

The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY

March 16, 2005

The Committee on Educational Policy met on the above date at Covell Commons, Los Angeles campus.

Members present: Regents Anderson, Dynes, Hopkinson, Johnson, Kozberg, Lansing, Lozano, Marcus, Novack, Parsky, Ruiz, and Sayles; Advisory members Juline, Rominger, Rosenthal, and Blumenthal

In attendance: Regents Blum, Lee, Ornellas, Pattiz, and Wachter, Faculty Representative Brunk, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost Greenwood, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Doby, Drake, Foley, Gomes, Gurtner, and Hershman, Chancellors Birgeneau, Bishop, Carnesale, Cicerone, Córdoba, Denton, Fox, Tomlinson-Keasey, Vanderhoef, and Yang, Laboratory Director Anastasio, University Auditor Reed, and Recording Secretary Nietfeld

The meeting convened at 10:45 a.m. with Committee Chair Kozberg presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Regent-designate Juline called attention to a statement by Vice President Hershman in the minutes of the meeting of January 19, 2005 that “the percentage of the University’s total academic budget coming from the State, excluding hospitals, Department of Energy laboratories, and auxiliary enterprises, is about 25 percent.” It was requested that Vice President Hershman clarify this statement for Mr. Juline. Then, upon motion duly made and seconded, the minutes of the meeting of January 19, 2005 were approved, subject to the clarification requested by Regent-designate Juline.

2. MASTER PLAN PARTNERSHIPS: A PRESENTATION ON STUDENT FINANCIAL AID AND CAMPUS-BASED STUDENT FEES

Regent Kozberg recalled that the Committee had had a series of discussions relating to the Master Plan for Higher Education. She noted that presentations at this meeting would focus on financial aid, affordability, and health care. She invited Ms. Jennifer Lilla, the president of the University of California Student Association (UCSA), to offer her comments.

Ms. Lilla presented a series of questions and answers. She recalled that on February 7, 2005, UCSA had held its annual lobby day in Sacramento. Students had collected over 5,000 checks representing their expected debt load upon graduation; the sum of these checks was more than \$200 million of debt, or \$64,000 of debt per student. While data are not available on the average level of debt students incur, college-bound student family income levels appear to be declining, and this is particularly true for underrepresented minorities. Low-

and moderate-income parents often do not contribute at the levels projected in UC models. The implementation of a \$4,000 professional fee increase on incoming public health students will affect their future indebtedness because public health workers, on average, earn \$39,000 per year. Fee increases may push many professional students away from public service. Most UC graduate and professional students spend more than the recommended 30 percent of income on housing, due to the high cost of living and the lack of on-campus housing.

Ms. Lilla noted that the average cost of attendance per year for a UC undergraduate totals \$19,434; this figure includes fees, the cost of books and supplies, transportation, room and board, and health care. She suggested that the cost be looked at in the context of California's median income of \$53,000 per year. She added that the cost to attend a UC campus is \$3,800 more than other institutions in the western United States. The average cost of attendance at four-year public institutions in this region is \$15,691, while the national average is \$14,000. Ms. Lilla recalled that at the January meeting the Committee had discussed the importance of graduate education. Graduate students represent 23 percent of the student body at the University of California; the figure is 34 percent at its public comparison institutions and 59 percent of total enrollment at the private comparison institutions. The ratio of graduate to undergraduate students affects educational quality for both sets of students. Turning to budget issues, Ms. Lilla reported that the Legislative Analyst had recommended a reduction of \$9.4 million in funding for enrollment growth. Enrollment targets are also recommended. She believed that the methodology used by the Legislative Analyst had not taken into account the effects of Tidal Wave II and the growth in minority populations. The Legislative Analyst has also recommended that the University's return to aid on fee increase revenue should be abandoned as unnecessary, given Cal Grant responsiveness to fee increases. Ms. Lilla urged the Regents to consider what the University of California will look like in 2020.

Provost Greenwood recalled that when the Master Plan was adopted in 1959, fees were low at \$120 systemwide, plus \$10 to \$15 of campus-based fees. Most UC students lived at home, and almost no financial aid was available. The present circumstances are quite different: fees are substantially higher, 90 percent of undergraduate students live away from home, and much more financial aid is available. Under the Master Plan, the University has a commitment to serve all eligible students in the top 12.5 percent of high school graduates in the state. This commitment is meaningful only if UC is affordable to students at all income levels. At present, 83 percent of all grants and scholarships to UC students are awarded based on need. Provost Greenwood explained that the University considers the following three aspects of affordability:

- Whether low-income students are able to enroll and graduate
- The net cost after financial aid should be comparable with other institutions
- The amount students are expected to contribute from work and borrowing should be manageable

Provost Greenwood outlined the definition of “manageable” as used in this context. Students’ work should not impede their academic performance and progress; work should be limited to six to twenty hours per week during the school year, plus full-time work in the summer. Students should be able to manage their debt upon graduation, with loan payments that require no more than five percent to nine percent of starting salary, estimated at \$44,000 per year. In order to manage financial aid to achieve affordability, which is taken in the context of the student’s total cost of attendance, there must be a partnership among students, parents, the State and federal governments, and the University. Students are expected to work and to borrow at a manageable level, while parents should contribute according to their ability to pay. The total cost of attendance for 2005-06 will be \$22,100, of which systemwide fees make up 28 percent and campus fees 3 percent. Students are expected to contribute \$9,500 to their education, regardless of parental income. Students have the flexibility to choose the right balance between work and borrowing. They can also lower their expected contribution by spending less on discretionary items or by obtaining a scholarship. Last year, one in four needy students received a scholarship worth, on average, \$3,400, reducing the expected contribution to \$6,100.

Provost Greenwood explained that the parental contribution is based upon the ability to pay; families with incomes below \$20,000 are not expected to contribute, while parents who earn \$80,000 and above are asked to contribute \$12,200. Over 30 percent of the parents of needy dependent students had no parent contribution in 2003-04. Parents are not expected to finance their contributions from current income alone. They may draw upon savings and borrow from the federal government at a low interest rate. Federal income tax credits and deductions are also available to families.

Grants are used to cover any remaining gaps in support for students, and they totaled \$558 million in 2003-04. Federal grants represent 29 percent, Cal Grants 35 percent, and grants from the University of California are 36 percent. UC students also received \$139 million in scholarships and other benefits in 2003-04, which helps to maintain affordability. Provost Greenwood displayed a series of charts designed to address the question of whether or not the University is really affordable. She noted that even in the lowest income category, 26 percent of students do not borrow; the figure rises to 73 percent for students whose family income is over \$120,000. A large percentage of students who borrow graduate with manageable debt. Another aspect of affordability is work; about 40 percent of undergraduates do not work at all. Provost Greenwood displayed a chart which illustrated the enrollment of low-income students as a percentage of the student body, noting the success of the University compared with other institutions. The persistence and graduation rates of students are comparable regardless of parental income, although the students in the low-income category take slightly longer to graduate.

Provost Greenwood described some of the challenges the University faces when it attempts to make comparisons of affordability with other institutions. The data are limited to published information, and the information about aid at other schools is delayed. Most other schools exclude certain items from published costs, such as health insurance or

transportation, while UC includes everything. Because of the University's financial aid program, the cost for a student to attend UC is actually lower than most of the comparable institutions.

In concluding her presentation, Provost Greenwood noted that the University believes that students who borrow graduate with manageable debt and that students who work are working manageable hours. Low-income students are enrolling in large numbers and are graduating. The data suggest that UC is meeting its Master Plan commitment to be financially accessible. Financing a UC education, however, can be difficult. The parental contribution is often demanding, while the student's contribution from loans and work has increased. The Provost stressed the critical importance of communicating UC's affordability to students and their families through a variety of programs and multilingual publications.

Vice President Doby recalled that campus-based fees represent three percent of the total cost of attendance. Their impact on the quality of student life is greater than this would suggest. Campus-based student fees represent a partnership between students and the campus to support co-curricular, non-instructional aspects of the student experience, as these are not supported by the State. Under the Master Plan, students have a responsibility to pay fees sufficient to cover the operating costs of services not directly related to instruction. Such services include laboratory fees, student health services, intercollegiate athletics, and student unions. Their creation and use are determined by student referenda to support programs and facilities which the students themselves believe are important to the quality of life. The fees vary widely from campus to campus in purpose, number, and amount. Without these fees, the campuses would be largely devoid of places where students can interact outside the classroom. These facilities serve to strengthen the University's competitiveness with its public and private sector peers. Since 2000-01, 88 fee referenda have been presented to a student vote; of those, 54 were approved.

Vice President Doby introduced Ms. Janina Montero, UCLA Vice Chancellor for Student Affairs, and UCLA graduate student Antonio Sandoval to present some details about the Student Activities Center on the Los Angeles campus. Mr. Sandoval informed the Committee that two referenda had been held on the retrofitting of the facility, which was damaged in the 1994 Northridge earthquake. Due to a lack of student investment in the proposal, the 1999 referendum was defeated. This defeat caused campus administrators to develop a better working relationship with the students. A new proposal was submitted and endorsed by the students in 2000. The building will serve as a legacy to future generations of students.

Vice Chancellor Montero explained that the Student Activities Center is a multi-purpose facility that houses, among others, student-designed academic service programs, the graduate student resource center, the Lesbian/Gay/Bisexual/Transgender resource program, and the ROTC programs. The building provides meeting space for students and other community members, a swimming pool, a basketball court, and lockers. Student involvement and oversight remain central. The governance board meets regularly to review the needs of the

building and implement policies to ensure that the building and the programs are consistent with the intent of the referendum. The facility contributes to the quality of life at UCLA by fostering collaborations and efficiencies and allows students to save time as they go about their academic and community work. Ms. Montero emphasized the importance to the students of their participation in the referendum as an effective example of shared governance. Students were involved in the design of the project and gathered information about the needs of the differing constituencies.

Vice President Doby displayed a chart of undergraduate campus-based student fees in 2004-05, which range from \$272 at Berkeley to \$1,200 at Davis, with a systemwide average of \$620. For graduate students, the range is from \$272 at Berkeley to \$728 at Santa Cruz. The total cost of attendance at Berkeley, however, is more than the total cost at Davis due to higher costs of room and board, books, supplies, transportation, and health insurance.

Regent Hopkinson observed that while the University had done a good job of providing financial assistance to low-income students, the system was fragile. She was concerned that attention was not being paid to students who do not receive financial aid. Such inattention could harm the University's ability to attract high-quality students, given the increase in fees. She believed that high fees would continue to affect middle-income students. She was also concerned about students who do not fit within the context of "average." She noted that the ability to manage debt following graduation is often based upon the career which the student chooses.

Provost Greenwood observed that while the University attempts to deal with all students relatively fairly across income groups, middle-income students are most affected by fee increases. One of the ways to address this concern would be to put a greater emphasis on fund raising for scholarships. In response to a comment by Regent Hopkinson, Provost Greenwood explained that the fact that students are expected to work 6 to 20 hours per week is based upon research that shows that students who work more are likely to have academic difficulties. The Provost summarized some general concerns which she would investigate. She recalled that low-income students report that their families are not able to contribute to the cost of their education, something that is not accounted for in any of the federal models. Another issue is the ability of students to manage their debt. Regent Hopkinson suggested that student fees should also be addressed.

While Regent Lansing agreed that students should be expected to work, she also believed that more than six hours of work per week could be onerous for a student. She expressed concern that some students who were eligible under the Master Plan to attend the University were not applying because they did not believe they could afford to attend. She noted that private universities were able to provide private scholarships, while UC is not. She asked that a group be formed to address the issue of how to increase the number of scholarships available to all students, similar to the stem cell initiative.

Regent Anderson emphasized the impact that the return-to-aid policy has on the amount of financial aid that is available to students. She suggested that the annual report on student financial aid should look at the data in a more disaggregated fashion and examine more carefully issues such as debt burdens and work trends within the framework of financial aid policies. She suggested that a group be formed to look at these issues in depth. Regent Anderson asked what effect tax policies might have on the actual cost of attendance for middle-income and upper-income students.

Provost Greenwood pointed out that there is no way to obtain information about tax returns. It is true, however, that these tax credits are generally targeted towards the middle class. She assured Regent Anderson that the vice chancellors for student affairs were actively examining issues that relate to financial aid.

Regent Sayles associated himself with the comments from Regents Hopkinson and Lansing. He observed that students whose parents earn more than \$80,000 per year receive no grant assistance from the University. He believed it would be important to understand how this fact may affect students' ability to afford to attend UC. Associate Vice President Galligani commented that the federal government takes into account a series of factors in determining financial need, such as the number of siblings in college. Provost Greenwood added that family residence is no longer taken into consideration by the government as an asset.

Regent Sayles asked whether there was any correlation between lower academic preparation and the number of hours a student is expected to work. Provost Greenwood responded that these students are strongly counseled to work fewer hours and to borrow more. In response to a question about the students who work more than 20 hours per week, the Provost speculated that they may be seniors who wish to reduce their debt load or students whose work has a connection to their field of study. This group also reports spending more.

In response to a comment by Regent Lozano, Provost Greenwood acknowledged that the decrease in funding for academic preparation programs made communication with underrepresented minority students and their families more difficult.

Regent-designate Juline pointed to data showing that 25 percent of all graduates exceed 110 percent of the minimum number of units required to graduate. The rate is nearly 50 percent for six-year students. Provost Greenwood noted that many of these students are double majors, while others have changed their majors. In addition, students enter the University with advanced placement units from high school. This issue was raised by the Governor in negotiations over the compact. The University is required to develop a plan to charge students for excess units. The faculty are concerned that such a policy would disproportionately penalize students who participate in programs such as education abroad.

3. HEALTH SCIENCES EDUCATION: PLANNING FOR THE 21ST CENTURY

Vice President Drake recalled that, in response to a request from former President Atkinson, he had initiated an assessment of California's health workforce needs to help guide health sciences enrollment planning and decision-making over the coming decade. He acknowledged the contributions of the Health Sciences Committee, a long-standing subcommittee of the Academic Planning Council, which produced seven white papers containing findings and recommendations relevant to state health needs and the University's health sciences programs, as well as the contributions of the staff in the Office of Health Affairs. Dr. Drake recalled that the University operates 15 health sciences schools and 5 hospitals; these programs are among the leading programs in the nation, particularly in research but also in clinical and primary care. There has been no significant increase in health sciences enrollment at the University over the past 25 years; by comparison, the undergraduate enrollment grew by 70,000 students, and the state's population increased by 10 million people.

Vice President Drake outlined the process which was undertaken during the three-year study. Its purposes were the following:

- To create a demographic profile of California's population in 2002 and 2015;
- To compile a current profile of physicians practicing in California;
- To identify and discuss factors affecting the state's physician supply in the coming decade;
- To identify and discuss the factors affecting demand for physicians' services through 2015;
- To forecast and compare future physician workforce supply and needs; and
- To advise on the steps necessary to ensure an adequate supply of physicians in California through 2015 and beyond.

In the 2000 census, California's population was 34.7 million; it increased by 15 percent between 1990 and 2000, compared to 13 percent for the United States. The population of minorities and the elderly in California grew at twice the state's overall rate. The population is projected to increase by 22 percent between 2002 and 2015. Vice President Drake displayed projected population growth by region for this period, emphasizing the fact that the largest growth will occur in the Central Valley and Sierra, the South Valley and Sierra, and the Inland Empire. There are about 90,000 physicians with active licenses in the state, of whom 66 percent are non-Hispanic white. Only about one-quarter of the doctors practicing medicine in the state earned their medical degrees at a California school, with UC training two-thirds of that quarter. California ranks 38th among the 46 states with medical schools in the number of medical school graduates per 100,000 population, training about 16 students per 100,000 people. The national average is 28. Dr. Drake commented on the necessity to address medical education in 2015 because of the length of time that is required to obtain a degree, which ranges between 10 to 18 years. Programs such as the science and

mathematics initiative are important to increase the size and the diversity of the pool of medical school students.

The Health Sciences Committee was asked to develop a simple forecasting model for physician supply and demand, using historical data to inform forecasting models. One model assumed that there will be a constant insurance environment, while the other used an expanded insurance environment, with all Californians using healthcare services at about the same rate.

Vice President Drake explained that the following are among the findings of the Health Sciences Committee:

- The current statewide shortages of health care providers will continue to worsen. Studies predict major shortages of physicians, nurses, public health workers, pharmacists, and veterinarians in California within the next 10 to 15 years, including a shortfall of up to 17,000 physicians (equivalent to a 15.9 percent shortage) by 2015; and of 60,000 registered nurses by 2020, including significant shortages of nursing faculty.
- Ethnic diversity and cultural and linguistic competence are proven to have an effect on health care delivery and are currently lacking within the health professions. Latinos, African Americans, and Native Americans are significantly underrepresented among UC health sciences students and faculty and among clinically active health providers statewide.
- UC health sciences programs lead the nation in teaching, clinical care, and research, and its health sciences faculty comprise outstanding teachers and researchers, including seven Nobel laureates. UC's biomedical and health science research activities are highly regarded nationally and internationally, garnering over \$1 billion in grants from the National Institutes of Health in fiscal year 2003 alone and placing UC faculty and programs in the top tier nationally in total research funding.
- UC medical centers, hospitals, and clinics represent the fifth-largest health delivery system in California, providing an estimated 3.6 million outpatient visits, 239,000 emergency room visits, and 135,000 inpatient admissions each year. As the second largest Medi-Cal provider in the state, the UC system makes major contributions toward meeting the needs of insured, underinsured, and uninsured Californians through a wide range of programs and state-of-the-art health services.
- Budget cuts continue to cause major challenges in sustaining quality within UC's health sciences programs. As the health professions schools absorb unprecedented budget cuts, their faculty face escalating demands for increased productivity in clinical settings, diminished time for teaching, and near-term faculty shortages. In addition, infrastructure and capital needs are increasing throughout the UC system.

Many teaching, research, and clinical care facilities are aging or no longer meet current standards for seismic safety, suitability for teaching, or clinical purposes.

- Recent student fee increases will have immediate and long-term negative effects for both students and the communities they will serve. Fee increases and heavier debt loads will discourage many students who come from educationally and financially disadvantaged backgrounds from pursuing a health sciences education at UC; in addition, the students will be less likely to consider practicing in medically underserved areas, hindering state efforts to improve access to care.
- Enrollment opportunities in most UC health professional programs have not increased for more than two decades. California now leads the nation in the number of medical students who must leave the state to attend medical school. In fact, more California students now enroll in medical schools outside of the state than in it. Opportunities for veterinary school education in California are among the lowest in the nation. And, since enrollment in UCLA's baccalaureate nursing degree program was suspended in 1995, college-bound high school graduates have not had the option of pursuing an undergraduate degree in nursing within the UC system.
- The recruitment of underrepresented educators and researchers continues to be a major challenge in developing successful strategies for addressing disparities in health status and the needs of medically underserved communities. UC will need faculty who are able to care for diverse patients and teach students from diverse backgrounds, as well as teach and demonstrate the importance of cultural and linguistic competence; act as mentors and role models; and encourage underrepresented minority students to consider health sciences careers in general, and academic and research careers in particular.
- Shortages of faculty are expected as the number of health professionals interested in faculty careers appears to be declining and as faculty retirement rates continue to exceed the number of available new graduates. In recent years, the recruitment of faculty in veterinary medicine, dentistry, nursing, optometry, and pharmacy has become increasingly difficult due to limits in post-graduate training opportunities, small candidate pools, salary limitations, and rising costs of living.
- Efforts to preserve and improve faculty morale must continue. Health sciences faculty play multi-faceted roles. They are expected to be increasingly productive fiscally in both the clinical and research arenas, and to advance within the academic system as they do so. Challenges in meeting the growing demands of various public and regulatory bodies add to overall workloads, and require faculty time and expertise, but frequently this occurs without sufficient "release time" from teaching, patient care, or research responsibilities.

Vice President Drake outlined some options for addressing physician shortages:

- Increase medical school capacity and degree-producing programs;
- Increase the training of residents;
- Provide incentives for physicians to settle in California.

There is a need for programs and policies to increase diversity among healthcare providers and to address the distribution of physicians within the state. The first next step is to increase capacity at existing medical schools and replace some of the losses sustained in the early 1980s. The Program in Medical Education (PRIME), first implemented at the Irvine campus, is intended to complement the current curriculum and produce culturally and linguistically competent physicians to address needs in underserved communities. Programs are being developed at the Davis, San Diego, and San Francisco medical centers.

The committee's report will be forwarded to the Long Range Planning Team that was appointed by President Dynes. The report will be one of a series of white papers that the planning team will consider. The committee's report will be submitted to and reviewed by the Academic Planning Council and the University's leadership.

Committee Chair Kozberg asked about the capacity for the University's medical centers to grow within the parameters of the existing facilities and faculty. Vice President Drake estimated that medical schools could expand by about ten percent. PRIME is intended to accommodate this growth.

Regent Hopkinson observed that the financial structure of a medical education is complicated. She asked that the Long Range Planning Team be provided with information on the educational costs for medical students. Dr. Drake stressed the importance of understanding how medical students finance their debt loads. Physicians with a high level of debt tend to choose more lucrative specialties.

In response to a comment from Regent Ruiz, Provost Greenwood explained that during the impact of Tidal Wave II the University had moved toward over-all enrollment planning. The major policy directive was to accommodate the top 12.5 percent of high school graduates, which produced a negative effect on academic graduate student enrollment. With respect to medical school professional enrollment, the Provost noted that there had been a concern that the state was overproducing physicians, which led to the constant state reported by Vice President Drake. She saw the need for more emphasis on graduate enrollment.

Regent Johnson was concerned about the lack of diversity within the healthcare profession. She believed that students, particularly in the underserved Central Valley, should be encouraged to enroll in the types of courses which would prepare them for a medical education. Vice President Drake acknowledged that the entire system is broken. It needs to improve to a level where all patients can expect to get the same treatment, which has never been the case in this country.

4. **QUARTERLY REPORT ON PRIVATE SUPPORT, SECOND QUARTER, OCTOBER 1 - DECEMBER 31, 2004**

In accordance with the Schedule of Reports, the **Quarterly Report on Private Support** for the period October 1 through December 31, 2004, was submitted for information.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

Senior Vice President Darling recalled that at the January meeting he had underscored the importance of private giving to the University's academic and financial health. He noted that fund raising is a high priority at each of the campuses and within the Office of the President. Since 1994, the University of California has increased private giving from \$400 million to in excess of \$1 billion in each of the last four years. The University has received \$633 million in the first half of the fiscal year, which represents an increase of \$107 million over the first half of 2003-04. The University of California system leads the nation among all universities, public or private. Four campuses ranked in the top 50. Among public research universities, the Los Angeles and San Francisco campuses were in the top ten, while Berkeley and San Diego were in the top twenty.

Senior Vice President Darling invited Chancellors Denton and Birgeneau to comment on fund raising efforts on their campus. Chancellor Denton observed that the following characteristics define the power of philanthropy:

- It promotes innovation;
- It influences and shapes the future;
- It fuels state and global economies; and
- It provides alternatives to traditional funding models.

Because the State provides only one-third of the Santa Cruz campus' budget, private support is essential to the campus' future success. She recalled that the Office of the President had begun investing in development at Santa Cruz in 1998, since which time giving has increased dramatically. Alumni giving to UCSC also grew in that period. The Chancellor observed that donors wish to be engaged with the academic institution in order to support excellence. The Santa Cruz campus is first in the nation for the impact of its academic research in the field of space sciences and first in the nation among public universities for the quality of its research productivity in the social sciences.

Chancellor Denton presented details of the first campuswide fundraising endeavor, the Cornerstone Campaign, initiated by then-Chancellor Greenwood, a \$50 million campaign to celebrate the 40th anniversary of the campus. Notable gifts included \$17.5 million from the Gordon and Betty Moore Foundation for the thirty-meter telescope project and \$4 million for marine microbiology research, \$6.5 million from Texas Instruments for research laboratories and administrative offices, and \$1.4 million from Kit Mura-smith for

scholarships and the library. Chancellor Denton announced that, as of March 14, 2005, \$55 million had been raised.

The next step will be a comprehensive campaign which will build on the success of the Cornerstone Campaign. The intention will be to sharpen institutional vision and priorities, increase the campus' visibility, and boost the capacity to recruit and retain top students and faculty who represent the demographics of the state of California. The campaign will unify the campus in aggressive fund raising and help to build a culture of philanthropy. The Chancellor commented that she plans to establish a campaign executive committee. The campus will strengthen its Silicon Valley presence and continue with its basic philanthropic work.

Chancellor Birgeneau recalled that private support had been important to the Berkeley campus throughout its history. In 1957, Mr. William Power, a graduate of the class of 1930, made a gift of \$25. In 2003, he made a bequest to the campus of \$47.5 million, which was invested in campus priorities such as graduate fellowships, Latin American studies, neuroscience, and athletics. The Chancellor described previous successful fundraising efforts at Berkeley, which included "Keeping the Promise" and the "New Century Campaign," which raised \$1.4 billion. In order for Berkeley to continue in the leadership role it plays both nationally and internationally, there will be a need for significantly increased private resources. The campus is in the preliminary stages of a new campaign. Chancellor Birgeneau discussed how the revenue base had changed from 1978-79, when it received 53 percent of its budget from the State, to 2003-04, when the State provided 35 percent. In 2003-04, private support contributed 17 percent of the campus' revenue; of that, \$73 million is in the form of income from the endowment. The campus received \$74 million in restricted gifts, \$5 million in unrestricted gifts, and \$70 million in contracts and grants. The endowment income is used to fund student financial aid, instructional and academic support, research, and institutional support. Increased support for financial aid will be an emphasis of the next campaign in order to guarantee accessibility to the University. Philanthropy also supports faculty; endowed chairs have been and will continue to be a high priority. The Berkeley campus has been ranked as second in the world; the goal is to widen the gap.

The meeting adjourned at 12:50 p.m.

Attest:

Secretary