

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

September 14, 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, De La Peña, Gould, Hallett, Island, Johnson, Kieffer, Lansing, Makarechian, Marcus, Mireles, Newsom, Pattiz, Pelliccioni, Reiss, Ruiz, Schilling, Varner, Wachter, Yudof, and Zettel

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

The meeting convened at 8:40 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. Dr. John Maa, UCSF Assistant Professor of Surgery and member of the UC Tobacco-Related Disease Research Program Scientific Advisory Committee as a representative of the American Heart Association, thanked the Regents for their consideration of the California Cancer Research Act. He stated that, as a surgeon, he has witnessed the hidden costs to society associated with smoking. He stated that there are still more than four million smokers in California and youth smoking is on the rise. California's cigarette tax currently ranks 33rd among states. He reported that recent UCSF and UCSD research concluded that a cigarette tax increase would save California a great deal of money in medical costs, prevent smoking-related deaths, and reduce rapidly rising lung cancer rates.

- B. Mr. Nelson Cortez, fourth-year UC Santa Cruz student, stated that his class has faced large tuition increases during their time at UC. He expressed his hope that the Regents would collaborate with students on funding issues and noted the advocacy effort scheduled for March 5, 2012, in Sacramento for all three tiers of California higher education.

- C. Ms. Leslye Osegueda, UCLA student and member of Improving Dreams, Equality, Access and Success (IDEAS) at UCLA, encouraged the Regents to support the implementation of AB 130, part of the Development, Relief and Education for Alien Minors (DREAM) Act that would allow undocumented college students access to privately-funded scholarships. She stated that many undocumented students drop out of UC because of lack of funds. She urged the development of private scholarships to support undocumented UC students and support for AB 131, another part of the DREAM Act that would allow undocumented students access to public financial aid.
- D. Mr. Jonathan Ly, third-year student at UC Merced, spoke against the proposed multi-year plan for the UC budget. He stated that the proposed automatic student tuition increases, which would take effect if the State did not pay its share of funding, would essentially encourage the State to cut its funding with impunity.
- E. Ms. Michelle Greenwood, UC Merced graduate student, expressed her dissatisfaction with the proposed multi-year plan, which could raise student tuition up to 16 percent annually for the next four years. Such increases would be a huge burden to students. She stated that the plan would give the State a justification for reducing its contribution and urged the Regents to put more pressure on the State to fund UC.
- F. Ms. Kandy Piper, UC Berkeley employee and member of American Federation of State, County, and Municipal Employees (AFSCME) Local 3299, expressed concern about wages, student fees, maintenance of University buildings, outsourcing of work at UC Irvine, and the right of workers to strike.
- G. Mr. Arnold Meza, UC Berkeley employee and member of the bargaining team of AFSCME Local 3299, noted his dissatisfaction with the outsourcing of work and layoffs at UC Irvine, and wages.
- H. Ms. Kathryn Lybarger, UC Berkeley gardener, expressed concern about wage levels, outsourcing of work and layoffs at UC Irvine, and a lawsuit against UC workers. She noted that a bargaining session is scheduled for the upcoming week.
- I. Mr. Ronald Cruz, UC Berkeley School of Law graduate and attorney with the Coalition to Defend Affirmative Action, Integration, and Immigrant Rights and Fight for Equality By Any Means Necessary (BAMN), noted that the U.S. Court of Appeals for the Sixth Circuit overturned Michigan's version of Proposition 209. He stated that BAMN is bringing a similar lawsuit against California and Governor Brown to overturn Proposition 209. He urged the Regents to support the overturning of Proposition 209. He also spoke in favor of a UC Development, Relief and Education for Alien Minors (DREAM) Act, which he said would correspond to AB 131, and enable undocumented students to have access to financial aid.

- J. Mr. Benjamin Lynch, UC Berkeley assistant research physicist and member of BAMN, spoke against a multi-year plan for tuition increases, which he said would institutionalize 16 percent annual fee increases for students. He stated that the people of California want the State to invest in the UC system. He added that BAMN's lawsuit against Proposition 209 would reclaim UC's mission.
- K. Ms. Isabel Sausjord, first-year UC Berkeley student, spoke in support of a UC DREAM Act and AB 131.
- L. Mr. Matt Williams, UC Berkeley student and member of BAMN, stated his support for AB 131 and a UC DREAM Act. He advocated the overturning of Proposition 209 and spoke against tuition increases for students.
- M. Mr. Justin Cheong, member of BAMN, spoke on behalf of a UC DREAM Act, overturning Proposition 209, and financial aid for undocumented students. He also spoke against a four-year plan for tuition increases.
- N. California State Senator Leland Yee thanked President Yudof for his support of increased transparency in the way in which UC handles foundation and auxiliary organizations. He noted the passage of SB 8, which expands the Public Records Act to include UC campus foundations. Senator Yee spoke in favor of wage increases for UC service workers, many of whom are on public programs while they are employed by UC. He stated that the State Legislature budgeted funds for wage increases for UC's service workers. He expressed his hope that UC would negotiate an agreement with its service workers for a wage increase.
- O. Mr. Tim Thrush, diagnostic sonographer at UCSF, spoke in favor of a wage increase for UC service workers. He stated that the lack of adequate pay would make it difficult for the University to retain high-quality employees who provide vital services to students and patients.
- P. Ms. Patricia Olivares, UC employee, urged the Regents to provide a wage increase for UC workers. She expressed concern about executive raises, while custodians get layoff notices.
- Q. Mr. Ruben Santos, UC Davis custodian and member of AFSCME Local 3299, stated that UC workers do their jobs well and should be respected. He stated that UC has the resources to give workers pay raises.
- R. Mr. Will Green, UC Berkeley gardener, stated that the University should drop a lawsuit against workers and give them a three percent raise.
- S. Ms. Leticia Garcia-Prado, UC Davis medical assistant and member of the AFSCME bargaining team, stated that patient care workers deserve the three percent raise. She also expressed concern about the increase in the cost of health insurance.

President Yudof stated that he had met with AFSCME leaders the prior week and was hopeful that an agreement could be reached in the collective bargaining setting. Regarding implementation of the California DREAM Act, President Yudof stated that the University has supported the DREAM Act at every stage. Implementation instructions for the DREAM Act have already been issued and would be carried out as quickly as possible.

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

Chairman Lansing thanked the Regents who helped the State Governance Assistance Team in Sacramento on UC-sponsored SB 835, a measure that would extend the best-value construction pilot program to all UC campuses and medical centers. Regents Schilling, Zettel, and Makarechian worked with key legislators in Sacramento and were instrumental at critical steps in the measure's success. The bill had been passed by the State Senate and would go to the Governor for his review.

Chairman Lansing previewed the discussions of the following day. The first would focus on UC's economic contributions to the State, particularly the impact of UC operations as well as the spending impact of UC's students, employees, and retirees. UC's overall financial impact is a major factor in creating jobs and returning money to the State's economy. The discussion would also involve ways the economic importance of UC could be more successfully communicated to State Legislators.

In response to questions from several Regents at the July meeting about the effect of tuition increases on UC's competitiveness in recruiting graduate students, the second discussion would focus on support of UC's academic graduate students. This would be the first of two discussions on this important issue.

The last discussion would focus on multi-year budget planning. Chairman Lansing emphasized that this discussion would be to explore the issue, not to make a decision. She stated that the Board needed to devise new approaches to dealing with the current economic environment in managing UC's budget and planning for UC's long-term fiscal health.

Chairman Lansing welcomed students to the new academic year and assured them of the Board's commitment to preserving the quality of a UC education and access to the University.

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

President Yudof stated that, in the past three years, the State's contribution to UC decreased from \$3.2 billion to \$2.3 billion, while the number of students has grown. He stated that, while the University must deal with this challenging environment, changes in direction are not easy to accomplish with such an enormous enterprise with longstanding traditions and varied constituencies. President Yudof listed the many challenges the University has faced in recent years: filling billion dollar budget gaps, maintaining

quality, access, and affordability, retaining faculty, and furloughing staff and faculty while not filling 6,000 staff vacancies. During this time, UC's popularity has continued to grow as evidenced by the increasing number of applications for admission. UC also must respond to changing California demographics, which show that more than half of its children are Hispanic.

President Yudof expressed his opinion that UC's current path is not sustainable. Ultimately, UC must have an agreement with the State that would allow UC to plan enrollment growth, tuition rates, and capital improvements over the course of the next four years. In contrast, in the current year UC received the State budget on June 30, one day before the start of the fiscal year. President Yudof stated that he was optimistic that a better arrangement could be made with Governor Brown and the State Legislature. He noted that the discussion at the current meeting of a proposed multi-year plan would illustrate the reality of the University's future without adequate support from the State. The quality of the University must be maintained to avoid an exodus of faculty and key staff, and to ensure access to classes so that students can make timely progress toward their degrees. He stated that many members of the Board would be helpful in attempting to reach an agreement with the State.

President Yudof stated that UC is perhaps the most noble example in the world of what higher education can achieve. Ivy League schools do not have 40 percent low-income students. Each of four UC campuses, Berkeley, Davis, UCLA, and San Diego, has more students receiving Pell Grants than does the entire Ivy League. Three of these UC campuses were first through third in recent *Washington Monthly* rankings of universities for their contribution to the public good. UC is an extraordinary university in terms of the constituencies it serves, its research profile, and its faculty's productivity.

At the same time, the University has been abandoned by its key partner. President Yudof stated that UC is defined by its long-term commitments. UC must be predictable in its financial aid to students. UC needs multi-year sustainability and stability in order to honor its commitments to its students, employees, labor unions, and faculty. The proposed four-year plan that would be discussed would not give away any leverage in advance, but rather would provide a framework to show the direction of UC's finances without adequate State support. It would also give fair warning to students, faculty, and the Legislature. President Yudof stated that he was open to all suggestions that would improve the University's financial outlook without sacrificing the quality of the University.

President Yudof emphasized that the University needs to be sustainable. He welcomed input from students and recalled that the University has gone to Sacramento with the UC Student Association every year, along with California State University (CSU) and the community colleges to advocate for adequate funding for higher education.

Chairman Lansing added that the multi-year plan would be for discussion at the next day's meeting. She stated that Regent Newsom had organized meetings for the following

day with the leadership of UC, CSU, and the community colleges to develop better ways of communicating higher education's message to the Legislature.

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

Faculty Representative Anderson introduced the incoming Vice Chair of the Academic Senate, Robert Powell. Mr. Powell is a Professor of Chemical Engineering and Materials Science, and Food Science and Technology at UC Davis, where he has been since 1984. His research is in rheology and fluid mechanics of complex fluids, with emphasis on the development of techniques that can be applied to industrial systems. Mr. Powell is a distinguished scholar, and served simultaneously as Department Chair and Chair of the UC Davis Academic Senate.

Mr. Anderson provided background for the issue of UC graduate student support. He recalled that in 1900 the world's leading research universities were in Europe, but in the 1950s American universities took the lead. The mechanism that enabled this development was that American research universities hired the very best people in the world, without regard to their country of origin, improving both the quality of American universities and their American-born faculty colleagues and graduate students.

Since the 1950s, countries from around the world have sent their best and brightest students to the United States, many of whom stayed following their graduation because of excellent research opportunities. Mr. Anderson recalled that many of the scientific leaders of the Manhattan Project were foreign-born.

To preserve and enhance its excellence, UC must continue to recruit outstanding graduate students. Recruited faculty almost always choose the institution with the best graduate students. Mr. Anderson stated that it is essential to the economic future of the United States to continue to recruit the best scholars, including graduate students, postdoctoral fellows, and faculty, without regard to country of origin.

Mr. Anderson stated that UC has handicapped itself through its own policies, which make it very expensive for departments to offer competitive support to international students. He reported that virtually every Ph.D. program at UC Berkeley either imposes a higher standard on international applicants or loses attractive candidates because of its inability to offer competitive support. In this time of underfunding, departments no longer have the resources to work around the problem.

Mr. Anderson recalled that the Academic Senate overwhelmingly adopted a Memorial to the Regents urging elimination of nonresident tuition for academic graduate students. He acknowledged concerns about potential revenue loss should the Academic Senate's recommendation be adopted. However, internal UC policies could be changed that would achieve many of the same benefits. He emphasized that the future of the University depends upon its ability to continue to attract the best graduate students.

The meeting recessed at 9:40 a.m.

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The meeting reconvened at 10:10 a.m.

Members present: Regents Blum, Crane, De La Peña, Gould, Hallett, Island, Johnson, Kieffer, Lansing, Makarechian, Marcus, Mireles, Newsom, Pattiz, Pelliccioni, Reiss, Ruiz, Schilling, Varner, Wachter, Yudof, and Zettel

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

President Yudof introduced UC Student Association (UCSA) second-term president Claudia Magaña, UC Santa Cruz fourth-year student.

Ms. Magaña reported that more than 400 students attended UCSA's 13th annual Student Congress at UC Riverside the prior month. Its campaigns for the current year would focus on bringing in revenue, lessening the financial burden on students, increasing student representation, and improving student financial support.

Undergraduate students chose to focus on increasing student voter registration through greater access to campus facilities, online registration, and same-day registration. In addition, a second undergraduate campaign would support SB 185 authorizing UC and California State University (CSU) to consider race, ethnicity, and other relevant factors in admissions. Ms. Magaña stated that this bill is currently on Governor Brown's desk and would not violate Proposition 209. She commented that, despite the University's admirable efforts through holistic admissions and outreach, there continues to be a diversity crisis at UC for underrepresented communities. As the financial resources of the University become more limited, it is even more important that students from underserved communities have the opportunity to compete with students who have been historically more privileged. UCSA undergraduates also chose to advocate for an improved financial reporting process through which students could provide information about extraordinary family circumstances or expenses.

Ms. Magaña reported that UCSA graduate and professional students would campaign for the addition of two more student Regents, so the Board would include an undergraduate, graduate, and professional student Regent. She noted the contribution that graduate and professional students make to the University by conducting research and helping to educate undergraduate students.

Regarding UC's budget, Mr. Magaña stated that, while UCSA would continue to advocate for the development of new revenue sources for higher education, the organization would also join a coalition of organizations to address the root of the structural revenue problem in California. UC students would work on the reform of Proposition 13, particularly as it applies to corporations and commercial entities and the requirement of a two-thirds majority to approve new revenue. UCSA would work to educate Californians as to the effects of Proposition 13 and ways in which its reform could bring in revenue for critical services.

Ms. Magaña noted that AB 130, the California Development, Relief and Education for Alien Minors (DREAM) Act, was signed into law in July, giving chancellors the right to fundraise privately for undocumented students. She reported that UC students rallied to urge Governor Brown to sign AB 131, which would allow undocumented students to receive financial aid and Cal Grants, and urged the Board to support AB 131.

Ms. Magaña stated that UCSA hopes that UC will take immediate action on concerns raised by the State auditor; UCSA supports transparency so the public can understand UC's operations. Regarding UCLA referendum fees, while UCSA understands that referendum fees can technically be used in any manner UC sees fit, when students pass a referendum to impose a fee on themselves, they expect those fees to be used only for the designated purpose.

Ms. Magaña reported that UCSA had held discussions with some Regents about the Working Families Student Fee Transparency and Accountability Act and there remains disagreement about the methods the bill pursues. Since students are the majority contributors to UC, they expect transparency with regard to how their fees are used and adequate notice to prepare for fee increases.

Ms. Magaña concluded by stating that UCSA looked forward to working with the Board to achieve common goals. UCSA had coordinated a single lobby day in Sacramento on March 5, 2012, with CSU and the community college students. She urged the Regents to visit campuses, meet with students, and hold meetings on other campuses. Ms. Magaña spoke against the proposed multi-year tuition plan that would be discussed at the current meeting, since it could result in 16 percent student fee increases for the next four years, effectively setting UC on a path to privatization.

The meeting adjourned at 10:20 a.m.

Attest:

Secretary and Chief of Staff