

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

March 15, 2006

The Regents of the University of California met on the above date at Covell Commons, Los Angeles campus.

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

In attendance: Regents-designate Coombs, Ledesma, and Schreiner, Faculty Representative Oakley, Secretary Trivette, General Counsel Holst, Interim Treasurer Berggren, Senior Vice Presidents Darling and Mullinix, Acting Provost Hume, Vice Presidents Foley, Gomes, Gurtner, and Hershman, Chancellors Birgeneau, Bishop, Carnesale, Córdova, Denton, Drake, Fox, Tomlinson-Keasey, Vanderhoef, and Yang, Laboratory Director Anastasio, Acting Laboratory Director Kuckuck, and Recording Secretary Bryan

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

1. **REMARKS OF THE CHAIRMAN**

Regent Parsky expressed concern that there may be a general misunderstanding of how the Board conducts its business. He explained that Committees take actions only to the extent that those actions are forwarded as recommendations to the Board. The full Board makes the final decisions on those recommendations. He commented that the reason the Committee recommendations on compensation matters are acted upon in closed session is because discussions that take place in arriving at the Committee recommendations involve, among other matters, evaluation of the performance of individuals. In the context of such evaluations, individuals are entitled to protection of their privacy interests. As a result, such discussions are exempt from open meeting requirements under the Education Code, which permits closed sessions for “appointments, performance, and compensation of University personnel.” When recommendations for the President, chancellors, vice presidents, and principal officers of The Regents are ready for final action, they are acted on in open session. Action for others whose compensation is properly acted on by The Regents in closed session, including full details of their compensation packages, is reported after approval by the Board so that the public is fully informed. These practices conform specifically to the Education Code and are embodied in the principles of executive compensation adopted by The Regents in 1992 and 1993. The Regents also take up other items in closed session. The basis in law for this has been reviewed carefully, and the appropriate statute is cited and is available to the public. All items for the agenda are reviewed by the General Counsel, who reports to The Regents as well as to the President, to determine that they meet the statutory exceptions to the open meeting law that permit closed sessions and to verify that each item is noticed

properly for closed session. Moreover, each of the items as well as all other items on the agenda have been properly titled in accordance with the requirement that a brief general description be provided for each. He emphasized that The Regents has a strong record of conducting its business in compliance with open meeting law requirements. He stated that suggestions to the contrary reflect a misunderstanding of that law as it applies to Regents meetings and are without foundation, and to the extent that the media ignores the law and the protection of individuals' privacy rights, it is irresponsible.

2. PUBLIC COMMENT

Chairman Parsky acknowledged a request from Senator Abel Maldonado, of the 15th District, representing the counties of Santa Barbara, San Luis Obispo, Monterey, Santa Clara, and Santa Cruz, to address the Regents and invited him to the Board table.

Senator Maldonado thanked Chairman Parsky and Regents Hopkinson and Kozberg for representing The Regents in recent hearings in Sacramento before the Senate Committee on Education, President Dynes for his testimony there, and staff and students for their input concerning recent University issues.

Senator Maldonado sought support for two pieces of legislation that he was authoring – SB 1181 and SB 1571 – which bring greater accountability, transparency, and disclosure to California's higher education system. SB 1181, the Higher Education Compensation, Transparency, and Disclosure Accountability Act, requires that UC, California State University, and the community college system provide the California Postsecondary Education Commission with the information necessary for an accurate study on total compensation, including salary, benefits, and perquisites. There needs to be an independent body that reviews this information and presents it in a non-biased way to the public and the Legislature. He believed it was a common-sense measure that would help the higher education system in California. The second bill, SB 1571, the Higher Education On-Line Disclosure Act, would require the three segments of higher education to post on their web sites their governing board policies for setting and adjusting compensation and approving transfer, separation, and settlement agreements for all employees. This bill also requires that each system report the total compensation of executive and senior level administrative positions on both the system and campus levels. It is modeled after similar provisions that have been implemented recently for publicly traded companies following recent scandals. Both bills will be heard by the Senate Education Committee meeting in April. He asked that Regents lend their support and designate a representative to speak in support of these bills at the hearing.

Senator Maldonado asked that the establishment or expansion of "job slotting" be deferred until the joint Legislative audit report is complete. He believed that job slotting gives too much unilateral authority to the UC President without an adequate checks by The Regents.

Senator Maldonado concluded his remarks by emphasizing his desire for the University to continue to be the best in the world. He believed the bills he described would fill a

basic need to reaffirm the principles of disclosure, transparency, and accountability for higher education.

Chairman Parsky then 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.

Item 303, Committee on Educational Policy: Education Abroad Programs: Travel Advisory Policy Review

- A. Ms. Talia Kaufman, speaking on behalf of Assemblymember Levine, expressed support for reopening the Education Abroad Program in Israel. She believed that the situation in that country had stabilized sufficiently that it would be appropriate to offer to students the valuable experience of studying there.
- B. Ms. Tzivvia Getzug, Senior Vice President of Public Affairs for the Jewish Federation of Los Angeles, believed it was inaccurate to assume that students and their parents do not understand and are not willing to take responsibility for the risks of studying in Israel.

Item 9C, Special Committee on Compensation: Consideration of Future Reinstatement of Contributions to the University of California Retirement Plan

- C. Ms. Mary Higgins, representing the Coalition of University Employees, reported that the goal of funding the retirement system at between 95 percent and 110 percent exceeded the level required by the Internal Revenue Service. She believed that resuming contributions would adversely affect lower-paid employees.
- D. Mr. Clif Fried, representing University Professional and Technical Employees, reported that throughout his 40-year career he had relied on the stability of the University's retirement system, which The Regents' actuary had reported as being adequately funded until 2015. He requested the Regents to postpone voting on the issue.
- E. Ms. Lekeesha Harrison, representing AFSCME, commented that the University's lower-paid workers will face a pay cut of \$160 if retirement contributions are reinstated. She believed that decisions about the pension contribution should not be made until contract bargaining is completed and until the pension plan is no longer over-funded.

Board: Divestment of University Holdings in Companies with Business Operations in Sudan

- F. Mr. Adam Sterling, representing the UC Sudan Task Force and speaking also on behalf of Mr. Kevin McCoy and Ms. Nicole Reamey, thanked the Regents and the Sudan Study Group for their work on the divestment recommendation, which is supported by students, federal and State politicians, and two UC alumni associations. He advocated endorsing the recommendation in its entirety, including the nine companies to be specified.
- G. Ms. Carlos Feliciano, President of the ASUC, Irvine campus, reported that Irvine students had passed a resolution in support of divestment from Sudan. Also he encouraged the Regents to consider increasing financial aid to match fee increases and to keep professional schools affordable particularly for those preparing for public service careers.

University-related Matters

- H. Mr. Joe Bishop, a doctoral student at UC Santa Barbara, contended that the quality of the University is measured not by salaries but by the passion and commitment of its students, faculty, staff, and administration. He urged the Regents to question the logic that salary and compensation are related to an individual's scholarly and leadership ability.
- I. Mr. Maurice Bell, a UCLA student speaking also on behalf of Mr. Lucero Chavez, reported that he was the director of a project sponsored, funded, and evaluated by the Student Initiated Access Center, one of the largest student-initiated academic programs. He believed that its programs were essential for ensuring access for underrepresented students.
- J. Mr. Dante Cruz, a UCLA student, reported that in high school he had participated in an access project which prepared him for college and that now, as part of that project, he tutors other students.
- K. Mr. Erik Bayona, a UCLA student speaking also on behalf of Mr. Matt Bukirin, discussed the impact of student-initiated access projects, which he reported provide opportunities for students to interact with communities. The experience provides new learning experiences and fosters responsibility.
- L. Ms. Anu Joshi, President of the UC Student Association, acknowledged Regent Johnson for receiving a UCSA Student Lifetime Membership Award. She hoped that Regent Johnson's collaboration with students would inspire other Regents to work more closely with them.
- M. Mr. Sean Murphy, a UCLA student speaking also on behalf of Mr. Angelo Sandoval and Ms. Pritika Singh, reported that he worked for the Student Initiated Outreach Center (SIOC). He believed that by addressing admissions for the underrepresented, the SIOC has had a positive effect on UCLA and its surrounding communities but will affect future communities also.

- N. Mr. Emil Kuruvilla, a UC Irvine student representing the COUGH Campaign, a coalition of University members advocating for the University to not solicit or accept any new research funding from tobacco companies, believed that extensive research of tobacco industry internal documents, as well as a history of public deception by the industry, supports the coalition's stance.
- O. Ms. Jeannie Biniek, a UCLA student and board member of UCSA, addressed the issue of affordability and the work and loan expectation for undergraduate students. She noted that students will be required to contribute an additional \$500 next year through an increase in work or borrowing because the Governor's proposed fee buyback does not include the revenue that would have been generated by a 33 percent return to aid. She asked the Regents to find more funding for low- and moderate-income students.
- P. Ms. Crystal Durham, a UCLA alumna representing the California Student Sustainability Coalition (CSSC), expressed support for the use of local, organic, and socially responsible food. She commended the University for its leadership regarding sustainability and encouraged the continued development of related programs.
- Q. Ms. Megan Carney, a UCLA student representing CSSC, recalled that 5,000 postcards representing student support for sustainable food systems had been delivered to The Regents. She reported that collaboration on the campuses continues that includes the Food Systems Working Group initiatives, education and outreach events, and the development of campus sustainability goals.
- R. Ms. Dorothy Le, a UCLA student representing CSSC, discussed the group's recommendations, including to represent the student voice in designing and implementing sustainable food system practices on campuses and to collaborate with diverse constituents to raise awareness about food issues. She sought Regental support for a working group to establish food systems guidelines.
- S. Mr. Tim Galarneau, a UC Santa Cruz alumnus representing CSSC, discussed the group's efforts to expand sustainable food initiatives. He believed the establishment of a food systems working group statewide would assist in moving beyond campus barriers by establishing best practices, guidelines, and technical specifications and support that will advance campus initiatives.

3. **REMARKS OF THE PRESIDENT**

President Dynes noted that the Regents and the administration are intent on correcting any problems related to compensation and that many items on the agenda are related to compensation matters. The administration is proposing a policy that provides that capital projects for chancellors' residences and offices and the President's Office and residence above a specific dollar threshold will require Regental approval and will be reported yearly. Also on the agenda is a proposed policy placing new conditions on negotiated terms of separation for University employees. Under this policy, the terms of separation negotiated with an individual employee, for example at the time of hiring, would be subject to review, reduction, or elimination if it is determined that the employee has violated University policy or applicable law. As more policies and practices that need tightening are identified, they will be addressed in partnership with the Board.

President Dynes noted that despite recent issues the University continues to function and thrive. He reported that a large number of alumni and other advocates for the University had participated in UC Day in Sacramento. Delegates reported that they had met with many legislators personally. He thanked those involved for delivering the message of UC to the State capital. He referred to his recent testimony at the Assembly Budget Committee's Subcommittee on Education hearing during which he had emphasized the need to continue rebuilding from the budget cut of the past few years, to support for the Governor's budget that emphasizes key priorities of The Regents, and to preserve funding for student academic preparation programs, which are vital to the state's well being.

Mr. Dynes provided a brief update on the federal budget process for 2007. In President Bush's budget request to Congress, overall nondefense discretionary spending is cut by 4.1 percent after inflation, to reduce the federal deficit. The impacts of the President's budget on the University are mixed. The President is recommending nearly \$1 billion in new dollars for the American Competitiveness Initiative. This includes basic research funding in the Department of Energy and the National Science Foundation, two places where UC faculty have been particularly successful in competing for federal funds. It also includes funding for math and science teachers that would complement the California Teach program. The President's budget recommends an 8 percent increase in basic research at the Department of Defense; however, it recommends a drop in support for the National Institutes of Health, an idea which has been rejected by the Senate Budget Committee, which has proposed a \$1 billion increase for the NIH. Sharp cuts are recommended also for the NASA research portfolio, which would affect the UC campuses. The Administration is also seeking cuts in student aid programs and in Medicare and Medicaid programs, although Congress seems reluctant to support cuts at this level. University representatives will continue to work closely with its Congressional delegation and its partners in higher education and industry to make its voice heard as the budget process unfolds.

Finally, President Dynes noted that he had accepted the resignation of Chancellor Tomlinson-Keasey, who for the past seven years has been dedicated to launching the

Merced campus. He praised her efforts for driving the proposal from dream to reality. She will remain on the UC Merced faculty. He noted also that this was the final meeting for Senior Vice President Mullinix and wished him well in his new position with the University of Singapore.

Regent Rosenthal and Regent-designate Ledesma, who had canvassed the state asking students, faculty, administrators, and staff to list their aspirations and concerns about the University's future, were invited to discuss their findings.

Regent-designate Ledesma reported that in early February she and Regent Rosenthal had undertaken recruitment for the 2007-08 student Regent. In the span of two weeks they visited all ten campuses, speaking with campus community members, including undergraduate and graduate students as well as faculty, administrators, and staff. She listed some issues deemed important by the campus community. She reported that most students voiced concerns about fees, funding, and financial aid. Most cited increased fees, debt, and financial obligations as affecting the quality of their educational experiences.

Regent Rosenthal reported that the staff's main issue was low morale. Staff feel underpaid and under-appreciated. He believed there was a good opportunity to cultivate and motivate staff through professional development, as the baby boomers retire and the next level of managerial leadership must be prepared. As to the faculty, they are not as concerned about the level of administrative salaries as about transparency and providing a rationale for these salaries. Across the board, it was agreed that academic preparation should be an undisputed part of the budget. Staff, faculty, and students are working hard to recruit underrepresented students, which is part of the University's mission, yet support for academic preparation is a point of contention each year in the budget. He noted that as education fees have been raised, registration fees, which provide direct support for student services, have remained static. The result is that students now have needs that are not being met. He believed that a rational fee policy is needed that is not affected by State politics.

Regent Rosenthal commented that meeting a wide range of the University community first hand had provided a great deal of insight about their concerns. He urged all Regents to take every opportunity to visit the campuses.

The meeting adjourned at 9:50 a.m.

Attest:

Secretary