

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 17, 2001

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

Present: Regents Atkinson, Bagley, Bustamante, Connerly, Davies, Fong, Hopkinson, O. Johnson, S. Johnson, Khachigian, Kohn, Kozberg, Leach, Lee, Marcus, Miura, Montoya, and Preuss

In attendance: Regents-designate T. Davis, Morrison, and Seymour, Faculty Representatives Cowan and Viswanathan, Secretary Trivette, General Counsel Holst, Interim Treasurer Bowman, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Drake, Gomes, Gurtner, Hershman, and Saragoza, Chancellors Berdahl, Bishop, Carnesale, Cicerone, Dynes, Greenwood, Orbach, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Nietfeld

The meeting convened at 9:15 a.m. with Chairman S. Johnson presiding.

## **RESOLUTION IN APPRECIATION - HOWARD H. LEACH**

Upon motion duly made and seconded, the following resolution was unanimously approved:

WHEREAS, the Regents of the University of California wish to pay well-deserved tribute to Howard H. Leach, who has served for the past eleven years with remarkable distinction as a Regent of the University; and

WHEREAS, he has brought to the Board's deliberations the experience and wisdom of a distinguished career in corporate management, investment strategies, and agribusiness, as well as substantial knowledge gained from fiduciary responsibilities in a variety of fields, all of which have resulted in wise and valued counsel in guiding the University's financial, legal, and agricultural affairs, and which were especially valuable in his role as vice chair of the UCSF Stanford Health Care Board of Directors; and

WHEREAS, he has generously given of himself to the service of this Board and its committees as its chairman, as chairman of the Committees on Oversight of the Department of Energy Laboratories and Audit, and as vice chairman of the Committee on Investments, as well as a member of the Committees on Educational Policy, Finance, and Health Services, in all acting in the highest tradition of public service; and

WHEREAS, his service as a member of this Board can be characterized by his steadfast commitment and loyalty to this institution, a calm presence even during the most heated discussions,

a strongly analytical mind, as well as a deep and abiding concern for maintaining and improving the University's missions of teaching, research, and public service; and

WHEREAS, highly regarded throughout the state and nation as an astute corporate executive, as well as an ardent patron of the arts, he has given generously of himself to his community, to the betterment of all;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Howard H. Leach their heartfelt appreciation for all he has given to the University of California and note that the Board has been greatly enhanced by his personal charm, reasoned judgment, and gallantry;

AND BE IT FURTHER RESOLVED that the Regents extend to Gretchen and Howard their affectionate good wishes for a full and happy life in the years ahead and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's lasting friendship and highest esteem.

Regent Leach commended the Regents for their conduct on behalf of the University of California, which he characterized as one of the great assets of the state. Politics has rarely played a role in the conduct of the members of the Board, even though politics may have contributed to their appointments. Regent Leach described as an important contribution of his service participation in the selection of President Atkinson to lead the University.

Regent Leach discussed the important role of agriculture in the state's economy, noting that his experience in the agricultural industry was cited as a reason for his appointment by Governor Deukmejian. California agriculture and the University have a long and important relationship that is often overlooked. The United States enjoys low-cost, high-quality food that is readily available. The University of California has played a major role in ensuring that such a food supply exists through its research and through its Cooperative Extension programs. Regent Leach reported that slightly more than ten percent of all the jobs in California are in agriculture production or processing. California's revenues from farm marketing in 1996, which are the latest figures available, were \$23.3 billion. Texas is next with \$13 billion, followed by Iowa with \$12.8 billion. These revenues produce net farm income of \$5.8 billion. 1997 was the fiftieth consecutive year that California was the largest U.S. producer of agricultural products. Farm business assets in California are valued at \$66 billion. Over one-half of all the fruits, nuts, and vegetables produced in the United States come from California and are produced on three percent of the nation's farm land. Over 250 crops are produced in California on 78,000 farms. Over 12 percent of U.S. agricultural exports in 1997 came from California, representing roughly \$7 billion, or 30 percent of all California farm sales. This statistic is important not only to the state but to the nation because it helps to reduce the trade imbalance. In 1995 the country's agricultural workforce was one-third what it was in 1950, which may be attributed in large part to advances led by the University of California. Today each agricultural worker produces food for

more than 100 people as compared with 13 people in 1947. In 1993 the cost of food in the United States was 11.2 percent of personal disposable income, the lowest percentage in the world.

Because of its preeminence in higher learning and its major contributions to the development of agriculture, Regent Leach called upon the University to consider playing a leadership role in defining new policies that are needed to guide the future of American agriculture. America's agricultural production capacity is a national asset, and agriculture is badly lacking in equity capital. It relies largely on debt for the purchase of capital equipment that provides increased productivity and efficiency. It lacks marketing power because of major consolidations of its customers, including processors, retailers, and food-service companies. In addition to this declining economic power, the agriculture industry is experiencing declining political power. The government programs that have been of major economic importance to American agriculture since the 1930s are being drastically altered and have outlived their usefulness. The American public and the country's international competitors may no longer tolerate billions of dollars going to subsidize farm prices or to pay farmers not to produce. Regent Leach believed that, as American agriculture faces an expanding global economy and expanding technology, there is an immediate need for an in-depth study of the economic structure of American agriculture to determine the future financial needs and how they can best be achieved. Such a study needs to be led by a prestigious educational institution like the University of California and should include the participation of universities from other major agricultural states, representatives of federal and state governments, and representatives of agriculture cooperatives, trade associations, and the private sector. He encouraged the University to lend its leadership to this project.

Chairman Johnson strongly supported Regent Leach's suggestion, and she referred to the Institute for Agricultural Genomics which was one of the finalists among the California Institutes for Science and Innovation. She was hopeful that this proposal would also receive support.

Regent Bagley referred to Ann Veneman, who is President-elect Bush's designee as the Secretary of Agriculture. She is an alumna of the Davis campus who earned a master's degree in public policy at Berkeley and a law degree at Hastings. He believed that Ms. Veneman could be of assistance to the University.

Regent Khachigian recalled that she and Regent Leach had worked closely together during their terms on the Board. She expressed her appreciation for his service to The Regents, most recently as a member of the UCSF Stanford Board of Directors.

Regent Davies observed that the resolution which had been adopted in appreciation of Regent Leach was an accurate portrayal of his importance to the Board. He expressed his great concern that both Regent Leach and Regent Khachigian would be departing at the same time, noting that the Regents would soon discover how much of a contribution they had made to the University.

Regent Miura expressed her appreciation to Regent Leach for the time he had invested in serving as a mentor to her.

Regent Connerly recalled that when he was first appointed as a Regent, he was counseled by Regent Leach to understand that the Board functions best as a team. He referred to the stabilizing influence which was provided by both Regents Leach and Khachigian.

Regent Kozberg observed that the Regents always listen when Regent Leach speaks. He is concise and even-handed, and he recognizes the importance of the institution to the state. Regent Lee continued that Regent Leach always knew how to ask the right questions.

Regents Preuss and Montoya also expressed their appreciation for Regent Leach's service to the University.

President Atkinson stated his intention to distribute Regent Leach's comments on agriculture to the Regents and to the President's Council on Agriculture and Natural Resources, as well as having them published in the appropriate University materials. He recalled that the President's Council on Agriculture and Natural Resources, which was established upon the advice of Regent Leach, had proven extremely valuable to the University and its mission. The President referred in particular to Regent Leach's calming influence on the Board's deliberations.

Regent Leach expressed his appreciation for the comments, noting his regret that he would be unable to participate in the Board's tribute to Regent Khachigian.

The meeting adjourned at 9:40 a.m.

Attest:

Secretary