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

Members present: Regents De La Peña, Gould, Hallett, Island, Kieffer, Lansing, Makarechian, Mireles, Pattiz, Pelliccioni, Reiss, Ruiz, Varner, Wachter, and Zettel

In attendance: Regents-designate Mendelson and Rubenstein, Faculty Representatives Anderson and Simmons, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice President Stobo, Vice Presidents Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Katehi, Leland, White, and Yang, and Recording Secretary McCarthy

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

1. **PUBLIC COMMENT**

Chairman Lansing 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. The following persons addressed the Board concerning the items noted:

A. Mr. Nelson Cortez, UC Santa Cruz student and Vice Chair of External Affairs for the Student Union Assembly at UCSC, noted the importance of the current meeting and urged the Regents to communicate with students and their families regarding possible tuition increases. Mr. Cortez stated that, although tuition increases could be offset for families with annual incomes less than $120,000 in the current year, there would be no safety net for the following year when there could be additional tuition increases.

B. Mr. Kulginder Sran, UCSF dental student and Executive Vice President of the Associated Students of UCSF, expressed concern about the ability of professional students to access higher education, given the possible elimination of federally-subsidized loans, combined with increased tuition. He stated that equal access to professional education at UC is at risk and encouraged the Regents to work with students to keep the University accessible.

C. Ms. Joelle Gamble, UCLA fourth-year student and External Vice President of the UCLA Undergraduate Students Association, stated that students and their families
have had very short notice of the possible tuition increase and would have little time to secure funds for increased fall tuition. Ms. Gamble stressed that the Regents should work with students to fight for adequate funding for UC. She encouraged the Regents to communicate with students and their families in a transparent manner.

D. Mr. Alton Williams, an employee of the Ronald Reagan UCLA Medical Center, spoke in favor of a wage increase.

E. Mr. Marquet Davis, an employee of the Ronald Reagan UCLA Medical Center, commented on the difficult economic times for working people. He stated that the Regents have the power to change conditions so that working families can achieve their goals. Mr. Davis pointed out that many families cannot pay for their children’s education.

F. Ms. Angelica Salceda, UC Berkeley law student and daughter of immigrant Central Valley farm workers, stated that she brought her younger brother that day because his summer course involves reading newspaper articles about current events. Her brother Mr. Hector Salceda stated that he was concerned that, should UC tuition be increased further, there would be highly intelligent students from the Central Valley who would not be able to attend UC for economic reasons.

G. Mr. Ahmed Mostafa, External Vice President for Statewide Affairs for the Associated Students of UC Santa Barbara, urged the Regents to be more visible in their lobbying efforts in Sacramento. He stated that raising tuition would deter students from disadvantaged neighborhoods from attending UC.

H. Mr. Matt Abularach, fourth-year UCLA student, expressed his opposition to the proposed tuition increase and noted that first-year students would have their tuition raised before they even arrived on campus. Increasing tuition would move the University toward privatization. He acknowledged that the Regents must react to the State budget.

I. Mr. Lawrence Turner, fourth-year UCLA student, spoke in opposition to the proposed tuition increases. Tuition has increased more than 40 percent since he became a UC student. He urged the Regents to support alternative funding sources, such an oil severance tax. He said the Regents should not place a burden on the students they are supposed to serve.

J. Mr. Tim Thrush, UCSF ultrasound technician for 13 years, asked the Regents to make good decisions about employees who provide excellent patient care and services for students. He noted that he and his fellow employees like working for the University, but that recent actions have diminished employee morale.
K. Ms. Sabrina Johnson, secretary at UCSF for 11 years, stated her hope that employees would not have to choose between money for housing and food, versus education and health.

L. Ms. Luz Reyes, UCSF patient assistant for 11 years, stated that she works very hard. She spoke on behalf of her co-workers and their children to ask the Regents to reward the employees for their work of keeping the hospital clean. She stated that these workers have not received the raises that they expected in January.

M. Ms. Agnes Suarez, hospital service coordinator at UCSF, expressed concern about the cost of health plans and the physicians available to her since she had to change to the Health Net Blue and Gold Health Maintenance Organization. Many of her co-workers have to work two or three jobs. She asked the Regents to support the service workers by not outsourcing work and by providing raises.

N. Ms. Brenda Turner, prenatal ultrasound technologist at UCSF Medical Center, expressed concern about the lack of employee raises in spite of record profits at the medical center.

O. Ms. Kathryn Lybarger, UC Berkeley gardener, stated that she and her co-workers have to support their families. She said that UC workers are dedicated to higher education and research and are able to have some influence in Sacramento. She urged the Regents to collaborate with UC workers to advocate for increased State funding, to stop outsourcing work at UC Irvine, and to stop hiring expensive law firms to advocate against employees’ rights.

P. Mr. Abel Salas, a gardener at UC Berkeley, said that some of his co-workers must collect cans and work extra jobs and still cannot pay their rent and feed their families. He urged the Regents to respect the employees by providing a living wage.

Q. Mr. Ernesto Encinas, a cook at UC Santa Cruz, stated that the Regents are the stewards of the University and their decisions impact many lives. He expressed respect for the difficult task the Regents have at hand.

R. Ms. LaKesha Harrison, president of American Federation of State, County and Municipal Employees (AFSCME) Local 3299, stated that her union has asked the University to stop outsourcing work at UC Irvine, to end the lawsuit regarding the contract, and to increase wages. She stated that the union would go to Sacramento with the Regents to advocate for UC funding.

S. Ms. Rosario Cortes, UC Santa Cruz employee for 21 years, stated that some of her co-workers must work two or three jobs. She spoke in favor of a wage increase for UC workers.
2. **REMARKS OF THE CHAIRMAN OF THE BOARD**

Chairman Lansing stated that she was encouraged by the sentiment, expressed during the public comment period, that all elements of the UC community must work together to help solve the current fiscal situation.

Chairman Lansing thanked the Board for their support and former Chairman Gould for his service during a very difficult period, during which the Regents remained united in the face of trying decisions. She noted that the difficult economic situation has only gotten worse, with California in dire financial condition. Chairman Lansing stated that, in addition to a $650 million cut in State funding, UC also faces $350 million in unfunded mandatory cost increases, resulting in a $1 billion shortfall. She noted that every possibility for securing new sources of revenues would be considered. These circumstances require creative thinking, examining every option, and change. Chairman Lansing reaffirmed the Regents’ unwavering commitment to quality and access.

Chairman Lansing expressed gratitude for President Yudof’s leadership and wished him a speedy recovery. She noted that the meeting format would change slightly; the Regents would not hear presentations of the material they had already received, but would use the meeting time to ask questions about areas of concern.

Chairman Lansing stated that she would need the help of the Regents, faculty, staff, students, and the public to solve the problems the University faces.

3. **REMARKS OF THE PROVOST**

In President Yudof’s absence, Provost Pitts delivered the President’s remarks. He expressed best wishes for President Yudof’s quick recovery.

Two weeks prior, the State cut UC’s funding by $650 million, with a possible additional $100 million cut should State tax revenues not meet current predictions by late fall. At the same time, UC faces $350 million in unfunded mandatory costs. The disappointing $650 million reduction reflects years of State disinvestment in the University. In 2007-08, the University received $3.25 billion in State appropriations; in the upcoming year, UC will receive $2.33 billion, a 27 percent reduction in just four years. Even before the latest cuts, the University had sustained numerous reductions, and had instituted thousands of layoffs, furloughs, broad salary and hiring freezes, and tuition increases.

Dr. Pitts enumerated some effects on the campuses of the budget reductions: total faculty level declines at UC Irvine, elimination of some degree programs at UC Berkeley, significant reduction of library hours at UC Riverside, loss of graduate academic students at UCSF, loss of research revenue at UC San Diego, loss of phone lines at UC Santa Barbara, cut in course offerings at UC Santa Cruz, initiation of a voluntary separation program at UC Davis, consolidation of departments at UCLA, and delay of staff recruitment at UC Merced.
Dr. Pitts stated that the University has been proactive in dealing with the budget shortfalls and has minimized cuts and tuition increases as much as possible through streamlining and consolidation. The Working Smarter initiative has achieved more than $150 million in positive fiscal impact in the prior year, $57 million more than its target, and is on track to achieve an additional $350 million in annual savings by 2015.

Nonetheless, the four-year squeeze on UC’s finances has been relentless. The current $650 million cut reflects profound shortsightedness by the State. UC is critical to the state’s economic engine and is also the great equalizer for California’s society. If a strong UC is not ready to serve them, future generations will not achieve the California dream.

Dr. Pitts stated that, in response to the $650 million cut, the President would recommend a 9.6 percent student fee increase for 2011-12, the only course that remained available after three successive years of cuts. Raising tuition is the only way to preserve the quality of the University. UC’s quality is not static; it depends on the people who bring the University to life, its students, faculty, and staff.

UC’s current fiscal problems leave it in a precarious position in regard to retention and recruitment of faculty. At one UC campus, a large humanities department, ranked in the top ten nationally, recently lost six top faculty members to other institutions, sustained retirement of eight prominent faculty, and could fall from the top ranks. A UC management faculty member was recently recruited by a private university that offered tuition for four of the professor’s children, two with pre-tax dollars to any university and two with post-tax dollars. One UC campus currently reported just a 60 percent acceptance rate in faculty recruiting, in contrast to UC’s usual 75 percent rate.

Despite these fiscal challenges, UC’s faculty continue to win awards, generate ground-breaking research, and educate hundreds of thousands of students. Dr. Pitts emphasized that the University cannot assume that its faculty will remain at UC purely out of loyalty. The reality is that the quality of the University will disappear if it is not actively preserved and nurtured.

Dr. Pitts stated that the proposed 9.6 percent tuition increase would cover only approximately 25 percent of the University’s $1 billion budget shortfall. The rest would be covered by additional painful cuts at the campuses, new revenue strategies, one-time alternate revenue strategies, and ongoing efficiencies. It is also possible that the $650 million cut would be UC’s reset with the State. Dr. Pitts expressed his hope that the State would realize that UC cannot withstand any further cuts. The University is urging the State to establish a multi-year plan with funding guarantees, which would allow the institution, its students and families to plan for the future.

As the University continues to make its case for long-term, higher, stable education funding, Dr. Pitts asked the growing army of UC advocates to continue to champion the University. Since January 1, 2011, UC advocates have sent more than 75,000 messages to Sacramento. Dr. Pitts concluded by stating that the University remains the greatest public...
university system in the world. UC is resilient, strong, and a powerful agent of transformation and mobility.

4. **REMARKS OF THE CHAIR OF THE ACADEMIC SENATE**

Faculty Representative Simmons stated that this would be his last meeting as Faculty Representative and noted that this has been a difficult time to lead the Academic Council. The recent report of the Academic Council Special Committee on a Plan for the University of California contains recommendations for rebenching State funds within the University; the Academic Council has requested that the University proceed with this reallocation process.

Mr. Simmons reported that faculty are deeply concerned about the long-term future of the University, including the fate of individual departments and campuses. He emphasized that, while damage to the affordability and access to the University can be repaired by future allocation of more funding, damage to the quality of the University would be irreparable. He cautioned that a loss of quality would not be reflected in data until it had already occurred.

Mr. Simmons stated the University is doing its job well. Faculty research is thriving and brings in over $4 billion annually to UC, far more than either State funding or student fees. UC continues to be recognized as the finest public research university in the world. Also, the University still provides access to the top 12.5 percent of California’s high school graduates. UC has remained relatively affordable for low-income students through President Yudof’s Blue and Gold Opportunity Plan. Demand for admission to the University is growing. Mr. Simmons stated that the University also provides better compensation and benefits than are found elsewhere for service workers. He noted that higher wages and benefits for represented workers would result in more tuition increases for students.

Mr. Simmons added that the University must rethink its business plan because the State does not have the resources or the ability to make compromises in order to support higher education for the people of California. The cost of higher education is being shifted from broad-based indirect taxation to students and their families. Mr. Simmons stated that the Board is coming to recognize that, as the State withdraws support from public education, students and their families are going to have to replace that support with higher tuition. He noted that the Board’s job is to protect the high quality of the education at the ten campuses of the University for future generations.

5. **REPORT OF THE CHAIR OF THE COUNCIL OF UNIVERSITY OF CALIFORNIA STAFF ASSEMBLIES**

Provost Pitts thanked outgoing Staff Advisor Martinez for her excellent work and welcomed incoming Staff Advisor Smith, Chief Financial Officer in the UCLA Chancellor’s office. Provost Pitts introduced Brian Gresham, chair of the Council of University of California Staff Assemblies (CUCSA), and Ravinder Singh, CUCSA
chair-elect. Mr. Gresham is the first CUCSA chair from UC Merced where he is Assistant Director for Capital Planning and Space Management. Mr. Singh is a Research Analyst in the Department of Education Partnerships in the Office of the President.

Mr. Gresham acknowledged the support of Joseph Epperson, CUCSA’s liaison at the Office of the President. CUCSA’s mission is to maintain and enhance communication within the University community by providing a forum to discuss matters of interest to employees, to provide staff feedback to University administrators, and to foster respect, communication and collaboration. He noted that the past two years have been particularly trying for UC staff dealing with issues around furloughs and post-employment benefits.

CUCSA had four primary work groups in the prior year: Talent Management and Succession Planning, Administrative Efficiencies, Policy-Covered Staff Demographics, and Internal Operations. Mr. Gresham stated that the work of the Talent Management group was particularly important in these difficult economic times when it is important to find ways to recognize staff accomplishments in lieu of raises. He noted that staff want to be involved in the process of finding administrative efficiencies. Final work group reports would be available in two weeks.

Regarding talent management, Mr. Gresham stated that previous CUCSA findings have indicated that the University has not traditionally offered clear career paths, does not have clear policies that encourage promotions, and expends considerable funds conducting external recruitments. If the University could improve development of its own leaders, it could both improve morale and reduce costs. Mr. Gresham pointed out that the 2011 UC Biennial Accountability Sub-Report on Staff noted the importance of staff, that demographics would trigger recruitment and retention challenges as the labor market improves, and that UC’s quality would be compromised if the University is not attentive to staff issues. He noted that staff are concerned that employees are sometimes promoted for technical competence rather than supervisory excellence. He noted that other campuses are considering the Career Compass Program instituted at UC Berkeley a few years prior.

Mr. Gresham reported that the Talent Management and Succession Planning work group saw areas for near-term improvement, including reviewing job classifications, standardizing hiring, improving multidirectional performance review processes, career pathways and development programs, and developing a systemwide job board.

Mr. Singh reported on the work of the Administrative Efficiencies work group, which examined three case studies of administrative efficiency implementation. The group concluded that administrative efficiency initiatives are most effective when work process level staff are engaged throughout the process.

Mr. Singh reported that CUCSA has established an Outstanding Senior Leader Award for senior level leaders at the University who are supportive and inclusive of staff, and who encourage equity, diversity, and community. The inaugural 2011 award went to Chancellor White.
Mr. Singh stated that CUCSA’s future plans would be to continue to advocate for equitable compensation plans for policy-covered staff, effective talent management programs, educational benefits equity, and to sustain UC’s excellence. CUCSA’s 2011-12 leadership team will include chair-elect Steve Garber and secretary Gerard Au.

Mr. Gresham thanked President Yudof for his support and his leadership.

The Regents recessed at 9:45 a.m.

The Regents reconvened at 10:30 a.m. with Chairman Lansing presiding.

Members present: Regents De La Peña, Gould, Hallett, Island, Kieffer, Lansing, Lozano, Makarechian, Marcus, Mireles, Pattiz, Pelliccioni, Reiss, Ruiz, Varner, Wachter, and Zettel

In attendance: Regents-designate Mendelson and Rubenstein, Faculty Representatives Anderson and Simmons, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice President Stobo, Vice Presidents Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Katehi, Leland, White, and Yang, and Recording Secretary McCarthy

Provost Pitts introduced UC Student Association (UCSA) President Claudia Magaña, fourth-year student at UC Santa Cruz.

Ms. Magaña reported widespread student concern about the proposed fee increase, which was announced very recently during summer break. She encouraged the Regents to communicate fully with students about tuition increases.

Ms. Magaña noted that some Regents have expressed support for providing financial aid to undocumented students, a top priority for UCSA. She reported that the California Development, Relief and Education for Alien Minors (DREAM) Act has passed the California Assembly and is currently working its way through the Senate. She urged the Regents’ support, particularly in light of the proposed tuition increase. Undocumented students have no access to financial aid and therefore would carry an even heavier financial burden.

Ms. Magaña stated that AB 970, co-authored by California State Assembly Member Paul Fong and UCSA, would give students more security and transparency regarding the cost of their education. Students want to be consulted when costs rise so dramatically and need sufficient notice to be able to plan for the future. AB 970 would do the following: codify return to aid; prohibit the terminology change from “fees” to “tuition” in order to maintain the vision of the California Master Plan for Higher Education; prohibit any increase in the mandatory systemwide fees charged to resident students at UC or California State University (CSU) from being effective
before six months have elapsed after the date on which the fee increase is adopted; require Regents and Trustees to comply with prescribed public notice and student consultation procedures prior to adopting an increase in systemwide mandatory fees charged to resident students; require the Regents to supply reports on expenditures and financial aid to the Legislature; and require the Legislative Analyst’s Office annually to review and report its findings regarding implementation to the Legislature. UCSA supports this bill, which Ms. Magaña said would require only a fair process of consultation and transparency. She expressed hope that the Regents would cooperate with these procedures whether or not the bill becomes law.

Ms. Magaña stated that students are most concerned about the proposed fee increase and possible further increases if state revenues do not meet expectations. She noted that current UC students have been faced with large tuition increases over a short period of time. UCSA acknowledges that budget cuts would be necessary and appreciates the sacrifices made by many to share this burden. Students are paying more and receiving less, as departments, faculty, and services have been slashed. While acknowledging the difficult choices facing the University, Ms. Magaña stated that UCSA hopes the Office of the President and the Regents would make every effort to absorb as much as possible of the budget shortfall. UCSA rejects the conclusion that an increase in student tuition is the only option. UC students would enter the fall quarter owing 18 percent more than they did the prior year.

Ms. Magaña expressed students’ dissatisfaction with the characterization of the proposed increase. The budget proposal includes a 9.6 percent overall increase in mandatory student fees; however, the increase in tuition is actually 10.5 percent, with no funds going toward the student services fee.

Ms. Magaña stated that UCSA is concerned about possible additional tuition increases for 2012-13, if State revenues do not reach their targets by this fall. A further increase should be discussed only if necessary and after a consideration of all appropriate related factors at that time. She noted that, while students from families earning less than $120,000 per year would be protected from the 2011-12 increase, there is no plan for such protection in 2012-13 and beyond. UCSA appreciates efforts made to protect families from these increases, but the protection should be on a more permanent basis. UCSA encourages a strong discussion and implementation of increased financial aid packages.

Regarding Kashmiri vs. Regents of the University of California, a suit related to UC’s failure to provide sufficient notice of fee increases to professional students, UCSA is concerned that the cost of the suit has been passed on to all students in the form of a per student surcharge. Ms. Magaña reported UCSA’s position that a similar situation should be prevented in the future, particularly in Luquetta v. Regents of the University of California.

UCSA recognizes that a solid commitment from the state is necessary to protect the affordability, accessibility, and quality of the University. Ms. Magaña conveyed UCSA’s deep disappointment with the Governor and the Legislature’s choice to make deep cuts to higher education. UC students have worked tirelessly to press the state to fulfill its duty to UC and to higher education. UCSA appreciates the advocacy of President Yudof, the Regents, UC staff, and alumni.
Ms. Magaña urged further action to find budgetary solutions that do not simply pass the financial burden on to students. In particular, UCSA hopes the Regents join students in advocating for revenue raising measures to support higher education such as an oil severance tax. She noted that, as student fees continue to increase, UC is becoming more like a private institution. She urged the Regents to protect the University from such privatization, and maintain a public university with a strong commitment to affordability, accessibility, and quality.

Chairman Lansing thanked Ms. Magaña for her comments and her prior correspondence. Chairman Lansing noted that the Regents had to take action on short notice because the State budget was just passed. She stated that the Regents would consider all possible ideas for budget solutions at the next day’s sessions and would welcome suggestions from UCSA. She reaffirmed that the Regents are trying to find a way to have a consistent plan.

Regent Ruiz commented on the provision of AB 970 that would require six-months’ notice to students of fee increases. If the Regents don’t know what the State budget will be that far in advance, they would have to vote on preemptive fee increases. Such a method would create problems for both the University and for students.

Chairman Lansing expressed her hope that all segments of the University community can work together to make the Legislature understand the importance of UC, CSU, and the community colleges.

The meeting adjourned at 10:45 a.m.

Attest:

Secretary and Chief of Staff