

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

May 17, 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, Kieffer, Lansing, Lozano, Makarechian, Mireles, Ruiz, Schilling, Torlakson, Varner, Yudof, and Zettel

In attendance: Regents-designate Hallett and Pelliccioni, Faculty Representatives Anderson and Simmons, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, 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, Kang, Katehi, White, and Yang, Laboratory Director Anastasio, and Recording Secretary McCarthy

The meeting convened at 12:45 p.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. Mr. Ali Saleh expressed concern about the possibility of proposed online UC classes being offered to both UC students and non-UC students. He stated that such courses might not be taught by UC professors and could lessen the perceived value of a UC degree.
- B. Mr. Hanoz Santoke, a nine-year UC student and current UC Ph.D. student, noted that tuition has more than tripled during his time as a student. He stated that, while tuition used to be affordable, it is now a burden, causing many of his Ph.D. student colleagues to take loans or work full-time, distracting from their studies. Mr. Santoke acknowledged the condition of the budget, but encouraged the Regents to explore all ways of cutting costs and obtaining funding without further burdening students, so that UC can remain accessible and affordable.

2. REMARKS OF THE CHAIRMAN OF THE BOARD

Chairman Gould stated that the current meeting, like the past meeting, would be dominated by discussions of UC's financial future. The Governor had just released the

May revision of the State's 2011-12 budget, in which higher education again did not fare well. Should an "all cuts" budget be adopted, reductions in funding of higher education would be even more severe.

Chairman Gould stated that the University community had hoped that the State budget outlook would improve, either through increased revenue or through bi-partisan agreement to devote additional revenues to higher education. Even though there has been good news of \$6.6 billion in additional State revenues, no additional funds have been allocated to higher education.

UC is facing a \$500 million cut in State spending in the Governor's current budget and also faces \$300 million in mandatory costs to be absorbed. In an "all cuts" budget, UC could face an additional \$500 million reduction in State support. Chairman Gould commented that, while it is obvious that higher education is not a priority at the current time in Sacramento, he was optimistic about UC's continuing work to develop long-term funding strategies. He urged the Regents to be realistic in their assessment of options, given declining State investment in UC.

Chairman Gould stated that, even with these financial challenges, he was inspired by the remarkable accomplishments taking place on UC's campuses. In spite of years of disinvestment by the State, UC continues to offer opportunity to thousands of deserving young people. UC scientists continue to develop new industries in areas such as robotics, nanotechnologies, stem cells, and alternative energy sources, with UC students filling the jobs created. The University's students are not only bright and high-achieving, but also compassionate and public service-minded.

Chairman Gould noted that, if UC is to continue to provide opportunities for these students, there is much work to be done. He urged Board members to continue to communicate the interdependence of UC's future and California's future to political and business leaders, as well as UC alumni. UC must continue to develop its relationship with other leaders of California higher education, such as the California State University and community colleges, following President Yudof's very successful leadership.

Much has already been accomplished, including the work of the UC Commission on the Future, which established directions for further examination, administrative efficiencies planned to save \$500 million annually, and exploration of new strategies such as online education, three-year degrees, and seamless transfers from community colleges. Chairman Gould stated that he looked forward optimistically to many more years on the Board, as he stepped down from his role as Chairman. He thanked the Board for its support over the years.

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

President Yudof congratulated the winners of this year's President's Awards for Outstanding Student Leadership. The first President's Award this year was given to the UC Santa Barbara Student Veterans' Organization (SVO), represented at the meeting by

UCSB students Boris Palencia and Raymond Morua. With the nation involved in two wars, the SVO serves as a crucial advocate and resource for both UCSB students and for other UC programs that support veterans as they complete their studies and integrate themselves on UC campuses. The SVO offers programs that are among the best student services in the UC system, including its Boots to Books webinar and the Central Coast Student Veterans Conference it hosted in April. President Yudof stated that the SVO represents a promising practice, not only within UC, but for California higher education as a whole. The SVO helps UC fulfill its mission as a great public university serving veterans at the highest level, being a home for these brave men and women as they pursue their education.

The second President's Award winners were Jason Tien, a UCSF Ph.D. candidate in neuroscience, and Alberto Ortega Hinojosa, a UC Berkeley Ph.D. candidate in public health. Both Mr. Tien and Mr. Hinojosa are student representatives to the UC Graduate Student Health Insurance Plan (GSHIP) Committee, an important systemwide initiative, which is part of the Working Smarter campaign. GSHIP has reduced students' costs and broadened their insurance benefits, including long-sought dependent coverage, while saving the University tens of thousands of dollars each year. Such coverage will now be expanded to undergraduate students as well. Mr. Tien and Mr. Hinojosa have worked tirelessly for more than two years to represent fellow students systemwide, demonstrating the vital importance of student involvement and leadership in University initiatives. President Yudof stated that these award-winners epitomize the best qualities of UC students and expressed gratitude to them for embodying UC's dedication to the people of California.

Mr. Hinojosa expressed his gratitude for the award, stating that UCs mission of public service is invaluable to California. The Undergraduate Student Health Insurance Plan (USHIP) and GSHIP are products of the advocacy of many UC leaders, including leaders of the UC Student Association (UCSA), which made affordable student health care a priority in December 2009. Many graduate students could not afford adequate health care for themselves and their dependents. Also, students received disparate benefits from campus to campus. Graduate Student Association vice presidents at each of the ten campuses and UC Hastings College of the Law worked together to advocate for comprehensive student health benefits at UC, and today UC is a pioneering leader in providing high-quality health care through the nation's largest student health insurance plan.

Mr. Tien thanked the numerous individuals at the Office of the President and the various campuses who ensured that students' voices were heard, realizing that student health contributes to academic success and productivity. Mr. Tien particularly thanked Chief Financial Officer Taylor, Executive Vice President Brostrom, Provost Pitts, the chairs of the GSHIP and USHIP work groups, Vice Chancellor Castro, Dean Gibeling, Vice Chancellor Wood, the campuses' student health directors and student health advisory committees. Mr. Tien noted that UCOP staff made a commitment to having adequate student representation on Student Health Insurance Plan (SHIP) governance boards. He

thanked staff at the SHIP workgroup and the UCSA board of directors who represent the official voice of UC students, the chief beneficiaries of the robust, affordable health plan.

Mr. Palencia, UCSB SVO outgoing president, expressed his appreciation for the award and gratitude for the assistance SVO has received. Incoming UCSB SVO President Morua also expressed gratitude for the award, and thanked the student veteran members, faculty, and staff throughout the UC system for their support. He stated that he looks forward to the continued success of UCSB SVO.

President Yudof thanked the award-winning students for their willingness to help with such beneficial initiatives.

President Yudof stated that the University faces a particularly important and treacherous time. He noted that this date is the 57th anniversary of *Brown vs. Board of Education*. While progress in racial fairness has not always been a straight line, there is currently more racial equality and less racial discrimination. He noted that it is hard to keep a focus on racial fairness and equal educational opportunity, when the Governor has just announced his revised budget indicating that, in an “all cuts” budget, UC would face \$1 billion in cuts, plus hundreds of millions in pension contributions and other unmet obligations. The University is trying its best to trim expenditures and increase efficiency. The proposed cuts are severe and are in addition to the State’s systematic disinvestment in higher education since 1990. During this time, the University has had layoffs, furloughs, including of the President and the chancellors, and hiring freezes. President Yudof stated that there are few options in the face of such deep disinvestment. The Board would be presented with options for the upcoming five years during the current meeting.

President Yudof emphasized that the University must continue to remind the public that UC is a critical public resource, in ways that go far beyond the borders of its campuses. The reach of UC is great, from the depths of the Pacific Ocean to the Sierras, from rural California into its cities. The University of California is accomplishing its mission of teaching, conducting research, generating ideas for businesses, and training tomorrow’s leaders. UC gave California, to quote Wallace Stegner, “a civilization to match its scenery.” President Yudof stressed that the quality of the University must not be destroyed.

California can now choose either to rest on the laurels of UC’s 143-year history, or to fund the University that has been so integral to the state’s development. President Yudof stated that the right choice is clear. The University of California has always existed for the good of an entire society and demands fierce collective stewardship from one generation to the next. It is the responsibility of the Board, the chancellors, and faculty to transfer a vibrant, robust University of California to the next generation.

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

Faculty Representative Simmons stated that the University has benefited from Chairman Gould’s leadership as Chair of the Board for two terms, during challenging budgetary

circumstances. Mr. Simmons also thanked Regent Hime, Regent DeFreece, former student Regent Cheng, and Staff Advisor Martinez for their service.

Mr. Simmons commented that, while the State budget has dominated the Board's thinking for months, much is still unknown about the ultimate outcome. He thanked President Yudof and his staff for their work on a five-year plan that could add some stability. He also emphasized the need, even during these difficult financial circumstances, to maintain the values that have enabled UC to become the world's premier research university, including a commitment to the research and teaching excellence of UC's faculty.

Mr. Simmons quoted former UC President David Gardner's remarks to the UC Commission on the Future, regarding the importance of the constitutional autonomy of the Regents and of the ten UC campuses operating as a single university.

Mr. Simmons stated that the success of each campus is based upon this structure of a unified system. The faculty on each of the ten campuses are held to the same standard of excellence in teaching and research regardless of location; these standards are applied by the Academic Senate across all campuses in merit and promotion decisions. Faculty research productivity and access to a supportive research environment are the same across all campuses. The high quality of the educational program offered to students on all ten campuses is the same and is equally maintained by the Academic Senate. UC courses at all campuses and the quality of curricula for degrees are held to standards subject to review across the University.

Mr. Simmons stressed that the cost to students should be the same for the University's programs, regardless of the physical location of the campus, as the same financial contribution is required of families systemwide. Creation of new schools, professional, and graduate programs are subject to a University review process, rather than being based on local community desires. Faculty compensation is based on salary scales applicable across the University, with compensation linked to accomplishment regardless of physical location, although Mr. Simmons noted that the uncompetitive nature of existing salary scales imperils UC's systemwide peer-reviewed compensation structure as campuses seek individualized market-based compensation strategies. Finally, students are held to the same eligibility standards for admission to all nine general education campuses, including the same rigorous criteria for review of applications.

While acknowledging differences in reputation and prestige among the ten campuses generally correlated with the age of the campus, Mr. Simmons stated that support for any particular campus depends upon the support of the whole system and the population of the whole state. For example, the growth of UC San Diego was made possible by the early support it received from the University, enabling the campus to begin with a cadre of senior faculty. Mr. Simmons stressed that the University's goals must include enhancing research and teaching excellence at all ten campuses, not permitting the desires of one campus to undercut the development of other campuses.

Mr. Simmons stated that, while it is crucial for campuses to have flexibility around funding issues, budget pressures should not be allowed to dissolve the glue that holds the University together as a system by disregarding the values that sustain UC's collective excellence. Any campus' decisions affecting enrollment, admissions, courses and curricula, research excellence, or student financial aid must be consistent with the overall goals of the University.

In order to fulfill this ideal going forward, Mr. Simmons stated that the University must continue to have a strong president with support from the Board, all campuses, and the Academic Senate to maintain University policies across all campuses. The University should maintain appropriately funded systemwide initiatives to promote teaching and research endeavors across the campuses. Regarding the budget for the Office of the President, Mr. Simmons stated that a core of central funds must be maintained for systemwide initiatives. A strong central administration is necessary to mediate the divergent claims of various elements of the University in order to achieve strength for the system as a whole.

Mr. Simmons emphasized that the University's system of budgetary allocations must support the aspirations of all campuses and not do damage to the existing achievements of any one campus. The University as a system must insist that legislative advocacy does not entail individual campuses competing for budgetary earmarks for programs specifically beneficial to one campus, and should not tolerate individualized advocacy favoring a campus to the detriment of others. Mr. Simmons urged the Board to support the University as a whole through policies that strengthen the growth of the whole University, even during difficult budgetary deliberations.

Regent Lansing congratulated Chancellor White for his recent performance on the television show "Undercover Boss," noting that the episode was the best possible publicity for UC Riverside, the whole UC system, and for the caliber and character of UC's students. She stated that a DVD of this excellent piece of marketing should be sent to all State legislators so they can see how their budget decisions affect individual lives.

The meeting adjourned at 1:35 p.m.

Attest:

Associate Secretary