

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

May 16, 2012

The Regents of the University of California met on the above date at the Sacramento Convention Center, 1400 J Street, Sacramento.

Members present: Regents De La Peña, Gould, Hallett, Island, Kieffer, Lansing, Lozano, Mireles, Newsom, Pattiz, Pelliccioni, Reiss, Schilling, Torlakson, Varner, Wachter, 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 Allen-Diaz, Darling, Duckett, Lenz, and Sakaki, Chancellors Blumenthal, Desmond-Hellmann, Drake, Fox, Katehi, Leland, White, and Yang, and Recording Secretary Johns

The meeting convened at 8:30 a.m. with Chairman Lansing presiding.

1. REMARKS OF THE CHAIRMAN OF THE BOARD

Chairman Lansing began her remarks by recalling that the last Regents meeting in Sacramento had taken place in October 1993. Then, as now, a significant topic on the agenda was the growing gap between State funding and the needs of the University. Like their predecessors, the current Board of Regents had come to Sacramento to urge the Governor and the Legislature to reinvest in the University. Beginning the previous day and continuing over the next few days, Regents, together with students, faculty, staff, and alumni, would lobby with one voice for the future of UC. She stressed that student support is essential to the success of the University's lobbying efforts, and that the Regents were pleased to be standing together with the students in this effort.

The University understands the difficulty of the choices facing the Legislature in the current fiscal environment and the fact that UC is only one of many entities and agencies seeking State support. Chairman Lansing expressed gratitude for UC funding included in the revised budget proposal that the Governor had presented that week. The Governor had demonstrated that he recognizes the importance of public higher education. UC must ensure that this strong support would continue through the State budget process over the next several weeks. In a large measure, the Governor's support for UC in the revised budget proposal reflected the advocacy efforts of UC students, faculty, staff, alumni, and all supporters of higher education, in Sacramento and across the state. This advocacy would continue.

Chairman Lansing outlined the specific requests the University's representatives would make when meeting with legislators. The University would urge legislators to maintain the funding in UC's 2012-13 budget allocation, but with an additional \$125 million, the amount needed to prevent a tuition increase in 2012-13. Governor Brown had estimated that his tax initiative would raise \$9 billion. The University would request that higher education receive its fair share of that new revenue. The Regents all hoped that the tax initiative would be approved by the voters in the November election, but if the tax initiative is not approved, the University would request that the Governor and the Legislature not make a \$250 million reduction to UC. The University would ask that the Cal Grant program be protected from cutbacks, to keep higher education accessible and affordable for low-income students. The University would ask the Governor and the Legislature move quickly to enact the Middle Class Scholarship Act, which would provide tuition relief for families with annual incomes between \$80,000 and \$160,000. Both the University and the UC Student Association support this legislation. Finally, the University would seek a long-term, multi-year funding commitment from the State that would provide adequate support for UC's mission of education, research, and public service.

Every resident of California benefits from the University's activities, and the need for adequate support for UC is an issue that affects all Californians. Chairman Lansing thanked the students who had come to Sacramento to engage in this joint effort. Legislators need to hear directly from students about how continuing budget reductions are affecting their education and their future. She thanked the student representatives she had met during visits to the campuses with other Regents. The students were thoughtful, articulate, and very concerned about maintaining UC's quality, affordability, and accessibility. Chairman Lansing noted that she had already visited nine campuses and would visit UC Irvine in the next ten days. She stated that the campus visits had been rewarding experiences. The public comment periods during the meetings of the Board are not sufficient to represent adequately the diverse views of the University's student body. She strongly encouraged the Regents to visit the campuses and to speak with students; she noted that such visits were being scheduled and were planned to take place at least twice a year on every campus.

2. **REMARKS OF THE PRESIDENT OF THE UNIVERSITY**

Executive Vice President Brostrom spoke on behalf of President Yudof. He announced that the recipient of the third annual President's Award for Outstanding Student Leadership was the UC Haiti Initiative. Following the devastating 7.0 earthquake in Haiti in 2010, several students at UC Berkeley coordinated a Haiti relief benefit with their peers at UCLA, UC Santa Barbara, and UCSF. This event raised more than \$50,000 in donations and catalyzed the creation of the UC Haiti Initiative, which now has active chapters on every UC campus. The UC Haiti Initiative has forged a partnership with the Université d'État d'Haïti (State University of Haiti) with the aim of helping to rebuild Haiti's education and health care systems. The Initiative also manages several ongoing projects, including an inter-university debate competition focused on Haitian redevelopment projects, an emergency medical care development project based at the

State University of Haiti hospital, and the development of a contracts and grants administration office that will help Haitian faculty win grants from international entities. Mr. Brostrom praised the perseverance, passion, and creativity of the students involved in this effort, and their ability to develop collaboration among the campuses. As befits the President's Award, the UC Haiti Initiative is an example of a promising practice involving not only UC, but the global community. Its efforts stand tall in the long, distinguished tradition of public service that defines the University.

Mr. Brostrom introduced Noah Stern, director of administration of the Initiative and past president of the Associated Students of UC Berkeley, and Nicolas Pascal, recently a graduate student in global and international studies at UC Santa Barbara. Mr. Stern and Mr. Pascal, along with Berkeley alumni Tu Tran and Will Smelko, are the founders of the Initiative.

Mr. Pascal stated that this recognition by the University was a significant honor. The University is the best investment in California's economic future that State leaders can make, and they should be reminded of this fact. He thanked the Regents and the Office of the President for doing everything in their power to take care of the University during difficult economic times. He emphasized that the UC Haiti Initiative reflects the outstanding talent to be found within UC and that the Initiative aims to be truly effective, in part through its collaboration with the State University of Haiti. Mr. Stern thanked the University for the President's Award and stressed the important role of the many students, faculty, and alumni involved in the work of the Initiative.

Mr. Brostrom then continued with remarks on behalf of President Yudof. President Yudof noted that the submissions for the President's Award for Outstanding Student Leadership inspired great hope for the future of the University. The students demonstrated intellectual energy, imagination, and unprecedented acts of public service. The fight for UC was also the fight for the broad societal benefits resulting from these students' activities.

An initial reading of the Governor's revised budget proposal made clear that the Governor considers public higher education a high priority. The revised budget also made it clear that the stakes have been raised with regard to the November election. The President stressed his view that the Governor's tax initiative must be passed. The tax initiative represented an opportunity not only to move beyond endless fiscal uncertainty, but also a chance to avoid a \$250 million reduction to the University in January 2013. It was difficult to discuss exact numbers, because the State was in the middle of a long, fluid, and at times turbulent budget process, and the end was not yet in sight. President Yudof stated his view that it was unclear what would be necessary to ensure that UC receives a tuition buyout by the State for 2012-13, but such a buyout would remain an objective of the University. A buyout would significantly help address UC's budget shortfall and obviate the need for a fee increase in July.

The revised budget proposal fell short of providing the full \$90 million for the State's share of the employer contribution to the UC Retirement Plan. The \$52 million provided

was a good beginning, but this still left UC nearly \$40 million short in mandatory costs for the following year. Full flexibility for restructuring UC's debt would be essential for UC to begin 2012-13 on a firm financial footing. As UC worked through the budget process, its focus would remain on minimizing the pain of tuition increases. UC would continue its efforts to establish a multi-year funding plan with the State to ensure financial stability for the entire University community.

On behalf of President Yudof, Mr. Brostrom recommended Pradeep Khosla as the eighth chancellor of UC San Diego and affirmed the President's full support for Chancellor Katehi and her leadership of UC Davis. The report by the task force led by former California Supreme Court Justice Cruz Reynoso and the report by General Counsel Robinson and UC Berkeley School of Law Dean Christopher Edley provided thorough, detailed reviews and recommendations to both the UC community and the public regarding the protest events of November 2011. Chancellor Katehi has taken full responsibility and has set in motion corrective steps to ensure that such incidents do not occur again. President Yudof expressed his full confidence that UC Davis, already a leading research university, would rise to greater heights under Chancellor Katehi's leadership.

3. **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. Ms. Lori Madden, UCSF graduate, nurse practitioner at the Betty Irene Moore School of Nursing at UC Davis, and one of eight inaugural students in the School's Ph.D. program, described the work and research of her fellow students and their efforts to improve health care. She thanked the Regents for approving the School of Nursing at UC Davis.
- B. Mr. Ren Bee, a master's degree student at the Betty Irene Moore School of Nursing at UC Davis, praised the School's program and recognized the hard work of faculty and staff in realizing this program. He thanked the Regents for their support for the School.
- C. Ms. Daphene Francis, a member of the inaugural class at the Betty Irene Moore School of Nursing at UC Davis and an international student, expressed gratitude to the Regents for their support of the School.
- D. Ms. Michelle Greenwood, a graduate student at UC Merced, expressed concern about her sons' being able to attend UC in the future. She urged the Regents to endorse the Governor's proposed tax initiative in order to provide financial relief and support for students, and to continue their advocacy for the University and for students.

- E. Mr. Jonathan Ly, fourth-year student at UC Merced and a vice chair of the UC Student Association (UCSA), stated that the Regents' current lobbying efforts with legislators in Sacramento must be a catalyst for further advocacy by Regents and students. He hoped that a productive relationship between students and the Regents, focused on advocacy for UC, would continue for years into the future.
- F. Mr. Jelger Kalmijn, a UC employee, expressed concern about increases in student fees and the ability of ordinary working people to afford a UC education. He expressed opposition to a two-tier pension plan and emphasized the need for accountability in how UC spends State funds.
- G. Mr. Charlie Eaton, financial secretary for the UC student workers' union, described fee increases over the past decade as a crackdown on UC students. Students who carried out a nonviolent protest at a U.S. Bank branch at UC Davis were facing charges and possibly 11-year prison sentences. Mr. Eaton decried what he described as systemic mismanagement at UC.
- H. Ms. Katerina Mesesan, a third-year student at UC Irvine, urged the University to take a proactive rather than a reactive stance in its lobbying efforts and to keep students informed about these efforts. She stated that there is a need for greater publicity and transparency so that students and Regents can work together.
- I. Mr. Frederic Vincent, a staff researcher at UC Davis, expressed concern about tuition increases implemented at the same time as salary increases for administrators. He cited the 2008 financial crisis and failures by highly paid financial executives as an argument against paying high salaries to senior administrators.
- J. Mr. Duane Wright, a student at UC Davis, referred to the pepper spraying incident at Davis and expressed concern about the University's response to student protests. He asked that charges against protesters at UC Davis and UC Berkeley be dropped.
- K. Mr. Howard Zochlinski stated that he had been arrested on false charges by a UC police officer at the Santa Barbara and Davis campuses. He described the officer as racist and anti-Semitic and stated that he, Mr. Zochlinski, had been prevented from pursuing a Ph.D. degree.
- L. Mr. Erik Green, president of the Graduate Student Association at UC Santa Cruz, asked that the Regents endorse the Governor's tax initiative for the November 2012 ballot. He stressed that the University could not withstand a reduction of \$250 million.
- M. Ms. Kristynn Sullivan, president of the Graduate Student Association at UC Merced, expressed concern about graduate tuition increases and the fact that it may become cheaper for faculty members to hire postdoctoral fellows rather than

graduate students. This could lead to loss of opportunity for graduate students and would hurt the University.

- N. Mr. Keith Ellis, board secretary of the UCSA and a recent UC Merced graduate, thanked the Regents for their commitment to the UC system and the value it brings to the State of California. He stressed that lobbying efforts in Sacramento must continue and that students, faculty, staff, and Regents must work together.
- O. Mr. William Kyle Hamilton, a recent UC Merced graduate, stated that the current efforts to lobby the State Legislature directly, with students, Regents, and the Office of the President working together, must continue and grow.
- P. Ms. Cheryl Deutsch, statewide president of United Auto Workers 2865, representing UC student workers, stated that she, along with colleagues, was arrested at the March meeting. She criticized the actions of the police during her arrest and stated that one of her colleagues was sexually assaulted by a police officer in jail later that day. Ms. Deutsch stated that the Regents' priorities for UC are misguided and that the Regents are not acting in the interests of the students or the people of California.
- Q. Mr. Seth Newmeyer criticized the format and the limitations of the public comment period and stated that the current problems facing the University were caused by the anti-democracy of the Board.
- R. Mr. Alfonso Quintero, an undergraduate at UC Santa Cruz, thanked the Regents for their advocacy efforts with legislators. He stressed that decisions made by Regents and legislators affect the future of UC students, and that Regents and students must continue to work together on advocacy for UC through the current fiscal crisis.
- S. Ms. Angelica Salceda, a UC student and native of the Central Valley, emphasized that the Regents should publicly endorse the Governor's tax initiative. She asked that the Regents not make a decision on a tuition increase over the summer, when many students cannot attend meetings and participate in the public comment period.
- T. Mr. Eran Zelnik, a UC student, stated that the Regents were responsible for UC police abuses, including the use of pepper spray and batons, and for allowing abuse of power and repression of dissent at UC. He asked that the University dismiss charges against student protesters.
- U. Mr. Harrison Weber, a graduating senior at UC Santa Barbara and the outgoing president of the Associated Students of UCSB, thanked the Regents for participating in joint lobbying visits with students and expressed his hope that this partnership would continue into the future, in order to secure sufficient funding for UC and to prevent further budget reductions to campuses and fee increases for

students. Mr. Weber stressed that this partnership is not unconditional. He noted that the University's action on tax revenue, with a possible disproportionate effect on student-initiated fee referenda, is an issue of concern for students.

- V. Mr. Richard, a UC Davis graduate, stated that the Regents should campaign for higher taxes. He cited the example of tax rates during the Eisenhower era.
- W. Ms. Kathryn Lybarger, president of American Federation of State, County and Municipal Employees Local 3299 and a gardener at UC Berkeley, expressed solidarity with students. She asked that UC meet in good faith with her entire bargaining team and expressed concern about the effect of further student fee increases on working families.
- X. Ms. Robin Averbeck, a graduate student at UC Davis, stated that the Board of Regents has been complicit in the destruction of public education. She expressed her view that the proposed multi-year agreement with the State was unacceptable and that the Regents were relinquishing their duty to the State and to public education.
- Y. Mr. Shahryar Abbasi, a vice president of the Associated Students of UC Berkeley, expressed his hope that the current joint lobbying effort by students and Regents would not be a one-time event. He urged the Regents to continue to collaborate with students in the coming years to advocate for more revenue for UC and asked them to support the Governor's tax initiative, to work to stop reductions to the Cal Grant program, and to continue visiting UC campuses and speaking with students.
- Z. Mr. Colin Murphy, a graduate student at UC Davis and external chair of the UCD Graduate Student Association, stated that it has become cheaper for faculty principal investigators to hire postdoctoral fellows for research projects than to hire graduate students. This denies many graduate students the ability to complete their education. As undergraduate class sizes increase, more of the teaching burden falls on graduate students, while some departments can no longer even hire teaching assistants. The educational experience of undergraduates has suffered, offering less opportunity for discussion and interaction.
- AA. Mr. Devonté Jackson, a student at UC Berkeley and board member of UCSA, stated that students have been proposing various solutions to the State's fiscal problems. He described the current lobbying efforts by Regents and students as reactive rather than proactive. He asked the Regents to collaborate with student activism and advocacy throughout the year.

Chairman Lansing stated that the Regents viewed the current lobbying efforts as the first step in a continuous process. The Regents were advocating for a tuition buyout. The dialogue with students would continue in a full and transparent manner.

4. REMARKS OF THE CHAIR OF THE ACADEMIC SENATE

Faculty Representative Anderson observed that students were taking a leading role in meetings with legislators to convey the critical situation facing UC, the result of severe, cumulative reductions in State funding. In each meeting, Regents, faculty representatives, and staff advisors have played a supporting role. The message to the legislators is simply that the University cannot endure further reductions in 2012-13 and must begin the process of rebuilding its support. In meetings with legislators, students have communicated that State budget cuts have resulted in massive tuition increases for undergraduates and their families, that students are graduating into a difficult job market, one that offers fewer opportunities and lower salaries, and that students are graduating with more debt. Mr. Anderson observed that tuition increases have made up for only a portion of the cuts in State funding to UC. Staff members have been laid off, faculty positions have been left unfilled, class sizes have become larger, fewer courses are available, and the student-faculty ratio has risen.

Mr. Anderson outlined a number of issues of concern for students: students are paying more and receiving less; students need predictability in tuition and reasonable notice of tuition increases; it is becoming more expensive to support graduate students with grants than to hire postdoctoral scholars, a situation that threatens the University's ability to produce Ph.D.'s in the sciences, engineering, and biomedical fields; maintenance of the Cal Grant program is vital in ensuring access to higher education for California residents; finally, higher education is a critical investment in the future of California.

In the lobbying meetings, Regents, faculty representatives, and staff advisors have agreed with the students' concerns and added others of their own. Both the California State University and the California Community Colleges have been forced to reduce enrollments. So far, UC has maintained or slightly increased its resident undergraduate enrollments, but it will soon be unable to meet its mandate under the California Master Plan for Higher Education to offer admission to the top 12.5 percent of California high school graduates, perhaps as soon as the 2013 admissions cycle. UC needs predictability in State funding in order to plan and in order to make tuition predictable. Faculty and non-represented staff have seen no general salary increases for four years, during which time UC salaries became less and less competitive. UC's graduate student stipends are on average \$2,500 below those of comparison institutions. This harms the University's ability to compete for the best graduate students. If UC does not attract the best graduate students, it will not be able to retain the best faculty. The Governor's new proposal to lower the value of Cal Grants would present UC with a terrible choice, either to abandon the Blue and Gold Opportunity Plan, which covers fees for students with annual family incomes below \$80,000, or to maintain the Blue and Gold Opportunity Plan and make up for the lost Cal Grant funding by further layoffs and more cancelled classes.

Mr. Anderson reported the result of a memorial by the Academic Senate, a vote of all ladder-rank faculty on all ten campuses. Ninety-three percent of faculty supported calling on the Regents to endorse ballot measures and legislation that would increase State revenue as well as ballot measures and legislation that would prioritize funding for higher

education; and, under the Standing Orders of the Regents, the President “shall transmit to the Board any memorial which the Academic Senate may address to The Regents.” UC is at a crossroads. Mr. Anderson warned that if the Governor’s ballot measure failed in November, the consequences for UC would be devastating. He called on the Regents to endorse the Governor’s measure, and to do so soon.

The Regents recessed at 9:35 a.m.

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The Regents reconvened at 9:45 a.m. with Chairman Lansing presiding.

Members present: Regents De La Peña, Gould, Hallett, Island, Kieffer, Lansing, Lozano, Mireles, Newsom, Pattiz, Pelliccioni, Pérez, Reiss, Schilling, Torlakson, Varner, Wachter, 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 Allen-Diaz, Darling, Duckett, Lenz, and Sakaki, Chancellors Blumenthal, Desmond-Hellmann, Drake, Fox, Katehi, Leland, White, and Yang, and Recording Secretary Johns

Executive Vice President Brostrom introduced the president of the UC Student Association, Claudia Magaña, a fourth-year undergraduate student at UC Santa Cruz majoring in politics, Latin American studies, and sociology.

Ms. Magaña expressed students’ wish that the Regents protect the University and do so in close coordination with students. She thanked the Regents for their lobbying efforts in the current week in Sacramento. Students hope that this will mark the beginning of a stronger collaboration with the Regents.

Referring to the report by General Counsel Robinson and UC Berkeley School of Law Dean Christopher Edley on UC’s response to protests on UC campuses, she stated that students would continue to voice their opinions freely on campus, at Regents meetings, and in Sacramento. The ability to take this action without facing batons or pepper spray must be a defining principle of this public university. Students support the call for changes in how the UC administration and police respond to protests on all campuses.

Students have been asked year after year to take on the burden of funding UC. Every reduction by the Legislature results in increased work and loan burdens for students. Despite these unfavorable decisions made by the State, Ms. Magaña urged the Regents not to vote on a fee increase at the July meeting, at a time when many students are away. She asked that the Regents seriously examine options other than fee increases and seek additional State funding in the current budget year to avoid a fee increase.

Ms. Magaña stated that students would work to ensure that the University receives its fair share of any new revenue. She called on the Regents to support the Governor's tax initiative. While the initiative is not perfect, and there are concerns about the level of support it would provide to UC, if it failed, this would result in further budget cuts and student fee increases. UC must remain a public institution and do everything possible to maintain access, affordability, and quality.

The meeting adjourned at 9:50 a.m.

Attest:

Secretary and Chief of Staff