

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

July 18, 2001

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

Present: Regents Atkinson, Connerly, Davies, T. Davis, Hopkinson, O. Johnson, S. Johnson, Kozberg, Lansing, Lee, Montoya, Moores, Morrison, Preuss, Sayles, and Seymour; Regent-designate Sainick

In attendance: Faculty Representatives Cowan and Viswanathan, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Drake, Gómez, Gurtner, and Hershman, Chancellors Berdahl, Carnesale, Cicerone, Dynes, Greenwood, Orbach, Tomlinson-Keasey, Vanderhoef, and Yang, Vice Chancellor Bainton representing Chancellor Bishop, Laboratory Director Browne, and Recording Secretary Nietfeld

The meeting convened at 8:40 a.m. with Chairman S. Johnson presiding.

1. PUBLIC COMMENT

Chairman Johnson welcomed Regent-designate Sainick to the table, noting that Regent-designate Terrazas had not been able to attend. She also welcomed Treasurer and Vice President for Investments Russ to his first meeting of The Regents. Chairman Johnson commented briefly on the activities in which members of the Board had participated in June, including visits to the Santa Barbara campus and to California's central coastal region.

Chairman Johnson explained that the Board had been convened as a Committee of the Whole in order to permit comment pertaining to issues on the morning's open session agendas. The following persons addressed the Board concerning the items noted.

A. *Item 402, Committee on Health Services: Update on Medical Center, UCLA*

Mr. Murray Morgan believed that the University's teaching hospitals could become more profitable if they were managed in a more businesslike manner. He asked for an opportunity to discuss in Closed Session the materials which he had submitted to the Regents in Santa Barbara. He also suggested that the public be given more time to address the Board.

B. ***Item 507, Committee on Finance: Approval of Student-Sponsored Increases in Student Fees, Riverside Campus***

- (1) Mr. David W. Lee, President of the Associated Students of UC Riverside, reported that the ASUCR had placed several referenda before the student body in 2000-01, during which time the transition to electronic balloting was completed. All of the referenda were approved by a majority of the students, including funding for the Commons' expansion, the Associate Students, and the student newspaper. He noted that a fourth referendum had been forwarded to the President for approval but was not included in the President's recommendation.
- (2) Mr. Gavriel Kullman, Vice President for Campus Internal Affairs, ASUCR, described the student referenda in greater detail and asked for the Regents' support.
- (3) Ms. Merit Mikhail, an ASUCR senator, discussed the Associated Students Programming Board referendum and asked for the Regents' support. She expressed disappointment that the referendum pertaining to the United States Students Association had not come forward to the Board despite its support by the student body.

2. **REMARKS OF THE PRESIDENT**

President Atkinson reported that estimates of State revenues had shrunk considerably since January. It appears that the principal problem facing the University will be faculty and staff salaries, because the spending plan the legislature is considering will permit only a two percent salary increase, including merit increases. Lagging salaries are particularly worrisome in a labor-intensive enterprise like the University, especially in an era of heavy faculty recruitment. In other areas, the news is less disturbing. At over \$500 million, the capital budget is the largest ever. The University is fully funded for enrollment increases and for summer programs at three campuses. The intention will be to provide summer session funding to all of the campus over the course of three years. The President observed that the Governor and the legislature clearly consider education a priority. In a year that will see a two percent reduction overall in the State's budget, both K-12 and higher education are likely to see increases somewhere between five and six percent. He pointed out that over the past five years, State funding for the University has risen by nearly 70 percent, private giving by 70 percent, and federal research funds by about 40 percent. The President observed that there is no reason at this time to expect a downturn like that of the early 1990s and the draconian budgets that accompanied it. Most economists expect the California economy to do very well over the long term.

The President recalled that a capital planning task force is examining the University's capital needs and potential fund sources. The task force is working on both a five- and a ten-

year planning horizon. In addition, a task force chaired by Regent S. Johnson and Senior Vice President Mullinix is dealing with housing issues. He announced the establishment of a task force composed of Provost King, Senior Vice Presidents Mullinix and Darling, and Vice President Hershman that will address UC's operating revenue needs over the next five to ten years and integrate its planning with those of the other two task forces. The goal is to analyze revenue needs, revenue expectations under various scenarios, and the options that could be pursued if needs and expectations do not match.

President Atkinson recalled the attention that had been focused by the Regents on increasing graduate student enrollment, which has grown as much in the last three years as in the previous twenty. The goal is to expand graduate enrollments by about 11,000 students over the next decade. The Commission on the Growth and Support of Graduate Education had its final meeting and will be issuing its report soon. The administration made a commitment to increase engineering and computer science enrollments 50 percent by 2005-06. The President was pleased to report that this goal had already been exceeded.

Turning to matters on The Regents' agendas, the President noted that Provost King would report on transfer issues, including the academic background and performance of transfer students. Professor Dorothy Perry, chair of the Board on Admissions and Relations with Schools, will present the recommendation on the dual admission program. The proposal for a comprehensive review of applicants is scheduled for The Regents' November meeting. Issues pertaining to the SAT will be considered in 2002.

Also on the agenda is a request to formally authorize UC to establish a California House in Mexico City. The President recalled that in March 2000 he had joined Governor Davis and President Fox of Mexico at UCLA announcing the establishment of California House and inaugurating the Internet2 link between California and Mexico.

Director Browne will present a report on the Los Alamos National Laboratory. The President noted the recent appointment of John McTague as Vice President for Laboratory Management. He continued that the laboratories are critical to the security and well-being of the United States. He believed that the University of California is the right institution to manage these laboratories and was pleased that the contracts to manage Lawrence Livermore and Los Alamos National Laboratories were renewed for another five years. It is important to recognize, however, that the relationship between UC and DOE is not yet where it should be and where it traditionally was in years past. What is necessary is a recommitment to a genuine partnership, with greater emphasis on outcomes and less emphasis on prescriptions and directives. DOE should focus on what is needed from the laboratories, and UC and the laboratories should focus on how they can produce these outcomes. This issue is at the top of Vice President McTague's agenda.

In concluding his remarks, President Atkinson acknowledged the presence of Professor Gayle Binion of UC Santa Barbara, who will begin her term as vice chair of the Academic Council in September.

COMMITTEE OF THE WHOLE

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The meeting adjourned at 9:05 a.m.

Attest:

Secretary