

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

January 17, 2013

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

Members present: Regents Blum, Brown, De La Peña, Gould, Island, Kieffer, Lansing, Lozano, Makarechian, Mendelson, Newsom, Pattiz, Pérez, Reiss, Rubenstein, Ruiz, Schilling, Stein, Torlakson, Varner, Wachter, Yudof, and Zettel

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

The meeting convened at 9:25 a.m. with Chairman Lansing presiding.

Chairman Lansing thanked the Regents for their excellent discussion at the prior day's session. The discussion about online education was informative and would help move UC forward on this important initiative, about which the Regents would receive updates regularly. She expressed the Regents' appreciation to Governor Brown and Speaker of the Assembly Pérez for providing funding to help UC move the online education initiative forward and for their work on passage of Proposition 30. Chairman Lansing thanked UC supporters, students, and voters who passed Proposition 30, showing their concern for California higher education. She stated that the Regents would continue their consideration of online education and other sources of potential revenue. Chairman Lansing thanked Governor Brown for his treatment of the University in his proposed 2013-14 budget.

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. Flávio Casoy, fourth-year resident in psychiatry at UCSF and current psychiatry chief resident at San Francisco General Hospital and Trauma Center, expressed concern that, while the UC Student Health Insurance Plan (SHIP) as a self-insured student insurance program was exempt from many requirements of the Patient Protection and Affordable Care Act (PPACA), SHIP was not in voluntary compliance with a key provision of the PPACA, the elimination of

lifetime benefit caps. Dr. Casoy said he occasionally sees UC students as patients, and he noted how quickly unanticipated medical problems and expenses can occur. While he acknowledged that current caps would probably be sufficient for the vast majority of enrollees, the potential exists that medical costs could increase dramatically for some students who could face medical bankruptcy at the same time they faced life-threatening medical problems. He urged the Regents to eliminate the lifetime benefit cap in SHIP.

- B. Mr. Kenya Wheeler, UC Santa Cruz graduate and master's degree student at UC Berkeley, said that he was a research fellow at UC Berkeley in 2011 when he became ill, and, following brain surgery, was subsequently diagnosed with central nervous system lymphoma. He was 37 at the time and had been in good health. He said he had to simultaneously fight cancer and fight for his medical care, since his expensive treatment resulted in his quickly reaching the lifetime cap in SHIP. He reached the annual prescription limit in three months and had to spend much time with his social worker to get the medicine he needed to complete his chemotherapy treatment prescribed by his UCSF physician. He had to ask his caregiver to intercede regarding billing issues while he was in UCSF Medical Center for 22 days, undergoing the final stage of chemotherapy treatment. He stated that students need to have a health insurance plan that meets the requirements of the PPACA including no lifetime cap for medical coverage and no cap for prescription coverage.
- C. Mr. Charlie Eaton, financial secretary of the UC student workers' union United Auto Workers (UAW) Local 2865, stated that one imperfection in the PPACA is the loophole that exempts self-insured student health insurance plans from its requirements. Some student health insurance plans, including UC's SHIP, have not yet undertaken to voluntarily meet the standards of the PPACA. He urged the Regents to voluntarily drop caps for essential coverage in SHIP, a position he said was supported by the UC Student Association (UCSA). He stated that most students are unaware of the caps until they are faced with a life-threatening condition. Only then do they learn that the care they need might not be covered, and they could face both medical bankruptcy and a struggle for survival. He stated that a survey conducted by UAW Local 2865 and the UCSA showed overwhelming student support for dropping the caps in SHIP.
- D. Mr. Hank Gehman expressed his view that problems of governance and finance are linked. He cited the example of the UC Berkeley Memorial Stadium renovations and the Student-Athlete High Performance Center. He believed that UC took on the debt for these projects knowing that it would not have the funding to pay for them, thereby putting student tuition at risk. He urged external oversight of the University's finances in the short term, and an altered UC governance system in the long term. He stated that the Regents should be selected in statewide elections and for shorter terms.

- E. Mr. Jonathan Ly, fourth-year UC Merced student and UCSA University Affairs committee chair, thanked Governor Brown for the proposed increase in funding to UC. He expressed concern about the grade point average requirement for Cal Grants, particularly as it would affect community college students. Mr. Ly stated that pedagogical decisions are best made by faculty members who have regular interaction with students.
- F. Mr. Olivier Bouan, fourth-year UC Berkeley student and co-chair of the UC Berkeley Committee on Student Fees and Budget Review, expressed gratitude that funding for UC was a priority in the Governor's proposed State budget. If UC funding has reached a turning point, Mr. Bouan urged the Regents to bear in mind the need for increased funding for student services. While tuition has increased dramatically, the student services fee has had only one small increase, leaving providers of student services struggling.
- G. Mr. Erik Green, UC Santa Cruz Ph.D. student and vice chair of the UCSA University Affairs committee, thanked Governor Brown for his proposed increase in funding for higher education including UC. He agreed with the Governor's comments of the prior day that the current funding model for UC is unsustainable, but stated that the cause was the persistent deep cuts to education by the State in recent years. While the passage of Proposition 30 would provide a modest funding increase, State funding for higher education is still well below levels of just a few years prior, even though there are tens of thousands more students on UC campuses. UCSA will continue to lobby in Sacramento to raise revenue, cut corporate welfare, reform Proposition 13, and fund schools instead of prisons.
- H. Ms. Margaret Mann, pathology technician at San Francisco General Hospital for 12 years, expressed gratitude for the passage of Proposition 30 for which she campaigned. She spoke against any further increases in student tuition or in numbers of nonresident students, and cuts in services that would hurt patient care. She stated that increasing the number of UC nonresident students would result in qualified California students being unable to attend UC. She stated that the demands on her position at SF General Hospital are constantly increasing, yet UCSF plans to eliminate 300 positions. This staffing situation has a real effect on patients.
- I. Mr. Arnold Meza, custodian and UC employee for more than 22 years, said that employees like him are necessary to keep the UC system running well and create a good environment for UC students. He stated that he looked forward to his retirement as a time when he would be reasonably comfortable. He expressed concern about issues raised by an independent study of the UC Retirement Plan. He stated that hardworking UC employees should be adequately compensated.
- J. Mr. Luis Rodriguez, employee of the UC Berkeley Disabled Students' Residence Program, stated that he works as a special assistant to students who are blind or wheelchair-bound. He stated that budget cuts are affecting this most vulnerable

group of students. The Disabled Students' Residence Program works with students for two semesters, providing 24/7 care. The program has been reduced from 24 hours and is now closed two hours per day, which he said leaves these students vulnerable and also creates potential liability for the University.

- K. Mr. Tim Thrush, diagnostic ultrasound employee at UCSF Medical Center, noted with pleasure that the State's finances may be recovering and that some funding had been restored to UC's budget. He urged strict oversight and accountability of UC spending. Mr. Thrush said that students have been shortchanged by steep tuition increases and patient care has suffered, while executive pay has skyrocketed. He stated that, since 2004, the number of UC executives earning more than \$400,000 annually increased from 121 to 575. He also expressed concern about the level of debt the University had incurred in recent years, an increase from \$6.9 billion to \$14.3 billion.
- L. Ms. Kandy Piper, UC Berkeley employee for 27 years, thanked Governor Brown for attending the meeting. She expressed concern about the effects of budget cuts on students, staff, and patients. She questioned the increasing cost of health care for UC retirees, particularly when compared with executive compensation packages.
- M. Mr. Randy Johnson, magnetic resonance imaging (MRI) technologist at UCSF, stated that union support was essential for the passage of Proposition 30. He noted discussions at UCSF about the elimination of 300 positions. He said that two MRI technologists would be leaving his department and only one position would be filled, resulting in longer wait times for patients to get necessary MRIs. Hospital staff need sufficient resources to care for patients and their families. Mr. Johnson expressed his view that bonuses for hospital executives would be better spent on hiring necessary hospital staff.
- N. Ms. Judy McKeever, registered respiratory care practitioner and 17-year UCSF Medical Center employee, welcomed the increase in UC funding in the Governor's proposed budget and urged increased accountability over spending. She noted that as a member of American Federation of State, County and Municipal Employees Local 3299, she spent many hours making telephone calls to support passage of Proposition 30. She urged the Regents to allocate funds wisely. She stated that staffing in her department is sometimes inadequate to carry out physicians' orders. Her department is using temporary inexperienced workers and patient care has suffered.

The meeting adjourned at 10:00 a.m.

Attest:

Secretary and Chief of Staff