

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

March 16, 2011

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

Members present: Regents Crane, DeFreece, De La Peña, Gould, Hime, Island, Johnson, Lozano, Makarechian, Pattiz, Reiss, Ruiz, Schilling, Torlakson, Varner, 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, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary McCarthy

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

1. 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. The following persons addressed the Board concerning the items noted:

- A. Ms. Shauna Madison, UC Davis student, employee of the UC Davis Lesbian, Gay, Bisexual, and Transgender (LGBT) Resource Center, and member of the Chancellor's Undergraduate Advisory Board, thanked the Regents for their efforts to encourage inclusivity. She expressed concern about harassment and bullying of LGBT students, and students of color. She stated that budget reductions disproportionately affect necessary services for the LGBT community, such as housing and medical care. She pointed out that it is difficult for LGBT students to stay at school without an inclusive campus environment, and urged the Regents and chancellors to continue their work to create a safer, inclusive campus environment.
- B. Mr. Joe Pulido, a UC worker for 30 years and grandfather of a UC Berkeley student, expressed concern about the cost of health care for low-income retirees. He urged the Regents to consider a sliding scale for retiree health care premiums.
- C. Ms. Jasmine Hill, UCLA student body president, expressed concern about budget cuts and advocated for the addition of a student member to the Investment

Advisory Group, a proposal that she stated is supported by all major student entities. She thanked President Yudof for his support. She expressed her opinion that students should have a voice in UC's investment decisions.

- D. Ms. Tierra Moore, UCLA undergraduate and chief of staff for the student body president, expressed her concern about a recent racist video posted by a UCLA student and noted that, while the video was the action of an individual, it is indicative of a larger systemwide campus climate issue. She commended Chancellor Block for his prompt response. She stated that campus climate initiatives should be developed to promote safety and inclusivity.
- E. Ms. Holly Craig-Wehrle, fourth-year UCLA student, expressed concern about the distribution of budget cuts. She agreed with President Yudof's determination to maintain the excellence of the University, and pointed out the importance of maintaining low student-teacher ratios and affordability. She expressed concern about administrative compensation.
- F. Ms. Amanda Martin, UC Berkeley alumna, coordinator of the Association of Filipinas, Feminists Fighting Imperialism, Re-feudalization, and Marginalization (AF3IRM), and member of the Justice for Laya Coalition, urged the Regents to address the alleged conduct of student Regent Cheng.
- G. Ms. Catherine Cu, UC Riverside alumna, member of the Justice for Laya Coalition, and victim of a campus sexual assault, noted that student Regent Cheng is in a position of power and expressed support for Laya.
- H. Ms. Vanita Mistry, UC Berkeley student, personal friend of Laya, and member of the Justice for Laya Coalition, expressed her opinion that rape and sexual assault are prevalent on UC campuses. She stated that student fees should be used for important support services in these areas, even in these times of budget cuts. She stated that Laya found it necessary to seek off-campus support services and had to relate her experience many times to school officials and police.
- I. Ms. Marylou Verano, UC Berkeley alumna and member of the Justice for Laya Coalition, expressed concern about the alleged conduct of student Regent Cheng. She commented on the prevalence of sexual assault and its consequences for female students.
- J. Ms. Annalisa Enrile, who received her bachelor's, master's, and doctoral degrees from UCLA, and is board president of the Mariposa Center for Change, and Clinical Associate Professor at the University of Southern California School of Social Work, noted that the Justice for Laya Coalition includes a diverse group of students, alumnae, and faculty. She urged removal of student Regent Cheng and funding for UC women's centers.

- K. Ms. Judy McKeever, UCSF respiratory care practitioner, expressed pride in the quality of care at UCSF Medical Center, but commented on the physical demands of her position and the difficulty of continuing to work until age 65. She stated her support for a sliding pay scale for retiree health benefits, so that workers with lower-paying jobs can afford health care after retirement.
- L. Ms. Erin Carrera, UCSF nurse for 20 years, chief nurses' representative for the California Nurses Association, and bargaining team representative, noted that UCSF is widely recognized for the excellence of its nursing staff. She expressed concern about the firm hired by the University to negotiate the nurses' union contract and about safe hospital staffing.
- M. Mr. Mike Casey, president of the San Francisco Labor Council, noted his concern about salary levels of the highest paid UC employees in comparison to those of low-wage employees. He stated his support for union members' right to organize and expressed concern about fees paid to the law firm representing the University in labor negotiations. Mr. Casey also noted Regent Lozano's membership on the board of directors of the Walt Disney Company and its dispute with the hotel workers' union.

2. **REMARKS OF THE CHAIRMAN OF THE BOARD**

Chairman Gould stated that the Regents take issues related to student Regent Cheng most seriously. The Board has asked UC's Office of Ethics, Compliance, and Audit Services to monitor the campus' review of the allegations against student Regent Cheng. Following the review, Chairman Gould will refer the matter to the Committee on Governance to determine the appropriate action to be taken.

Noting the special kinship between UC and the people of Japan, Chairman Gould expressed the Regents' sympathy and support in the wake of the recent massive earthquake and tsunami in that country.

Chairman Gould recalled that 50 years prior the Board of Regents was engaged in the business of deciding to purchase ranch property for the new University of California at Santa Cruz. Campus roads there were named after Regents. In contrast, the serious work of the Regents at the current meeting was of a quite different nature. Santa Cruz Chancellor Blumenthal and two other chancellors would describe plans to cut tens of millions of dollars from their campus budgets. Chairman Gould stated that the briefings of this meeting would be informational, to advance the Regents' understanding about the tremendous change in funding to UC. An \$800 million funding reduction is anticipated, and Chairman Gould expressed his opinion that the budget shortfall would not be temporary. While the necessary choices faced by the Regents would be difficult, he emphasized his confidence in the Board's ability to make these decisions.

Chairman Gould stated that the news from Sacramento is not encouraging. It is unclear whether there will be a June ballot measure to extend tax increases. Even if those tax

increases were extended, the position of the University of California is unclear. He stated that some degree of certainty about funding of the University is critical to rally support for budget proposals.

In spite of existing uncertainties, the Board would be provided with realistic options. Chairman Gould noted the irony of the UC Commission on the Future's recommendation that the University reaffirm its commitment to the California Master Plan for Higher Education (Master Plan) for maintaining enrollment levels and student financial aid support. He believed that it would be inappropriate for the Board to reaffirm its commitment to the Master Plan in light of the choices the Board will face. Chairman Gould stated that he encourages open discussion of all options and that the Board must realistically plan for diminished State support of the University.

3. **REMARKS OF THE PRESIDENT OF THE UNIVERSITY**

President Yudof stated that the building of UC campuses at Santa Cruz, San Diego, and Irvine 50 years ago has been a tremendous success for the people of California and the state's economy. The burst of construction at that time anticipated educating the baby boomers and the population influx to California, which doubled the enrollment at the University in the 1960s.

President Yudof expressed his view that the University of California is even more crucial to the future prospects of the state and for a whole new generation of Californians now than it was 50 years ago. The new population, he noted, will have some of the same needs and some different needs from the largely white, suburban population of the 1960s and 1970s. Census statistics released the prior week show that more than half of California's children are Latinos, a statistic with significant implications for the state and for UC.

President Yudof reported that he has visited high schools in low-income areas with large populations of students of color. He has seen that children of families of the new California are extremely interested in higher education and particularly in UC. President Yudof stated that the University must connect with these families in every possible way. As UC leadership did 50 years ago, the Board should train its eyes on a 40-year horizon and prepare to serve the new California.

President Yudof expressed frustration that, instead of planning for UC's growth by 30,000 to 40,000 students and instituting new programs to reach the children of these families, the Board is discussing ways to deal with another slashed budget. He noted that the Regents' work must be done correctly without damaging the University, so that its foundation is left in place to serve the children whose education is critical to the future of the state.

The discussions at this meeting would detail the budget problem from a variety of viewpoints. The Board would be presented with a survey of key variables and multiple potential scenarios. President Yudof stated that he seeks guidance and direction from the Board so that he can develop firm proposals to be presented at a future meeting. He

pointed out that variables cannot be changed in isolation. For instance, if financial aid provisions were changed, it would impact access to the University; if the student-faculty ratio were increased, it would affect students' time-to-degree. Alternatives would be presented in order to arrive at a proposal that would do the least harm to UC's students, educational programs, faculty, and research.

President Yudof stated that, since budget negotiations in Sacramento are ongoing, their results are as yet unknown. He confirmed that the funding situation cannot be viewed as temporary, since State funding for UC has been reduced steadily for the past 20 years. The University must arrive at a long-term systemic solution, since there is no prospect of an increase in State funding. President Yudof noted that there are 8,000 unfilled staff and faculty positions systemwide; any future changes would be in addition to the very substantial changes already made.

President Yudof explained that the role of the Office of the President will be reconfigured, with \$50 million in new budget cuts, in addition to the prior reduction of one-third of its employees. The relationship between the Office of the President and the campuses will be realigned, which President Yudof stated is long overdue. During this financial crisis, as well as for the long term, the campuses need maximum flexibility in decision-making. President Yudof expressed his opinion that the best decisions would be made by those on campuses, who would have a better sense of priorities among competing claims for funding. A large and diverse collection of programs has been administered through the Office of the President, with the programs themselves on the campuses. In many cases, centralization of the administration of these programs is unnecessary. President Yudof would recommend to the Regents that the administration of certain programs be moved to the campus level. Chancellors would have the flexibility to review these programs in the context of their total campus budget; each constituency on campus would be able to make its case as part of the internal campus process. Programs that remain at the Office of the President should be those taking advantage of economies of scale or those providing a common good. This realignment would also make the budget of the Office of the President more transparent to Board review.

President Yudof stated that scenarios for longer-term budget options would also be presented. He cautioned that all remaining options for savings would be painful. President Yudof emphasized that the Board, faculty, staff, and students of UC are the stewards of the greatest public university system the world has ever known. UC is a treasure that has been built up over the past 125 years. The Board's job is to keep the University's light of opportunity burning for generations to come. The long-term consequences of current decisions must be considered to maintain the excellence of the University and the quality of the University must be non-negotiable. Quality must not be sacrificed to short-term financial expediency.

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

Faculty Representative Simmons expressed his support for President Yudof's emphasis on maintaining the quality of the University. Mr. Simmons stated that, even in this period

of extreme financial difficulty, the research mission of the University must be preserved. He noted that, in the recent *London Times Higher Education* international rankings, five UC campuses are in the top 50, and six are in the top 100. This accomplishment demonstrates the strength of the University of California as a system.

The reputation of the University rests on the tremendous research contributions of its faculty. Excellence in both teaching and research are required for faculty advancement to tenure at UC. Mr. Simmons enumerated some of the contributions of UC research: the cyclotron, the influenza virus vaccine, the network router, crucial discoveries underlying the internet and computer central processing units, the ground fault interrupter, advances in understanding of photosynthesis, wetsuits, new methods of imaging planets, an affordable anti-malarial drug, a vaccine for Lyme disease, agents to promote instant blood clotting and wound sealing, and the nicotine patch, to name just a few. Mr. Simmons noted the synergy between teaching and research at UC.

Mr. Simmons emphasized that it is the Regents' duty to protect the quality and prestige the faculty has brought to the University throughout its history. Mr. Simmons urged the Board to move the University forward in a way that will protect UC's excellence as a research university.

The Regents recessed at 9:35 a.m.

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The Regents reconvened at 12:00 p.m. with Chairman Gould presiding.

Members present: Regents Blum, Crane, DeFreece, De La Peña, Gould, Hime, Island, Johnson, Lansing, Lozano, Makarechian, Pattiz, Reiss, Ruiz, Schilling, Torlakson, Varner, 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, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary Johns

President Yudof introduced UC Student Association (UCSA) President Claudia Magaña, UC Santa Cruz third-year student.

Ms. Magaña reported on the Ninth Annual Student Lobby Conference. Nearly 400 students from all ten UC campuses attended the three-day conference and participated in over 100 lobby visits with offices of the State Assembly, Senate, and the Governor. The purpose of the conference was to communicate to the Governor that proposed cuts to higher education are unacceptable and will further devastate quality, access, and affordability of the UC system; the press rally and march

received extensive media coverage. UCSA also advocated for the California Development, Relief and Education for Alien Minors (DREAM) Act and collected over 11,000 postcards to Governor Brown. Ms. Magaña stated that UCSA will continue to influence the budget conversation in Sacramento and will engage in extensive advocacy at the federal level, with 100 UC students travelling to Washington, D.C. in the upcoming week for the United States Student Association's legislative conference. UCSA is coordinating with the Office of the President to advocate for protection of Pell Grant funding, a focus of the national conference.

Turning to campus climate matters, Ms. Magaña expressed concern about hate crime policies. UCSA would like to see the proposals of campus climate groups. She noted that a recent racist video posted by a UCLA student illustrates the importance of addressing campus climate issues. UCSA requests consideration of their restorative justice proposal by the Regents and campus climate committees.

Mr. Doug Wagoner, UC Santa Barbara student and chair of University Affairs for UCSA, explained that restorative justice is a method of facilitating dialogue between victims and offenders. Use of restorative justice could improve current methods of handling hate crimes by encouraging reporting of hate crimes, prioritizing victims' needs, educating offenders, and involving the student community in upholding its values rather than just the police or campus administration. Mr. Wagoner asked the Regents to consider UCSA's restorative justice proposal and noted that restorative justice is currently being explored by an ad hoc committee created by UCSB's Council on Climate, Culture, and Inclusion.

Ms. Magaña stated that UCSA, the Council on Student Fees, and the Student Body Presidents Council jointly request addition of a student to the Investment Advisory Group, since students contribute to the General Fund and have an interest in how those funds are used. The proposed student representative would be a member of the Council on Student Fees, which is composed of the chairs of the campuses' student fee advisory committees. A formal proposal has been submitted to the Office of the President.

Regarding budget proposals, Ms. Magaña addressed the proposed tax on campuses to fund the Office of the President. She expressed student concern that a UC Santa Cruz student referendum could have been subject to a two percent tax. She noted that the chancellors would have broad discretion regarding the source of the tax funds, and expressed concern about oversight and consultation. She also noted the possibility that the amount of this tax could be increased in the future.

President Yudof responded that he considers the restorative justice proposal promising; he would like to know which campuses have tried the method and how successful it has been. He stated that, while certain actions of a public university are limited by First Amendment concerns, it would be extremely valuable to have an informal process like restorative justice to address issues of campus climate. Given that restorative justice programs would be campus-based, President Yudof asked Ms. Magaña for specific recommendations as to how the Office of the President could be helpful, and expressed his support for the program.

President Yudof noted that, under the existing policy, the Office of the President is funded directly, with no input from the campuses. The new funding method would give discretion to the campuses to determine the sources of funding for the Office of the President from various campus areas. President Yudof encouraged UCSA to have input on this process at the campus level.

Mr. Wagoner explained that restorative justice is being used on a limited basis in UC Santa Barbara's judicial affairs and housing, for five to seven cases annually. Also, a restorative justice mediator was used successfully in the disabled parking permit matter at UCLA in the 1990s.

Ms. Magaña noted UCSA's continuing support for the California DREAM Act. She reported that AB 130 and AB 131 passed the Assembly Committee on Higher Education the prior day, noting that several UC students travelled to Sacramento to support the measures. She thanked President Yudof for his support and requested further Regental support.

Ms. Magaña stated that UCSA acknowledges the difficult budget issues the Regents face and asks to be included in deliberations on both the systemwide and campus level. She requested Regental support for the tax extension proposals of Governor Brown. She reported that UCSA would work on voter registration and turnout should a June election be held. She commented that any further tuition increases would be very difficult for current students, given the increases they have already endured. She noted that budget uncertainties make it difficult for students to plan to finance their education, and to plan their educational course. She urged the Regents to support UCSA in its advocacy for appropriate funding for the University.

The meeting adjourned at 12:15 p.m.

Attest:

Secretary and Chief of Staff