

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

March 13, 2013

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

Members present: Regents De La Peña, Island, Lansing, Pattiz, Reiss, Rubenstein, Ruiz, Stein, Varner, Yudof, and Zettel

In attendance: Regents-designate Feingold, Flores, and Schultz, Faculty Representatives Jacob and Powell, Staff Advisors Barton and Smith, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Duckett, Lenz, Mara, and Sakaki, Chancellors Birgeneau, Block, Desmond-Hellmann, Drake, Katehi, Khosla, Leland, and Yang, Acting Chancellor Conoley, and Recording Secretary McCarthy

The meeting convened at 8:40 a.m. with Chairman Lansing presiding.

**1. REMARKS OF THE CHAIRMAN OF THE BOARD**

Chairman Lansing stated that the Committee on Grounds and Buildings agenda included a discussion of the UC Merced 2020 Project. The prior fall, UC Merced's enrollment was 5,684, with 99 percent of its undergraduates coming from California and one-third from the San Joaquin Valley, demonstrating the opportunities UC Merced is creating for California's underserved students. Chairman Lansing said she looked forward to discussing ways to support UC Merced's continued success.

Chairman Lansing updated the Regents on the progress of UC's presidential search, noting how difficult it would be to replace President Yudof. In keeping with Regental policy, Chairman Lansing had appointed a Special Committee to Consider the Selection of a President, which met on February 26 and March 12. The Special Committee is comprised of nine Board members, including Chairman Lansing, Regent Varner as vice chair, Regent Blum, Regent Gould, Regent Kieffer, Regent Reiss, Regent Ruiz, Regent Stein, and alumni Regent Rubenstein, in addition to Governor Brown, who serves as an ex officio member. An Academic Advisory Committee, chaired by Faculty Representative Powell, would assist the Special Committee in the selection process. A Student Advisory Committee, chaired by UC Student Association (UCSA) President Raquel Morales, a Staff Advisory Committee chaired by Steve Garber, and an Alumni Advisory Committee chaired by Regent Rubenstein would also provide input to the Special Committee on criteria. In addition, the national executive search firm Isaacson, Miller, with extensive experience in recruiting higher education leaders, has been

retained. Chairman Lansing encouraged members of the UC community to view the presidential search website for updates and to submit names of potential candidates.

Chairman Lansing said the May Regents meeting would be held in Sacramento. The Regents would partner with UC students to engage State legislators in conversations about UC's enormous contributions to California.

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

President Yudof discussed two important agenda items that show how UC has been working to weather the financial crisis, while fulfilling its mission of public service. UC Merced would provide an update on the implementation of its 2020 Project. Since UC Merced opened in 2005, the campus has served exactly the students for which it was intended, and has maintained a commitment to all Californians, regardless of background. Currently, 59 percent of UC Merced's undergraduates are first-generation college students and 58 percent are Pell Grant recipients. At the same time and despite stagnant funding, UC Merced has managed to hold firm to UC's mission of academic excellence. The presentation by Chancellor Leland would address the heart of the challenge of serving even more California students, despite current economic constraints. One aspect of the campus' plan is to expand by building "up" as infill using existing campus infrastructure, rather than expand "out" onto land that would require expensive infrastructure development, thus saving construction costs. Another aspect is to move some administrative operations off campus to provide more academic space on campus. A third part of the plan is to explore public/private partnerships for development. President Yudof expressed confidence that UC Merced is well on its way to becoming a full-fledged UC campus.

President Yudof also highlighted the update on the Working Smarter Initiative, UC's five-year plan to streamline its administrative operations, making the University more efficient. Working Smarter has already achieved positive fiscal effects of \$280 million of its \$500 million goal. These savings can be moved to supporting the core mission of the University directly. Both the Working Smarter Initiative and UC Merced's 2020 Project demonstrate that UC is finding creative ways to serve California better, both on the campuses and systemwide.

President Yudof said that problems with the UC Student Health Insurance Plan have been a focus of discussion in recent weeks and are a concern to many students with whom the Office of the President has been consulting. He assured students and their families that these problems are of great concern to the administration and the chancellors, and all are working toward an equitable solution.

President Yudof said that UC remains the most renowned public university system in the world with regard to both whom it serves and its teaching and research. UC's quality must be preserved at all cost. He said the work to increase efficiency would continue, but cautioned that notions of efficiency must focus on the results of those efforts, or what is being achieved with State dollars, tuition, indirect cost recovery on grants, and alumni

support. By national and international standards, the results achieved by the University of California are superb. Forty-one percent of UC students are from low-income families. Among UC's 2012 freshmen from California, 26 percent are from homes in which English is not the primary language and 45 percent are first-generation college students. Four UC campuses each enroll more students receiving Pell Grants than does the entire Ivy League. UC's four-year graduation rate for freshmen is about 60 percent; its five-year graduation rate for freshmen is about 80 percent. President Yudof said that UC can improve these graduation rates, but they are better than those of other public universities in the nation.

At the same time, UC's high-caliber academic reputation is recognized internationally. Most recently, *Times Higher Education*, based in the United Kingdom, ranked UC Berkeley as the fifth greatest university among all private and public universities in the world; UCLA was ranked eighth in the world; UC San Diego, UCSF, and UC Davis also ranked in the top 50. President Yudof said these rankings are astounding in light of the number of private and public universities considered. UC must continue its leadership in giving the most promising students an outstanding education, with all its opportunities.

### 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. Sofia Murga, graduate of UC San Diego and third-year Ph.D. student at UC Berkeley, addressed concerns about the UC Student Health Insurance Plan (UC SHIP). She asked that the UC Office of the President (UCOP) use discretionary or other emergency funds to pay UC SHIP's current debt, which she said was approximately \$57 million, without passing it on to students through tuition or premium increases. Ms. Murga said that students bear no responsibility for UC SHIP's premiums having been set too low. She also requested that UCOP pay any UC SHIP premium increase for 2013-14, so that students would not be assessed a premium increase too late to have it covered by financial aid. She urged UCOP to lift UC SHIP's lifetime coverage caps.
- B. Mr. Devin Murphy, second-year UCLA student and undergraduate representative to the UC systemwide Education Finance Model Committee, emphasized the importance of creating a sustainable long-term financial aid policy for the University. The University must be affordable in order to be accessible.
- C. Mr. Erik Green, UC Santa Cruz Ph.D. student and vice chair of the UC Student Association's University Affairs Committee, expressed concern about the proposed extension of the \$60 tuition surcharge associated with the *Kashmiri v. Regents* and *Luquetta v. Regents* judgments. Mr. Green stated that students had won these lawsuits on the basis that the contested tuition increases were illegal, but subsequent students had been charged with the amounts of the judgments.

through the tuition surcharge. While he appreciated the transparency of clearly identifying the purpose of the surcharge, it could nonetheless discourage students from challenging the University in court. Mr. Green questioned the ethics of passing these judgments on to all UC students, and expressed concern that this could set a precedent for handling judgments in other lawsuits brought by students. He requested that the item involving extension of the surcharge be removed from the consent agenda, and that the Regents vote against extending the surcharge and require the University to fund the judgments in these two cases the same way it funds other judgments.

- D. Mr. Jonathan Ly, UC Merced fourth-year student, spoke against increasing professional degree supplemental tuition (PDST). He noted that, because of the passage of Proposition 30, there would be no undergraduate tuition increase in 2013-14, but increases to PDST were still proposed. Mr. Ly stated that two-thirds of UC's professional degree students take out loans to cover their fees. He added that, since PDST is campus-based, it is difficult for professional students to mobilize systemwide and stated his view that the proposed fee increases are not discussed as thoroughly as proposed undergraduate tuition increases are. He urged the Regents to increase consultation with students, to consider the recommendations of the PDST Task Force, to follow procedures outlined in AB 970 when considering increases in PDST, and to lobby the State for a \$13.4 million buyout of proposed PDST increases.
- E. Ms. Sara Barclay, UC San Diego alumna and staff member, thanked President Yudof for his support of UC's groundbreaking 2012 smoke- and tobacco-free policy, which she said is one of the strongest in the nation. She stated that she is a member of the committee charged with implementing the policy at UCSD. Ms. Barclay said that UC is leading the way for policy change that will benefit public health.
- F. Ms. Shanna Dayan, UC San Diego alumna and staff member, expressed hope that the UC system would continue to support campuses in their implementation and enforcement of the smoke- and tobacco-free policy, and that chancellors would make it a priority to assist their campuses in this effort by January 2014. Ms. Dayan applauded UCLA for its implementation of its smoke-free policy in April, and UCSD for its upcoming implementation in September. She said the new policy would protect the health of those who study, work, and receive care at all UC campuses, and would further UC's reputation as a leader in health and environmental sustainability. She thanked President Yudof for his leadership.

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

Faculty Representative Powell recounted recent interactions between UC faculty and policy makers in Sacramento. In February and March, two systemwide committees of the Academic Senate, the Board of Admissions and Relations with Schools (BOARS) and

the University Committee on Research Policy, moved their regular meetings to Sacramento.

The BOARS meeting was joined by 12 State Legislature and Governor’s office staff, whose main concern expressed was securing access to UC for a diverse pool of undergraduates from all segments of California’s population. BOARS members related that UC admitted 13 percent of California’s graduating public high school students in the most diverse class ever for fall 2013. In addition, the discussion focused on maintaining the referral pool, transfer admissions, and managing enrollment of nonresident students. For decades, UC has fulfilled its promise of admission to the top 12.5 percent of California high school graduates using the referral pool. Legislative staff expressed concern about the potential elimination of the referral pool and asked how campuses not currently in the referral pool could again take referrals. BOARS members noted that campuses find that the referral pool is costly to operate and produces a small and unpredictable yield; that campuses could return to using the referral pool only with additional resources; and that UC Merced requires new academic buildings to continue working with the referral pool.

BOARS members also told the legislative and administrative staff about new community college transfer paths that align with the associate degrees for transfer mandated by SB 1440, the Student Transfer Achievement Reform Act. Mr. Powell emphasized that it was important to hear the concerns of the legislative staff regarding reasons that fewer students are transferring to UC from the community colleges. BOARS will work on this together with its colleagues at the community colleges and in the Office of Student Affairs at the Office of the President.

Mr. Powell reported that many legislators view nonresident students as taking limited spaces from California students. BOARS members emphasized the diversity that nonresident students bring to the University and the requirement that nonresident applicants not be admitted unless they compare favorably with admitted Californians. BOARS members emphasized that nonresident tuition helps offset the loss of quality that comes from spreading shrinking resources among an increasing number of students.

The University Committee on Research Policy along with representatives of the Coordinating Committee on Graduate Affairs discussed the central importance of UC’s research at its meeting with legislative and administrative staff in Sacramento. The discussion stressed the significance for undergraduates of studying at a research university, the symbiosis between research and graduate education, and the importance of maintaining UC’s research reputation to retain faculty. The State government staff indicated that the meetings were quite helpful and encouraged the Academic Senate to hold similar meetings in Sacramento annually.

The Regents recessed at 9:05 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, Island, Lansing, Pattiz, Reiss, Rubenstein, Ruiz, Stein, Varner, Yudof, and Zettel

In attendance: Regents-designate Feingold, Flores, and Schultz, Faculty Representatives Jacob and Powell, Staff Advisors Barton and Smith, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Duckett, Lenz, Mara, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Katehi, Khosla, Leland, and Yang, Acting Chancellor Conoley, and Recording Secretary McCarthy

President Yudof introduced University of California Student Association (UCSA) President Raquel Morales, a senior at UC San Diego.

Ms. Morales thanked President Yudof for his years of service to the University and particularly for his efforts to include students' views. She expressed UCSA's appreciation for the role students would play through the Student Advisory Committee in choosing President Yudof's successor.

Ms. Morales reported that UCSA's 11th annual Student Lobby Conference took place in Sacramento the prior week. More than 450 UC students participated in clinics, workshops, and meetings, which culminated in a day of lobbying and a large rally with California State University and community college students. Students met with approximately 150 legislators and staff of the Governor's office to convey gratitude for the increase in funding to UC and to express the need for a greater long-term commitment from the State. Students lobbied for an additional increase to UC funding in the May budget revision, a rejection of the proposed unit cap, a buyout of any increase in professional degree supplemental tuition (PDST), an oil severance tax to fund higher education, and three UCSA-sponsored bills that would extend the Cal Grant B Entitlement awards program. Ms. Morales stated that the legislators and the Governor's office had made clear their expectation that undergraduate tuition would not be increased in coming years. Students share this expectation, for undergraduate, graduate, and PDST. She expressed UCSA's concern about changing academic programs into professional programs without well-defined criteria and expressed UCSA's hope that the PDST Workgroup would be successful in dealing with these issues.

Ms. Morales said that UCSA is opposed to a unit cap, which would penalize students for the unavailability of classes and for challenging themselves academically during their time at UC. Such a cap could have unintended consequences that would restrict choices that students can make about their own education and could be particularly detrimental to transfer students. She expressed UCSA's hope that Regents would support students on these issues when they lobby legislators together in May.

Ms. Morales expressed UCSA's concern about the UC Student Health Insurance Plan (UC SHIP), which has a large deficit. Students oppose any option that would pass this debt on to

students and request that the UC Office of the President use emergency or discretionary funds to pay off UC SHIP's debt. Every effort should be made to maintain UC SHIP's affordability. UCSA also urges the University to lift UC SHIP's yearly and lifetime coverage caps. UCSA supports AB 314 that would force UC to lift these caps. She expressed appreciation for students' ability to participate on the UC SHIP Advisory Board.

Ms. Morales said that UCSA supports online education only if it increases diversity and access. Prior budget cuts have affected both the quality and accessibility of a UC education; students hope online education can be used to address both of these issues through use of a hybrid model to supplement in-person instruction, providing students with ways to interact with both the material and their professors. Online education should not be used as a means to solve UC's budget crisis.

Ms. Morales expressed UCSA's position that it is unethical and immoral for the University to impose a surcharge on students to fund judgments in the *Kashmiri v. Regents* and *Luquetta v. Regents* cases. She stated that UC lost these lawsuits because of the way it raised certain students' tuition. UCSA considers the imposition of this surcharge to be a warning to subsequent UC students. Student should be able to advocate for themselves without having victories be funded by surcharges on subsequent students.

The meeting adjourned at 9:50 a.m.

Attest:

Secretary and Chief of Staff