

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

November 16, 2005

The Regents of the University of California met on the above date at the Clark Kerr campus, Berkeley campus.

Present: Regents Blum, Dynes, Gould, Hopkinson, Island, Johnson, Juline, Kozberg, Lansing, Lozano, Núñez, Parsky, Pattiz, Preuss, Rominger, Rosenthal, Ruiz, and Schilling

In attendance: Regents-designate Ledesma and Schreiner, Faculty Representatives Brunk and Oakley, Secretary Trivette, General Counsel Holst, Acting Provost Hume, Senior Vice President Darling, Vice Presidents Broome, Gurtner, and Hershman, Chancellors Birgeneau, Bishop, Carnesale, Córdova, Denton, Fox, Tomlinson-Keasey, and Vanderhoef, Auditor Reed, and Recording Secretary Bryan

The meeting convened at 8:45 a.m. with Chairman Parsky presiding.

1. **PUBLIC COMMENT**

Chairman Parsky explained that the Board had been convened as a Committee of the Whole in order to permit members of the public an opportunity to comment on University-related matters. The following persons addressed the Board concerning the subjects noted.

University-related Issues

- A. Ms. Megan McGuire, a UC employee, observed that while the salaries of top executives continued to increase, the staff had received little or no increase for several years. She pointed out the inequities in the pay levels for library assistants.
- B. Ms. Leona Thomas, a UC employee, stated that the University's clerical workers should be paid more.
- C. Ms. Tanya Smith, representing the UC Berkeley Labor Coalition, described hardships that staff were enduring, while executive compensation and student fees continue to increase. She believed that people more dedicated to working in the public sector should be sought for employment by the University.
- D. Mr. Scott Bailey stated that his union, Academic Student Employees, represents 12,000 students. The union's position is that fee hikes are unnecessary; the University just needs to change its spending priorities. He believed that the

University had been designed to lead the nation as an example of how to make higher education affordable.

- E. Ms. Kathy Young, a 20-year University employee, noted that the sustained lack of salary increases for technical and clerical workers had put many in financial difficulties.
- F. Ms. Stephanie Dorton, a UC employee, reported that her University job paid less than \$45,000 annually and was not increasing, which in the face of fee hikes had made it impossible for her to afford a UC education for her daughter.
- G. Ms. Holliday Cullimore, a UC employee, recalled that in 2003 the University had set aside \$20 million for clerical salaries, but the money was never paid out. She noted the high turnover in the library assistant ranks, which she believed harmed students and staff.
- H. Ms. Claudette Begin, representing the Coalition of University Employees, believed that management had made the issue of staff pay its least important priority. She reported that students and employees were rallying in Sproul Plaza in support of divestment and against student fee increases and sweatshops that manufacture clothing for the University.
- I. Mr. Kriss Worthington, Berkeley Vice Mayor, reported that the Berkeley City Council had endorsed a proposal stating that restoration of the 33 percent level for return to financial aid should be a high priority for the University. He pledged the support of council members in lobbying in Sacramento to achieve that goal.
- J. Ms. Nadeah Vali, a UC Davis student, urged the Regents to adopt a 33 percent return to aid policy and to lower student fees in order to prevent students from having to carry an unreasonably heavy debt load.
- K. Ms. Felicia Cruz, a UC Santa Barbara student speaking on behalf of Ms. Jeannie Biniek and Ms. Carolina Iraheta, believed that University management had misrepresented its proposed 30 percent return to aid for undergraduate students in that part of the money would be used to repay money taken away in the past and part was a one-time grant. The actual level, taking these factors into account, is closer to 26 percent.
- L. Ms. Marwa Rifahie, a UC Davis student, believed that students were being expected to work too many hours because of fee increases and cuts in financial aid.
- M. Ms. Leuren Moret, City of Berkeley Environmental Commissioner, was convinced that the University will not win the management contract for the Los Alamos National Laboratory. She was opposed to funding weapons-related research.

- N. Ms. Jackie Cabasso, representing Western States Legal Foundation, believed that the University should not be managing the Department of Energy laboratories as long as they are involved with nuclear weapons contracting. She advocated cleaning up the New Mexico environment and supporting jobs in the field of sustainable science.
- O. Mr. Jason Miller, a UC San Francisco student, supported divestment from companies doing business in Sudan. He commented that the Investment Advisory Committee had voted to ask the Office of the President to develop such a divestment strategy.
- P. Ms. Anya Sorin, a UC Berkeley student, reported that half the population of Sudan relies on humanitarian aid, as most crops have been destroyed. She believed that the divestment proposal that had been submitted to the President would not penalize companies that deliver humanitarian aid and be of minimal cost to the University.
- Q. Ms. Christina Ung, speaking on behalf of Congresswoman Barbara Lee, believed that the University had a moral obligation to act to end the human tragedy in Sudan by approving the divestment proposal. Through divestment, the University could put pressure on companies operating in Sudan. She noted that 2.5 million people in the region had been displaced and thousands had been killed.
- R. Mr. Emil Kuruvilla, a UC Irvine student representing Cough Campaign, believed it was wrong for the University to accept research funding from tobacco companies, noting that the companies could use the research for public relations purposes.
- S. Ms. Lexa Grainer, a UC Berkeley student representing United Students Against Sweatshops, presented a proposal demanding that UC apparel and uniforms be produced in designated sweat-free factories that give workers a voice on the job and permit them to bargain for a living wage.
- T. Mr. Murray Morgan stated that there should be a cap on UC management salaries.

2. **REMARKS OF THE PRESIDENT**

President Dynes reported that Vice President Hume had agreed to serve as Acting Provost and that Faculty Assistant to the Provost Justice would serve as Interim Vice President for Student Affairs during the ongoing investigation of the involvement of Provost Greenwood and Vice President Doby in a possible conflict of interest. Conclusions resulting from the investigation will be reported to the Board.

President Dynes recalled that a decision is expected in early December regarding the awarding of the management contract for the Los Alamos National Laboratory. The

University chose to compete for the contract in the belief that it could make a vital contribution to the country by applying scientific excellence to national security.

The President touched briefly on compensation practices at the University. He announced the creation of a website that contains details about the topic. The University is in an intensely fierce market for talent at all levels of the institution. Despite the fact that State funding for salaries has been seriously constrained, limiting the University's ability to provide systematic raises in recent years, and the fact that the University's workload has been increasing, spending on administration as a proportion of the total budget has been decreasing. He believed that the University must stay competitive in attracting the best people but that it should do a better job of informing the public as to how it hopes to accomplish that goal. He announced his intention to ask a small group of individuals to review the issues and advise him as to whether new policies should be adopted to govern the disclosure of UC compensation at all levels. The review will be co-chaired by Regent Kozberg and former Speaker of the Assembly Hertzberg. As an interim step, some immediate reforms will be made, including posting all closed session salary actions of The Regents on the internet, consistent with any confidentiality requirements; agenda items will include a description of the total compensation being proposed for a position or individual coming before The Regents for salary action; The Regents will be provided annually, rather than throughout the year, with a single package of information summarizing the total compensation of University leaders and including any outside income they receive; regular random audits of the administrative funds, travel expenses, and entertainment reimbursements of the President, chancellors, vice presidents, and Principal Officers of The Regents will be initiated; and policy adjustments will be explored to ensure greater consistency in the use of administrative funds across the various campuses. The President expressed the hope that these additional measures would help to make the University's actions clearer to the public and the University community. He recalled that at this meeting the Board would revisit a proposal from the previous meeting to set the goal of bringing all UC employees to market-competitive salary levels within ten years, which will be crucial to attracting and retaining the best people.

President Dynes reported that the day would begin with a series of discussions leading up to the Regents' consideration of the budget proposal for the 2006-07 year. At the September meeting, long-term indicators were discussed which measured the University's progress against its goals. Solutions, as well as problems, will be presented at this meeting. The foundation for this discussion is the recognition of what the University does for California, which would be a different state without the companies and jobs created by UC research, UC alumni who are creating the next wave of innovation for the state's culture and economy, the 60 percent of California medical students who receive training in UC medical schools, the University's programs in agriculture and K-12 education and environmental stewardship, and its contributions in hundreds of other areas. Over the last several years, the University has endured the effects of a State budget crisis which left the University with a 15 percent decline in State funding, while student enrollments increased 19 percent, resulting in what amounts to a 34 percent budget cut. The Compact with the Governor is a step toward recovery. It provides basic stability and

modest increases in State funding over the next several years. The challenges of the next few years go beyond the State budget problems, and the solutions must go beyond the Compact. There is a long-term funding problem facing higher education nationally. In 1985, the State contributed about \$15,500 in today's dollars to the cost of education for each UC general campus student. Twenty years later, the State contribution is \$9,500, a 40 percent decline. Over the same period, due to budget constraints and the University's and State's commitment to accommodate dramatic undergraduate enrollment growth, graduate enrollments have not kept pace, placing the University at a serious competitive disadvantage. The federal funding that has been crucial to the research enterprise is leveling off, and the growing federal budget deficit suggests even tighter years ahead. State research funding has been cut 25 percent in recent years, and there are ongoing funding gaps relating to the student-faculty ratio, salaries, libraries, technology, and other infrastructure that supports the academic enterprise. These issues call into question whether the University of California will be able to continue serving the state as well as it has historically. The University's quality and the magnitude of the University's contribution to California are at risk.

Chairman Parsky applauded President Dynes for his remarks. He commented that maintaining quality and competitiveness at the University must not be placed on the backs of students. The Governor and Legislature needed to fulfill their obligations toward the institution.

The meeting adjourned at 9:30 a.m.

Attest:

Secretary