The Regents of the University of California

ACADEMIC AND STUDENT AFFAIRS COMMITTEE
July 17, 2019

The Academic and Student Affairs Committee met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members present:	Regents Anguiano, Elliott, Kieffer, Lansing, Ortiz Oakley, Sures, Weddle, and Zettel; Advisory member May; Chancellors Block, May, and Wilcox; Staff Advisor Klimow
In attendance:	Regent-designate Stegura, Secretary and Chief of Staff Shaw, Deputy General Counsel Woodall, Acting Provost Carlson, Vice President Brown, and Recording Secretary Li

The meeting convened at 1:10 p.m. with Committee Chair Anguiano presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

   Upon motion duly made and seconded, the minutes of the meeting of May 15, 2019 were approved.

2. **STUDENT LOAN DEBT PATTERNS AMONG UNIVERSITY OF CALIFORNIA UNDERGRADUATES**

   Student Observer Jazz Kiang summarized his work in the last academic year, during which he has commented on Professional Degree Supplemental Tuition, student services financing, and efforts to recruit, retain, and empower a diverse community of students, faculty, and staff. Mr. Kiang stated his belief that the discussion of student loan debt patterns was important in the broader context of UC affordability and applauded the work of UC Student Association (UCSA) and The Institute for College Access and Success (TICAS) on producing their report. He connected this discussion to a presentation before the Board on cohort-based tuition and hoped that the Committee recognizes that the concept of affordability differs depending on racial and economic background. Most of Mr. Kiang's undergraduate peers took out loans, and some balance student loan repayment with other family debt. Attending college is not an individual process for underrepresented students, and it is unrealistic to assume all students and families can navigate it equally. Studies have shown that perceptions of money, cost, and debt are affected by economic background. Students from underrepresented groups often have inadequate or nonexistent college counseling, which includes financial aid and loan information, during their K-12 education. Student loan debt is affected by time-to-degree He voiced his support for the recommendations in the UCSA/TICAS report. Mr. Kiang also suggested that UC add multilingual webpages on its admissions website. He added that the University should align basic needs efforts with discussions of student loan debt and systemwide tuition and charges. He thanked the Committee for opportunity to speak.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Interim Vice President Gullatt briefly introduced the presentation on this report produced by the UC Student Association (UCSA) and The Institute for College Access and Success (TICAS). She introduced UCSA President Caroline Siegel-Singh and Interim Director of Student Financial Support Shawn Brick.

Ms. Siegel-Singh explained UCSA's concern about the successful recruitment and retention of students of color. UCSA also investigated ways that the University can contribute to economic opportunity for low-income black and brown students. In Sacramento, UCSA advocated for Student-Initiated Outreach Programs given their support of students of color. This report is part of greater advocacy goals in Sacramento with regard to the Cal Grant program. California State University (CSU) produced a similar report, and UCSA wished to determine whether UC's Education Financing Model (EFM) and financial assistance closed equity gaps. Ms. Siegel-Singh shared statistics from the report indicating that lower-income undergraduate and graduate students are more likely to borrow than their higher-income peers. The burden of college costs also disproportionately affects students of color; African American and Chicano/Latino students are more likely to graduate with debt than their white peers. There is a lower Pell Grant recipient graduation rate at UC Merced compared with that of UC Berkeley, and there is a higher rate of undergraduate borrowing at UC Merced than that of UC Berkeley as well. UC Merced, the campus with the most diverse student body, graduates students with more debt. Using UC's EFM, 57 percent of California students would pay no tuition, and low-income students would not be expected to pay more than $10,000 annually. In a single year, a UC students could work and pay approximately $5,000 in tuition and borrow the remaining $5,000. Average debt would be about $20,000 in the EFM. The Cal Grant would ensure that students with family incomes below $80,000 can attend UC tuition-free, but financial aid programs must better address the total cost of attendance.

Mr. Brick stated that the EFM is the strategy for implementing the Undergraduate Financial Aid Policy in Regents Policy 3201: The University of California Financial Aid Policy, which ensures California students from all backgrounds can finance a UC degree. Referring to a chart in the presentation, Mr. Brick explained that the average total cost of attendance is $34,700 for a student living on campus and includes books and supplies, tuition and fees, room and board, transportation, and personal expenses. The greater the family income, the more is expected of parents, and less is provided in grant support. Student self-help is about $10,000—the University expects students to meet half through part-time work and half through loans. The expectation is roughly the same regardless of income, so it was not surprising when the report revealed that low-income students are more likely to borrow. Students from middle- and upper-income families may have parents who contribute more and "buy out" their student's expectation to borrow. The Office of the President's (UCOP) annual report on student financial support has shown the same pattern for many years. Referring to charts separating students by their underrepresented student status and parent income, Mr. Brick stated that African American and Chicano/Latino students were more likely to borrow at every income level than their peers and have a higher cumulative debt.

Net cost, which is the total cost of attendance minus grants and scholarships, for underrepresented students is below that of non-underrepresented students at every income level. Underrepresented students receive more grants and scholarships than their peers.

There may be two explanations for why these students were more likely to borrow. The first is time-to-degree: the difference in average indebtedness between underrepresented students and non-underrepresented students increases for those graduating in five or six years. This explains the cumulative debt of underrepresented students. Second, the tools used to measure a family's ability to pay fall short. The Free Application for Federal Student Aid (FAFSA), which is what UC and many universities use, captures family income, family size, and basic asset information, but it does not capture differences in wealth well, particularly intergenerational wealth. The FAFSA does not account for grandparents or other family members providing support, as well as which family members need financial support from students. No application can capture structural inequities stemming from institutional racism, housing policy, and segregation in education.

Solutions include improving time-to-degree to help close gaps in cumulative debt for underrepresented students, which aligns with UC's multi-year budget, as well as advising services to students. While the University is restricted in how it can target scholarship money, some campuses have partnered with nonprofits and other outside entities that can provide scholarships to underrepresented students. Strong partnerships between basic needs coordinators and financial aid offices is critical. Mr. Brick recalled a recent strategy meeting convening financial aid directors and basic coordinators. Basic needs programs serve as a safety net when a student is in financial crisis, and a strong financial aid program prevents many of those crises.

Mr. Brick provided examples of what was working well at UC. The State Legislature is looking for ways to expand the Cal Grant and address statewide college affordability. About 40 percent of UC's California resident students are fully covered by the Cal Grant. Mr. Brick believed that the debt-free college conversation is more useful than the free college conversation because the former acknowledges the total cost of attendance. UC would need an additional $500 million in financial aid to replace the current loan expectation in the EFM. The Total Cost of Attendance (TCOA) Working Group recognized that time-to-degree is a major cost factor for students and recommended summer financial aid to help students graduate more quickly. The TCOA Working Group also recommended that campuses adopt targeted programs to lower expectations to work and borrow. Two financial aid pilot programs take these recommendations into account and target vulnerable but high-achieving students. UC Santa Barbara's Promise Scholars Program offers multi-year financial aid and academic support to students who are low-income, from underserved high schools, and community colleges. Over 95 percent of the first graduating cohort graduated within four years. This program was favorably reviewed by the Working Group.

Ms. Siegel-Singh stated that, in 2013, Chancellor Khosla established the Chancellor's Associate Scholars Program (CASP) at UC San Diego to support high-achieving California students with annual family incomes of under $80,000. These students are promised a four-year debt-free education and provided a wide range of services and opportunities for a fully engaged academic and student life. The campus covers the $10,000 expected contribution using private dollars. Ms. Siegel-Singh stated that expanding these programs is critical to closing equity gaps. In 2017–18, UC gave about $242 million in institutional aid to 20,000 California resident students who did not qualify for a Cal Grant likely because of their age or because they demonstrated need after they were assessed. With an improved Cal Grant program, more students would qualify and UC could instead use that money to reduce the expected contribution and move toward graduating students debt-free. Ms. Siegel-Singh underscored that more can and must be done to address the challenges that financially needy students face. UC must better address the disproportionate debt burden and the persistent graduation rate gaps between low-income and higher-income students.

Regent Zettel asked Ms. Siegel-Singh to explain the statistic of 71 percent of students borrowing at UC Merced. Ms. Siegel-Singh replied that this is the percentage of UC Merced undergraduate students who borrow. Regent Zettel was astounded by this statistic and asked whether most UCM students were local and received more familial support. Ms. Siegel-Singh responded that UC Merced has the highest proportion of students of color and enrolls students from throughout California, with significant numbers from outside of the Central Valley. Mr. Brick added that the proportion of students taking out loans at each campus aligns with the proportion of income students at that campus, and UC Merced has the highest proportion of low-income students.

Regent Ortiz Oakley stressed the importance of this topic, which has a direct impact on student diversity and community engagement with UC. While the University is one of the most affordable public research universities in the country, it must now consider serving a new demographic of students in order to ensure the success of the state. This new demographic has not traditionally been represented. He agreed with Mr. Kiang regarding the complexity of the system. Regent Ortiz Oakley and others in the TCOA Working Group acknowledged the unrealistic expectation that lowest-income students would work and have family support in order to pay $10,000. He observed the stark difference in family wealth between students who attend UC Merced and UC Berkeley and called for immediate intervention to address the debt burden at UC Merced, whether through or donor or some other way. The University has opened the door to more students without considering the impact of cost of attendance, forcing students to borrow. With the housing costs sharply driving up the cost of attendance, middle-income students will be borrowing as well. There is no one easy answer to this challenge, but that answer should include predictability of tuition, more public investment, and finding ways to lower the cost of attendance. Students will not be wealthier unless the University stops admitting lower-income students. Regent Ortiz Oakley underscored that this is the issue that the Regents should continue to address.

Regent Sures asked why African American students have more debt than Chicano/Latino students at every level of parent income. Mr. Brick replied that the problem was not unique to UC; national research shows that African American students have greater debt load and a greater likelihood of borrowing compared with white and Asian students. He stated that current tools were inadequate to measure wealth and intergenerational wealth. The FAFSA asks about income and assets, but home ownership is not taken into account. In a meeting with financial aid directors from major public universities, one takeaway was that those wealth differences were not being captured. Regent Sures noted that the debt differences were very large and wanted to know why. Ms. Siegel-Singh responded that first-generation students from lower-income communities and students of color do not have access to the same high-paying jobs as other undergraduates. Many low-income students or students of color support their families financially. With no additional income from their parents, these students take out more loans. Regent Sures suggested outreach to underrepresented students and providing better access to jobs and job training. He noted that students with jobs do not match the demographics of campuses and suggested making jobs more available.

Regent Weddle expressed her appreciation for the acknowledgement of the importance of basic needs in filling the gaps in financial aid and looked forward to more discussion of the interplay between financial aid and basic needs. She indicated that tangible and trackable goals to reduce student borrowing and close equity gaps were missing from the conversation. Mr. Brick replied that, in preparation for this presentation, his team reviewed outcomes from ten years ago, and the University has been tracking the same metrics: the delta between who has to borrow and the delta of cumulative debt. In these ten years, UC has improved the gap in borrowing between African American students and non-underrepresented students by five percent. As a next step, the University should explore how it measures financial wealth. One of the best-known tools is the College Board's College Scholarship Service Profile. However, the tradeoff of providing more information is more administrative burden for families.

Regent Lansing agreed that better communication with the public is important and stated that UC should encourage donors to give scholarships that cover costs other than tuition. She agreed with Regent Sures that the University has not done enough to help students with employment. Regent Lansing mentioned Governor Newsom's announcement that the State would forgive student loan debt of doctors who devote 30 percent of their time to treating Medi-Cal patients. She proposed a similar loan forgiveness program for college students who have a public service job for a given number of years. She compared this with the federal loan forgiveness program for teachers. Chancellor May responded that modeling on debt-free UC has been done and analysis is available.

Chancellor May asked about difference in debt between African American and Chicano/Latino students because the differences in intergenerational wealth and home ownership between those two groups were not great. Mr. Brick replied that the national literature did not explain that difference well and that he did not have an answer at that time. Chancellor Block asked whether there was a difference in the amount of work-study received for the amount of work. Mr. Brick responded that he would return with analysis. Committee Chair Anguiano emphasized the importance of this discussion and anticipated further discussion of the topics raised during this meeting.

3. **UPDATE ON OPEN ACCESS AND ACADEMIC JOURNAL CONTRACTS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Acting Provost Carlson introduced the item and presenters: Günter Waibel, Associate Vice Provost and Executive Director of the California Digital Library (CDL) and Jeff MacKie-Mason, University Librarian, Chief Digital Scholarship Officer, and professor at UC Berkeley. She also introduced Ivy Anderson, Associate Executive Director of the CDL, Director of Collection Development and Management, and head negotiator for UC's systemwide library collections contracts. All three were members of UC's Publisher Negotiations task force and the Elsevier negotiating team.

Mr. Waibel began his remarks by quoting the beginning of the UC mission statement. One way that UC carries out its mission is by publishing research as peer-reviewed, scholarly articles. UC authors publish 50,000 articles per year but only 15 percent of these articles are freely available in their final, published form. Six percent of UC articles published by Elsevier are freely available. Universities must subscribe to journal packages for millions of dollars as result of this paywall, and no university can afford to subscribe to all published research. Those not at well-funded institutions that subscribe to journals must pay $40 per article. This paywall is blocking publicly funded research for policymakers, doctors, journalists, entrepreneurs, organizations, researchers, and citizen scientists. Instead, publishers could provide open access—universities pay to publish directly, and publishers would make all articles freely available. The University has been a leader in open access efforts. In 2013, the Academic Senate passed an open access policy allowing faculty to post pre-publication articles in an open access repository. All ten UC campuses are signatories to Open Access 2020, an international statement of the intent to shift subscription funding towards paying for open access. In 2018, UC libraries, the Academic Senate Library Committee, and the UC Provost Library Advisory Committee adopted a new plan to accelerate the transition to open access, with strategies that include more publishing by UC Press and UC libraries. Because traditional publishers own most of the established, prestigious journals, UC is also using its subscription contract negotiations to change the business model in order to pay to publish instead of paying to read. If UC succeeds, it would lead the way for open access worldwide and advance its mission.

Mr. MacKie-Mason stated that the transition to paying for publications instead of reading is complex. Currently, UC libraries pay $40 million for annual subscriptions, and a small number of UC authors collectively pay $10 million each year for their articles to be published through open access. UC can read some but not all worldwide published research and can make 15 percent of its research freely available to the world. Under the current model, the libraries would pay $55 million for reading, and authors would pay $65 million for open access publishing. This would be 2.5 times more than UC's current payment.

Mr. Waibel laid out UC's vision: full, open access publishing with no total net increase in costs. Participants from 37 nations and five continents affirmed this vision in the 14th Berlin Open Access Conference. UC is now negotiating a different publisher contract to facilitate the transition to open access. Payments for publishing and reading articles would be combined in a single contract to control total cost, and the contract would support 100 percent open access for UC authors. UC libraries and authors with available research funds would share publishing costs, and libraries would pay the total cost of publishing for authors without research funds.

Mr. MacKie-Mason reported UC's first success in this effort. UC has reached such an agreement with Cambridge University Press, under which all UC authors will be able to publish with open access regardless of whether they have research funds. Since funds for subscription payments are redirected to support open access publishing, this is cost-neutral for UC. However, not all publishers welcome this transition; UC has not reached an agreement with Elsevier and has allowed its contract to lapse earlier this year. The week before this Committee meeting, Elsevier cut access to articles published in 2019. UC had previously purchased perpetual rights to pre-2019 content, which guarantees continued access to those articles. UC can obtain legal copies of all articles through alternative means, with delays ranging from one minute to several days. UC is collecting data and will study the impact of delayed access on students and faculty; the results will be used to improve alternative access services and guide future negotiations with Elsevier. UC wishes to negotiate with Elsevier only if and when Elsevier is willing to address UC's public mission principles, open access for UC author publications, and cost containment to steward public funds.

Mr. Waibel stated that consortia in Finland, Germany, Norway, Hungary, the Netherlands, and Sweden have reached impasses with Elsevier as well. Over 130 organizations representing 6,500 institutions worldwide have signed the Open Access 2020 statement. Eighteen European funding agencies and two major foundations, one of which is in the U.S., have created Plan S, which requires that the research they fund be published open access by 2021. UC has brought the open access movement from Europe to North America. Since UC announced its open access goals last year, over 200 media stories covered UC efforts. Following UC's termination of negotiations with Elsevier, 19 North American institutions and consortia have issued support statements that represent 54 universities. Other universities are reaching out to UC for advice and support, and UC has released a publisher negotiation toolkit. The Academic Senate and the UC libraries are co-sponsoring a negotiation workshop in Washington, D.C. in late August.

Mr. MacKie-Mason emphasized publishers' valuable role in academic discourse and that UC would continue to seek partnership with them. UC faculty wish to publish in high-quality journals offered by Elsevier and other publishers that also do not support open access. UC's open access model would support the academic freedom to choose where to publish. The UC libraries and Academic Senate have worked side by side in the negotiation process with Elsevier, and President Napolitano has been a strong and public supporter. Chancellor Christ stated her pride in the UC system regarding this effort.

Regent Ortiz Oakley called this a campaign and asked how UC was soliciting partners, particularly in California, what other research universities' positions were, and now UC can encourage California research universities to join this campaign. Mr. Waibel responded that UC was actively thinking of this as a campaign and would not win this fight alone. UC needed other universities to negotiate similarly, be similarly principled, and defend these values. The University has been communicating to colleagues across North America, and President Napolitano wrote an article advocating open access and called on her peers to stand with UC. There has been great resonance throughout North America; the August workshop in Washington, D.C. is over-subscribed, with California State University and Canadian colleagues attending. He was confident that the message resonates.

Regent Ortiz Oakley asked how to explain to taxpayers that public research from a university cannot be freely shared. Mr. MacKie-Mason replied that there was no easy explanation. He stated that publishing is a business and requires a substantial amount of work, and, over time, fewer professional societies and universities are professional publishers. The publishing industry has substantial monopoly power. The profit rates of the three largest publicly traded publishers is 40 percent per year—double Apple's profit rate. He agreed that this was outrageous and that taxpayers should be upset. UC was working hard to change that and pay publishers for their work but not so that they can charge the public and scholars for reading scholarship. Regent Ortiz Oakley suggested meeting with State Attorney General Xavier Becerra to inform him of what is happening.

Committee Chair Anguiano asked about the extent of UC's publishing efforts systemwide. Mr. Waibel clarified that UC's open access strategy was multi-pronged. For example, UC Santa Barbara has joined an international coalition exploring publishing models. The CDL has a grant to determine infrastructure needed to bolster library publishing. Currently, CDL publishes 80 open access journals within the UC libraries. The CDL has a grant with UC Press to establish infrastructure for open access monograph publishing and are funding a study that investigates the kinds of publishing systemwide and how to support them.

Faculty Representative May stated that the Academic Senate and the President have been unwavering in their support and that this position was right for the University. He concurred with Regent Ortiz Oakley that UC owed an explanation to taxpayers. The current predicament was the result stemming from the long history of publication. The model must be changed. He acknowledged and thanked the negotiating team on behalf of the Academic Senate. He reported that he had received numerous messages of support from faculty.

Regent-designate Stegura expressed her gratitude for President Napolitano's support of open access. She stated that an equitable argument for open access was most compelling. Public universities have created this scholarship using taxpayer dollars. Public libraries would be able to make articles available to high school students. She shared a relevant article by UC Davis University librarian and Vice Provost of Digital Scholarship Mackenzie Smith and noted that it was freely available.

Regent Kieffer expressed his thanks and the Regents' support. Mr. MacKie-Mason expressed appreciation for the Regents' support.

The meeting adjourned at 2:20 p.m.

Attest:

Secretary and Chief of Staff