

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

November 18, 2010

The Regents of the University of California met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Blum, Cheng, DeFreece, De La Peña, Gould, Hime, Island, Johnson, Kieffer, Lansing, Lozano, Makarechian, Pattiz, Schilling, Varner, Wachter, Yudof, and Zettel

In attendance: Regents-designate Hallett, Mireles, and Pelliccioni, Faculty Representatives Anderson and Simmons, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Drake, Katehi, White and Yang, and Recording Secretary McCarthy

The meeting convened at 8:35 a.m. with Chairman Gould presiding.

PUBLIC COMMENT

Chairman Gould explained that the Board had been convened as a Committee of the Whole in order to permit members of the public an opportunity to address University-related matters.

Chairman Gould introduced California State Assembly Member Paul Fong.

Mr. Fong, a member of the Assembly Higher Education Committee, stated that he was speaking on behalf of Speaker of the California Assembly John A. Pérez, who could not attend because of a calendar conflict. Mr. Fong noted that Regent Pérez had submitted correspondence which was distributed to the Regents, conveying his concern about certain items before the Regents.

Mr. Fong stated that the proposed eight percent student fee increase comes at a time of financial difficulty for many families. Access to higher education is essential if California is to emerge from the current economic recession. Raising student fees would make it difficult for California to meet future demands for an educated workforce. Mr. Fong reported that Regent Pérez cannot support the proposed student fee increase, given that it would result in a cumulative fee increase of over 40 percent in the last two years. Regent Pérez urged UC to work with the Legislature on possible budget solutions for the coming year.

Mr. Fong reported that the Legislature worked hard to restore prior-year funding reductions to UC and California State University (CSU), in order to continue access programs, protect California's community colleges, and preserve the Cal Grant program. The Legislature appreciates how critical California's higher education institutions are to the State's long-term economy. Mr. Fong stated that recent UC fee increases resulted in over \$650 million in new

revenue, after return-to-aid. Mr. Fong communicated Regent Pérez's concern that the increase in student aid would result in more student debt upon graduation. Also, the aid increase would not help AB 540 students because they are ineligible for aid. Mr. Fong stated that Regent Pérez urged the Regents to vote no on the proposed fee increase.

Mr. Fong also communicated Regent Pérez's concern about the proposed name change of student "educational fees" to "tuition." Regent Pérez believes that this change would signal an abandonment of the goals of the 1960 California Master Plan for Higher Education (Master Plan) and the 1868 Organic Act, which commit the State to providing tuition-free education to qualified Californians. Mr. Fong noted that Regent Pérez recommended further consultation with the Legislature and other stakeholders before approving the change.

President Yudof thanked Assembly Member Fong and asked him to convey his respects to Regent Pérez, who is a committed supporter of higher education. President Yudof noted that UC funding from the State has been reduced by \$400 - \$500 million since 2007-08, despite the outstanding work of Mr. Fong and his colleagues. Of the restored funds, \$106 million is one-time federal funding. President Yudof noted that CSU receives 19 percent of its payroll from the State for contribution to its pension fund, while UC receives nothing to cover its employer contribution. He remarked that many of the current items are driven by the need to reform UC's pension program, which has over \$20 billion in unfunded liability. President Yudof stated that he would engage Regent Pérez regarding these issues. President Yudof emphasized the importance of the pension plan for UC employees. The University must make a \$100 million contribution to the pension fund without State support. The proposed fee increase would generate \$160 million less the 33 percent set aside for financial aid. President Yudof stated that he appreciated hearing from Regent Pérez and looks forward to working further with him and Mr. Fong on these issues.

The following persons addressed the Board concerning the items noted.

1. Mr. Sameer Khan, UC Berkeley student and chair of the Council on Student Fees, stated that students are not in favor of the proposed fee increase. He appreciated that the Regents do not want to increase student fees, but believe there is no other choice since UC funding is a State issue. He urged the Regents to use the media to communicate UC's needs to the public.
2. Ms. Sonja Diaz, alumna of UC Santa Cruz, UCLA graduate school and first-year law student at Boalt Hall, stated that graduate and undergraduate students are opposed to the proposed fee increases. She stated her opinion that the proposed fee increases would be a short-sighted solution. She noted that California needs an educated future workforce and that working families would bear the brunt of the fee increases. She stated that she is currently paying \$45,000 a year for a public law school program. She reported that in her cohort of 300 students there are only five African American students, none of whom are Californians. She also expressed concern about proposed cuts to pension benefits. Ms. Diaz also expressed her opposition to changing the name of "fees" to "tuition."
3. Ms. Cheye-Ann Corona, external vice president of UCLA's Graduate Student Association, reported graduate students' concern about proposed fee increases. She urged

the Regents to seek more State support for higher education. She expressed concern about the privatization of professional schools such as the Anderson School of Management. She noted that the Master Plan calls for UC to be a public, not private, institution. She stated that privatization and fee increases would limit accessibility and decrease economic development for the State. She would like information about the retention and matriculation of low-income students. She also expressed concern about professional degree program fees.

4. Ms. Katherine Hasnain, a UC Berkeley student, reported that she works in the Associated Students of the University of California (ASUC) Student Legal Clinic and in the office of the student Regent-designate, and is social chair of the Undergraduate Political Science Association. She noted that the current proposed eight percent student fee increase is in addition to the 32 percent increase of the prior year, a cumulative increase of more than 40 percent. She stated that these increases would be particularly difficult for middle-income families who would not qualify for financial aid. She commented that UC graduates compose a large portion of the California workforce and become business owners who generate jobs. She expressed her opposition to the proposed fee increases.
5. Mr. Robert Samuels thanked President Yudof for rejecting Options A and B, and moving toward a modified version of Option C, in the proposed changes to the UC Retirement Plan (UCRP). He expressed concern about the future funding of UCRP. Mr. Samuels expressed the opinion that a higher contribution rate is needed earlier. He urged inclusion of unions in discussions about the pension plan. He also urged an investigation of the activities at the protests outside the meetings the prior day.
6. Mr. Ratha Lai, undergraduate transfer student at UC Berkeley and organizing community development director for Bridges, UC Berkeley's student of color coalition, noted media coverage of the prior day's protests. He expressed opposition to the proposed fee increase and concern about UC's reputation. He commented that students would be graduating with too much debt. He urged the Regents to find alternative funding sources.
7. Ms. Kathleen Hurley stated that she was invited by the Coalition of University Employees (CUE) Teamsters Local 2010 to speak about retirement benefits. She urged consideration of the effect of the proposed changes on clerical and allied service workers whose wages she believed to be currently below market. She stated that the proposed changes would seek payments from those least able to afford them. She noted that clerical workers have not had pay increases for the past three years. She cited studies showing a salary lag of 20 to 25 percent at various UC campuses. She expressed particular concern about pay rates of clerical workers. She expressed the opinion that proposed benefit changes would disproportionately affect this group of workers.
8. Ms. Latisha Chisholm-Duper, chair of the Social Welfare Graduate Assembly at UC Berkeley, expressed concern about proposed professional degree fees for the School of Social Welfare. She noted that the mission of the School of Social Welfare is to serve society's most vulnerable members. She noted that the proposed increases would bring the cost of the two-year program to almost \$80,000, which would be twice the annual

salary of a social worker. She expressed concern about the program's affordability. She noted that loan repayment programs for graduates are often inaccessible because of very stringent requirements.

9. Ms. Loren Dobkin, representative from the Nursing Student Council of UCSF, expressed concern about accessibility of nursing programs given the proposed 31 percent increase in professional fees. The proposed increase threatens the diversity of UCSF's nursing program. She noted that students are admitted to UCSF's nursing program because of their commitment to treating underserved populations. She questioned whether graduates could work in underserved communities, given their debt load upon graduation.

The meeting adjourned at 9:00 a.m.

Attest:

Secretary and Chief of Staff