

The Regents of the University of California

SPECIAL COMMITTEE ON REGENTS' PROCEDURES

March 15, 2006

The Special Committee on Regents' Procedures met on the above date at Covell Commons, Los Angeles campus.

Members present: Regents Dynes, Hopkinson, Kozberg, Marcus, Parsky, and Preuss

In attendance: Regents Gould, Island, Johnson, Juline, Pattiz, Rominger, Rosenthal, Ruiz, and Schilling, Regents-designate Coombs, Ledesma, and Schreiner, Faculty Representative Oakley, Secretary Trivette, General Counsel Holst, Acting Provost Hume, Senior Vice Presidents Darling and Mullinix, Vice Presidents Doby, Foley, Gomes, and Hershman, Chancellors Carnesale, Córdoba, Denton, Drake, Fox, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Nietfeld

The meeting convened at 12:25 p.m. with Committee Chair Marcus presiding.

1. PROPOSED REVISIONS TO THE SCHEDULE OF REPORTS TO REGENTS

The President recommended that the attached Schedule of Reports be approved and that each committee, as appropriate, shall consider existing reports or the addition of any new reports the committee requires and whether these reports should be presented at a meeting or distributed as a mailing between meetings.

It was recalled that the Schedule of Reports was last updated in April 1997. Regents meetings have changed to allow the Regents to maximize the time to deliberate on issues of importance and to formulate the University's policies. The reports the Regents receive should support these endeavors.

The process for transmitting reports is defined in the Bylaws, as follows:

16.8 Procedures for Reports

- (a) Reports shall be submitted to the Board or its Committees in accordance with a schedule of reports adopted by the Board.
- (b) Requests for other reports to be prepared for submission to the Board or its Committees shall be voted by the Board or the appropriate Committee.

Following remarks by Regent Hopkinson, Committee Chair Marcus suggested that it would be useful to distribute to the Regents a list of all special reports.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

2. **AMENDMENTS TO THE CURRENT ORGANIZATION OF REGENTS MEETINGS**

Regent Marcus recommended that, beginning with fiscal year 2007, the organization of Regents meetings be amended in the following ways:

Regents Meetings

Six two-day meetings:

- Two meetings to be held in Southern California
- Two meetings to be held in Northern California
- Two meetings to be held on alternating UC campuses

The two-day agenda to be divided as follows:

- One day to discharge and discuss fiduciary and business matters related to the University
- One day to discharge and discuss critical and current issues facing the University
- For campus visit meetings, the agenda would include one day of business discussion and one day of campus review and discourse.

Agenda items for major issues affecting the University should be determined and placed on the agenda by the Office of the President in conjunction with a Special Committee on Strategic Planning and its advisors.

Committee Chair Marcus recalled that at the September, October, and November 2005 meetings of the Special Committee he had presented several recommendations designed to improve the efficiency of Regents meetings while allocating more time to strategic issues. He has also proposed that two meetings per year be held on a campus. The above recommendation results from the Special Committee's deliberations at these meetings.

Regent Hopkinson believed that the recommendation was premature in light of the restructuring that is taking place at the University. She recalled that when she first joined the Board, there were nine meetings per year. She agreed that there was a need to devote more time to strategic issues, but she pointed out that it has become difficult to complete the Board's business in the time that is allocated to the meeting. She did not believe that reducing the number of business activities would serve the University at this time. Regent Hopkinson urged approval of the recommendation to expand each meeting to two full days, with at least a half day devoted to strategic items. She also did not believe that meeting on a campus

would provide an advantage to the campus because of the lack of time that is available to become familiar with the campus. She saw more value in the Regents' visits to the campuses, noting in particular the fruitful nature of the Davis visit.

Committee Chair Marcus stressed that his proposal did not reduce the time to be spent by the Board but rather recommended an increase to two full days. This should provide adequate time for the Regents to meet their fiduciary responsibilities. The campus meetings would concentrate on goals and activities.

Regent Johnson believed that the Regents should spend more time with students because both the students and the faculty are feeling a disconnect from the Board. She raised a concern about the cost of holding meetings on the campuses. She advocated spending more time examining the issues.

Regent Preuss observed that when The Regents met on the San Diego campus in January there had been very little time to tour the campus and learn more about its programs. In spite of this fact, he believed that meeting on a campus could be an enriching experience because it provides the Regents with an opportunity to be exposed to the campus community.

In response to a question from Regent Rominger, Committee Chair Marcus stated that the intention would be to meet on all of the campuses over a five-year period.

Regent Kozberg suggested that the Committee may wish to consider deferring the recommendation, as it was her opinion that it did not reflect the Committee's sentiments. Committee Chair Marcus pointed out that very little in the proposal reflects substantive changes. The intention is to address more issues that are facing the individual campuses. He urged the Committee to approve the proposal as part of a comprehensive strategy that looks at the functioning of the Board and the Office of the President.

Regent Moores agreed that the proposal is premature because he did not believe that lengthening the amount of time devoted to meetings was a step in the right direction. The Board should be concentrating on the serious problems that face the University. Regent Marcus stressed that his proposal was an attempt to address the issues that were raised by Regent Moores. The Regents should be receiving advice about what issues are important from the Long Range Guidance Team and the Office of the President.

Regent Pattiz felt it would be important not to leave the impression that the Regents wish to reduce the amount of time they devote to the University, noting that there are many committees that meet off schedule.

Regent-designate Coombs supported focusing the work of the Regents to be more strategically oriented. He did not believe that the business work of the University could be accomplished in a single day in the current environment. Mr. Coombs acknowledged the importance of traveling to all of the campuses, but he was concerned about the costs involved with meeting on a campus.

Committee Chair Marcus pointed out that the intention was to continue to schedule visits to the campuses as well as meetings.

Regent Lansing supported the concept of the Regents sitting down as a group to address an overall strategic plan for the University. She agreed that it was important for the Regents to have a presence at every campus.

Chairman Parsky suggested that the motion be amended as follows:

Regents Meetings

The format will be six two-day meetings. A portion of the two-day meeting will be spent on critical and current issues facing the University.

The intention will be at the May meeting to address the issue of holding two meetings per year on campuses, informed by the costs associated with meeting on a campus.

Upon motion duly made and seconded, the Committee approved the recommendation as amended and voted to present it to the Board.

3. **REGENTS' COMMITTEE STRUCTURE**

Regent Marcus observed that the environment in which the University operates has become much more complex over the last twenty years. There is a need to examine a restructuring of the committee system of the Board.

Board Committees

The Regents' seven Standing Committees as established in Bylaw 12 are:

- Audit
- Educational Policy
- Finance
- Grounds and Buildings
- Investments
- Oversight of the Department of Energy
- Health Services

Although there have been amendments to the Committees' charges, a Standing Committee has not been established or disestablished since 1982. Recent actions include a comprehensive amendment to the charge of the Committee on Audit (May 2004), addition of responsibilities regarding financing for capital projects to the Committee on Grounds and Buildings (May 2005), and the pending addition of Bylaw 12.8, which would establish a new Standing Committee on Compensation (January 2006).

In addition to the Committee on Compensation, Regent Marcus suggested that The Regents should consider the establishment of the following Standing Committees to cover functions now done on an ad hoc basis:

- Executive Committee
- Strategic Planning Committee
- Development and Alumni Affairs Committee
- Procedures Committee

The Executive Committee membership would be the Chair and Vice Chair of The Regents, as well as the Chairs of the Committees on Finance and Educational Policy.

Prior to establishing new Standing Committees, the Special Committee may wish to convene a study group to undertake a comprehensive review of the charges of the current Standing Committees. The review would include determining whether any duties and responsibilities of the Committees overlap, should be assigned to another existing or new committee, or should be delegated to the President. This approach would result in a coordinated process for amending Bylaw 12, assuring that all Standing Committees are relevant to the operation and mission of The Regents and the University.

Additional Operational Proposals

Meeting times for new committees would be dependent on the charge, either concurrent during regular Regent meetings or off-cycle, depending on workload and circumstances. Agendas would be formulated by Committee Chairs in collaboration with the Office of the President. Agenda items would require prior approval from the Committee Chair. Vice Chairs would preferably (unless there are extenuating circumstances) succeed Chairs on committees as well as the Board. The Vice Chair of the Board would serve two consecutive terms.

In response to a question from Regent Johnson, Committee Chair Marcus underscored the fact that a study group would need to analyze the appropriate role for each of the standing committees. It may be desirable to divide the responsibilities of the Committee on Finance among several committees. The proposed Development and Alumni Affairs Committee would focus its attention

on Regental involvement in fundraising and alumni affairs. The Strategic Planning Committee would allow input to The Regents from all of its constituencies in order to define long-term issues. Regent Marcus believed that the University was in danger of losing out to global competition; The Regents must respond to this situation. The Executive Committee would serve as a sounding board for the President between meetings. He reported that, of the universities surveyed, more than half have an executive committee. He acknowledged that this structure needs to be considered in the context of California's Open Meeting Law.

Regent Hopkinson agreed with the need to review the committee structure of The Regents, which she saw as antiquated. While she supported the concept of a governance committee, she was predisposed to oppose the executive committee concept for a public university. She believed that the study group should examine the quorum and membership requirements for committees, as the addition of new committees could be burdensome to Regents.

Regent Rosenthal suggested that an executive committee could create two tiers of Regents, making it more difficult for the student and alumni Regents to have a voice. He asked for comment from the General Counsel on the constitutionality of an executive committee. Mr. Holst believed that nothing in the California Constitution would prevent an executive committee as The Regents has full powers of organization. The issues that may arise with any committee have to do with proper service of notice and the attainment of a quorum.

Faculty Representative Oakley observed that an executive committee as proposed would exclude the faculty representative as an advisory member. He believed that consideration should be given to this issue. A true executive committee should have faculty representation.

Regent-designate Coombs focused his remarks on the proposal for a committee that would be involved with the alumni, noting that the University has more than one million alumni. He stressed the importance of private contributions to the University; the alumni donation rates are down from those that were reported at the January 2006 meeting. He supported the concept of bringing alumni affairs and development to the level of a Regental committee. Committee Chair Marcus commented that all of the institutions surveyed had an alumni committee.

Regent Pattiz pointed out that it is difficult for committees to perform their work when they meet as part of the overall meeting, with every Regent present at each committee meeting. He suggested that, for committees to be effective, they may need to be reduced in size and to meet off schedule. These committees will require staffing in order to be effective.

Regent Moores suggested that establishing more committees would make the Board less effective. He supported the concept of codifying an executive committee which would be responsible for strategic planning.

Regent-designate Schreiner agreed that a restructuring of the committees was needed. He encouraged the study group to consider whether every committee meeting should take place within the context of a Board meeting. Committee Chair Marcus commented that the Committee on Grounds and Buildings is the best example of a functioning committee.

Regent Kozberg observed that the Board is undergoing a unique period of self-examination. As corporations restructure their governing bodies, the education community will need to do the same. She was concerned about an executive committee in light of how issues change.

Regent Ruiz opposed the establishment of an executive committee as he concurred with the view expressed by Regent Rosenthal that it would result in a two-tier structure of Regents. The President should be able to do his job by working with individual Regents as needed. He suggested that the Office of the President was not taking advantage of the expertise of the Regents.

Regent Rominger noted that it was the intention of the Alumni Associations to bring to The Regents an annual report which will include a CASE (Council for Advancement and Support for Education) statement for more investment in alumni and development activities.

Regent Blum stressed that the Regents should be kept abreast as situations develop but acknowledged that this is difficult to achieve given the size of the institution. The Regents need to understand where the University is vulnerable.

Committee Chair Marcus observed that all public boards face the same disclosure challenges. He noted that individual Regents have the ability to make a difference. The burden that the position of President carries must be addressed.

The meeting adjourned at 1:20 p.m.

Attest:

Secretary