knowing what I know now? No, I would not. And, in addition, I very much regret the turmoil this agreement has caused, and its hurtful impact on you and on our university. For that, I am very sorry.

I know that all of us are committed to making the best decisions we can – and to learning from our hindsight observations. I have certainly learned from mine.

And that's exactly what the entirety of the University of California is about right now – learning from the mistakes that have been revealed these past couple of months and setting right what has gone wrong.

The Regents, the president and the chancellors are committed to doing that and have taken several significant actions to ensure UC regains the trust it has recently lost over its compensation and disclosure practices. I welcome these reviews and the clarity and the changes they will surely bring.

At my request, our campus audit, the first to be launched in the system, is well underway. It examines my own expenditures and Chancellor's Residence costs, as well as travel and entertainment expenditures of our senior management team.

And the Regents have also taken four important actions: They've commissioned an outside audit of senior management compensation and departure agreements, and formed a standing committee on compensation to provide ongoing oversight of compensation. They've created a task force of representatives from business, government, media and education to review UC compensation policies and practices, including disclosures. And they've adopted a new base salary structure for senior managers, which, for the first time, establishes Regental salary grades and ranges that provide greater clarity, greater accountability, and greater oversight by the Regents.

The Regents, the president and the chancellors have all been meeting with legislators and with newspaper editorial boards the past few weeks, conveying first and foremost the university's commitment to greater clarity, greater accountability and greater oversight by the Regents – and also clarifying the San Francisco Chronicle's \$871 million number that remained uncorrected for far too long. As you now know, most of that money was paid to faculty for the patient care they provide and for summer salaries. Less than 1 percent went to senior managers.

But, very importantly, we're also conveying to our legislative and media colleagues the growing challenges we face in faculty recruitment, noting the

many cases where we've struggled to recruit the very best faculty and found ourselves coming up short.

For example, the College of Agricultural and Environmental Sciences recently found that, despite several attempts to sweeten its offer, it couldn't compete with Kansas State University for a junior-level plant pathologist already making more than our associate professor salary scale. We also lost a longstanding economics professor to a major East Coast research university because we couldn't compete in salary, research support, and children's college tuition. And, in just the past few years, we've lost four assistant professors of philosophy – all leaving for institutions offering salaries significantly higher than they were earning here.

And, of course, when we are successful in a recruitment, we are needing to pay more and more to compete for our first-choice recruits. That has exacerbated the circumstance of those suffering from the so-called "loyalty tax." Our faculty salary scales are essentially broken, degraded by years of stagnation and our need to offer very large off-scale increments to new recruits in order to be competitive. The result is growing salary inequity – or "salary compression" – for those faculty members who have devoted themselves to this university.

We must – together – turn this around. Provost Virginia Hinshaw and Vice Provost Barbara Horwitz are reviewing several models for addressing this inequity, and Barbara will be engaging the Senate's Committee on Planning and Budget later this month to explore options for the best way to proceed. The goal is to have a plan in place by July 1, with the first steps implemented in the new academic year. However, just as this salary compression circumstance has been a while in the making, so, too, will it take a while to remedy. But there is clearly the need and the will to address this issue.

Staff salaries are another shared priority. We are also working to address market lags for our staff, using a combination of strategies, including merit and equity increases, range adjustments and other monetary recognition. As well, we have implemented a salary banding approach to help address the rising cost of employee benefits. Its result is that lower-paid employees pay a lower percent of health benefit costs.

Graduate student support is another area of partnership and shared high priority for us, as Graduate Council Chair Andy Waterhouse earlier reported. As a campus, we've invested significantly in graduate student support the past three years. We've moved from 9th in the system in 2001-02 to 4th in 2003-04 in per capita net stipend for all graduate academic students. We've increased our investment by 35 percent from 2003-04 to 2006-07. And this next year, the campus will provide \$2.5 million – \$1.5 million in new funds and \$1 million previously allocated – to reduce the burden of graduate student fees and

nonresident tuition on extramural contracts and grants that employ graduate student researchers.

Additionally, at its January meeting, the Board of Regents proposed elimination of non-resident tuition for students who have advanced to candidacy and are working on their dissertation.

The Board also heard from Governor Schwarzenegger, who announced his plan to eliminate anticipated fee increases for graduate academic students and professional school students as well as undergraduates.

These are all very positive steps, but we must and will do more. We must continue to couple increased campus investments with further reductions in costs, and build an endowment for graduate student support through the comprehensive fundraising campaign that I mentioned earlier. One proposal that is likely to garner significant attention this coming year is to eliminate nonresident tuition for all students after the first year. This possible next step would make the costs of supporting international students equal to the costs of supporting domestic students. That is such an important improvement if we are to preserve the outstanding reputation of UC Davis around the world and enrich our own intellectual community through the presence of these global students.

We will have a special opportunity to explore further possibilities at next September's chancellor's fall conference, which will be devoted to the topic of graduate education.

We have made significant strides this year in two other shared areas of interest – students' time-to-degree progress, and expansion of summer programs. With regard to time to degree, a joint Senate-Administration committee, called for by this body, proposed substantial changes in the minimum progress regulation, changes you approved last year. And the joint Senate-Administrative Task Force proposed a pilot program to allow students to initially enroll in up to 17 units. Both of these changes are showing good results, especially considering how early on we are in the process. Compared to fall 2004, the percentage of students carrying 13 or more units at the census increased by approximately 4 to 8 percent this fall, depending on their class standing. The number of units that students completed at the end of fall term also showed an increase of about 4 percent overall. These are real gains and, again, it was our partnership that helped this to happen.

Working together, we have also nearly doubled summer program enrollments over the past five years, with more than 10,000 students this past summer. We have emphasized courses that meet major requirements, anticipating that this would also aid our time-to-degree efforts.

Our Summer Abroad Program has also expanded substantially, thanks to close collaboration with the Senate. In the summer of 1999, for example, just five Summer Abroad courses were taught by UC Davis faculty to a little more than 100 students. This past summer, we offered 31 courses on six continents to more than 450 students. And for the first time, in 2005 UC Davis students participating in education abroad experiences exceeded 1,000.

And, of course, our instructional efforts depend on the availability of classroom facilities – a real challenge given California’s classroom usage standards, arguably the toughest and the most stringent in the country. As a result, the campus has been seeking more gift funds for teaching space rather than depending wholly on state funds.

We’ll break ground in early April on a new classroom building that is a shining example of how faculty philanthropy makes a difference in the classroom. The upcoming Giedt Hall, due to open in summer 2007, will provide three lecture halls of 250, 175 and 150 seats and two 40-seat classrooms. It is funded through a \$2.5 million gift from engineering professor emeritus Warren Giedt and his wife, Leta, and a \$400,000 gift from geology lecturer and alumnus Rand Schaal and his father, Ted. Scheduling priority for these classrooms will be given to engineering and geology, but at other times the rooms will be available for general assignment. And, of course, this new classroom space will free up other campus classrooms and add flexibility for all course scheduling.

As well, the recently opened Sciences Laboratory Building has added needed new space – 34 teaching laboratories designed specifically for teaching laboratory skills in biology and chemistry, and a nearby 517-seat Sciences Lecture Theater.

This beautiful building combines state-of-the-art technologies with comprehensive life sciences subject matter. Funded primarily through voter-approved funds and a number of private donations, it too drew upon the wisdom of faculty who collaborated with our architectural teams.

Veterinary medicine students will also soon benefit from a teaching and research facility and a new classroom building currently under construction adjacent to the School of Medicine.

We have also systematically renovated and upgraded existing classroom space, updating technology and upgrading seating.

And our students have partnered with us, choosing to tax themselves for such facilities as the ARC and the new multi-purpose stadium.

Very significantly, as well, we have passed our last legal hurdle with West Village and can begin working in earnest with our project team to bring this new

neighborhood to fruition. In addition to providing much-needed affordable housing for faculty, staff and students, it will host a community college center from the Los Rios Community College District – the first community college to be located on a UC campus.

And so, looking back, we can point to significant collaborative accomplishments between the Senate and the administration. And, looking forward, we can see even greater opportunity to advance this university that I know we all care deeply about.

The signs of optimism are clearly there:

- for example, a Governor's budget that recognizes UC's capacity for contributing to the state's economy and quality of life; in particular, I should add, the Governor highlights our telemedicine program as a model for expanding health care to medically underserved populations;

- President Bush's state-of-the-union address that promises big increases in funding for alternative fuels and technologies (certainly one of our distinctive areas of research expertise); he also promises a doubling of federal funding for basic research in science and technology in the next decade, and tax incentives for collaborative university and corporate research;

- and our comprehensive-campaign consultant's findings that our key supporters believe we have a powerful case for philanthropy and are deserving of their philanthropic support.

Of course, we will have our challenges – and we will have our differences – but those challenges will be more manageable if we confront them together. Working together, we can accomplish so much more than either of us could independently. And the university will be better off for our having done so.

Thank you for listening. And now I welcome your questions and comments.