

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
MEETING AS A COMMITTEE OF THE WHOLE**

September 14, 2000

The Regents of the University of California met on the above date at UCSF-Laurel Heights, San Francisco.

Present: Regents Atkinson, Connerly, Davies, Fong, Hopkinson, S. Johnson, Khachigian, Kohn, Lansing, Leach, Miura, Montoya, and Preuss

In attendance: Regents-designate T. Davis, Morrison, and Seymour, Faculty Representatives Cowan and Viswanathan, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice Presidents Darling and Mullinix, Vice President Hershman, Chancellors Bishop, Cicerone, and Dynes, and Recording Secretary Nietfeld

The meeting convened at 10:40 a.m. with Chairman S. Johnson presiding.

1. PUBLIC COMMENT

Chairman Johnson explained that the Board had been convened as a Committee of the Whole in order to permit members of the public an opportunity to address matters on the morning's agenda. The following persons addressed the Board concerning the items noted.

Item RE-26, Committee on Investments: Selection of Index Investment Manager

- A. Ms. Mary Higgins, Coalition of University Employees (CUE), presented a statement on behalf of the clerical workers represented by CUE which stated the belief that the decision to change the way in which pension funds are managed was made without public notification and discussion. The union also opposes the privatization of pension-fund management and any political bias which may be involved with the decision.
- B. Professor Charles Schwartz, Berkeley campus, alleged that the Office of the President and the Office of the General Counsel had not been cooperative in providing him with the information that he needs in connection with his research on the University's investment policies. He believed that all matters of University policy should be discussed in open session meetings.

2. REMARKS OF CHAIRMAN JOHNSON

Chairman Johnson took the unusual step of responding to the concerns that had been raised about recent asset allocation decisions made by The Regents. She stressed that the continued safety and healthy performance of the University's pension fund is the Board's highest priority. Throughout the nearly two-year process in which the University's investment policies and procedures were

under review, each Regent has had the best interests of the University's current and annuitant employees in mind. The Regents acted in accordance with the State's open meeting laws and established University procedures. Its findings are a matter of public record. Furthermore, employees and members of the public may read a summary of the review process and the new asset allocation plan on the University's website. The new policies and practices are based on sound financial grounds, and no political pressure or personal gain were involved at any stage of the asset review process. Chairman Johnson emphasized that there is no intention on the part of The Regents to privatize the pension fund. The Regents will maintain its custody over these funds and the responsibility for the investment program.

The meeting adjourned at 10:50 a.m.

Attest:

Secretary