

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

May 15, 2013

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, Island, Kieffer, Lansing, Makarechian, Mendelson, Pattiz, Reiss, Rubenstein, Ruiz, Stein, Varner, 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, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Beckwith, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Drake, Katehi, Khosla, Leland, and Yang, Acting Chancellor Conoley, and Recording Secretary McCarthy

The meeting convened at 8:35 a.m. with Chairman Lansing presiding.

1. REMARKS OF THE CHAIRMAN OF THE BOARD

Chairman Lansing said the meeting was being held in Sacramento to join UC students in a two-day advocacy event. She stated that it was energizing to work with students, particularly in the state capital where so many decisions are made that affect the future of UC and its students. She reported successful meetings the prior day with legislators, their staffs, and the Governor. More legislative meetings will be held this day; in all 47 office visits have been scheduled. Chairman Lansing thanked the Regents, President Yudof, the faculty representatives, and staff advisors for their participation. She recognized the UC Student Association for its help organizing this effort with the staff of the Regents, the Office of the President, and the staff of the UC State Governmental Relations office. She applauded the commitment of students who had taken the time to make their voices heard in support of UC and public higher education. Chairman Lansing said that the passage of Proposition 30 was a result of the major effort by students to register a record number of new California voters, demonstrating what can be accomplished when all UC stakeholders work together. As a result of Proposition 30's passage, UC would be able to avoid a tuition increase for the 2012-13 and 2013-14 fiscal years.

Chairman Lansing said that Governor Brown had released the May Revision to the proposed 2013-14 State budget. She expressed the Regents' appreciation for the priority the Governor placed on higher education and the interest he has shown in the University. At the same time, there remain additional unmet needs critical to UC students' success and to the long-term financial stability of the University. Chairman Lansing expressed cautious optimism that continued advocacy and dialogue would result in positive

solutions. Aggressive measures at UC to achieve still more administrative cost savings and to raise additional new revenue are continuing. Increased State reinvestment, administrative cost savings, and new revenue streams would ensure that a world-class UC education will remain available to all eligible young people in California. She urged everyone to let their elected representatives know how important higher education is to California's future.

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

President Yudof addressed the threat of an impending strike at UC medical centers by a bargaining unit that represents thousands of hardworking employees. He assured the members of the UC community and the public that the University administration is working to avert the strike and is willing to meet with bargaining unit representatives to that end. Beyond that, the University has sought a legal injunction in hopes of minimizing any effects on patients and their families. President Yudof emphasized that a strike would be a threat to patient safety. Patient census counts would go down; patients would be moved to other cities; their care would be in jeopardy. He said the University does not believe that the strike would be a responsible action; it would endanger patient safety, would cost the University \$10 million per day, and would also cause participating employees to lose wages.

President Yudof expressed the University's view that the issue at hand is the bargaining unit's refusal to join with the majority of UC employees in agreeing to pension reform, specifically to the higher employee contribution and to the new tier for employees hired after July 1, 2013. He emphasized that current employees would retain all of their current pension benefits. President Yudof said that pension reform is critical to the University's fiscal stability as well as the stability of the pension fund that will support the retirement of all of UC's hardworking employees. He noted that the UC pension reform is less onerous for employees than the plan adopted by the State with this and many other bargaining units. President Yudof expressed the University's hope that this matter would move back to the bargaining table. He said the University had made an offer, which he believes to be fair, containing wage increases and continuing benefits. This is a matter for negotiation and the bargaining unit has ample opportunity to assert its perspective at the bargaining table to try to reach a just conclusion. President Yudof expressed confidence that a good faith effort would result in a fair resolution for these critical employees who deserve the best that the University can afford.

President Yudof congratulated the winners of the 2013 President's Award for Outstanding Student Leadership, which recognizes UC students for their hard work, creative thinking, and public service. The first recipient is UC We Vote, a project of the UC Student Association (UCSA), and the most successful voter registration drive and voter education campaign in the nation in 2013. The group achieved success through the coordination of hundreds of volunteers, events on every UC campus, and extensive use of social media. Prior to the November 2012 election, UC We Vote registered about 52,000 people in California, 92 percent of whom were UC students. Representing UC We

Vote were UC San Diego senior and UCSA president Raquel Morales, and UC Merced senior Jonathan Ly, chair of UCSA's University Affairs Committee.

On behalf of UCSA, Ms. Morales thanked President Yudof and the Regents for recognizing students' efforts in their voter registration drive. She said the cooperation of all stakeholders in the UC system resulted in the passage of Proposition 30, and that UCSA looks forward to continued work with the Regents.

President Yudof announced that the second 2013 recipient is Healing Highlanders, a UC Riverside student organization that focuses on student addiction and recovery by inspiring students to create their own recovery communities across California. The group hosted its first conference this year, convening students and leaders from across UC, the California State University, and a variety of other collegiate recovery programs, focusing on policy and wellness issues. President Yudof said that Healing Highlanders also attracted private foundation funding, which will help the organization expand its vision. Representing Healing Highlanders were senior Mariel Bello, the group's founding president, and junior Fabiola Escobedo Torres, president-elect.

Ms. Bello expressed her appreciation, and said that both students in recovery from addictive disorders and students who are supportive of those recoveries can be proud of Healing Highlanders. She looks forward to Healing Highlanders' continued work.

Chairman Lansing congratulated the representatives of the award-winning student organizations.

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. Mr. Taylor Bright, UC San Diego graduate student, spoke in opposition to the proposed increase in professional degree supplemental tuition (PDST), which he stated would be unfair, since tuition levels for undergraduate students had been frozen for 2013-14. An increase in PDST would threaten the mission of the University by increasing the amount of debt professional students would have to assume to complete their degrees, thus limiting these students' choices following graduation. Mr. Bright said that professional and graduate students are united in opposition to the proposed increases.
- B. Ms. Shannon Muir, UC San Diego graduate student, expressed her opposition to proposed PDST increases. She said it would be unfair to consider the PDST increases at the July meeting, after students have already accepted admission offers for 2013-14. Since many students will be off campus during July, Ms. Muir suggested postponing consideration of the proposed increases until a time when more students' views could be heard.

- C. Mr. Adam Proctor, first-year UC Santa Barbara student, expressed concern about the many students who he said cannot attend UC because they are undocumented and do not qualify for federal loans. He urged the University to find ways to help these students receive a UC education.
- D. Mr. Jonathan Ly, a UC Merced student, said he appreciated that students were invited to the Innovative Learning Technologies Initiative meetings at UC Irvine and the UC Office of the President. However, he said students were not included in a May meeting regarding online education and he stressed the importance of having students participate these discussions. Mr. Ly said he would support a hybrid online education model, in which online courses were used to supplement in-class instruction, rather than a model in which online courses were used as a cost-cutting measure.
- E. Mr. Murray Morgan expressed concern about salary levels of public employees, from the federal to the local level. He expressed his view that public employees' salaries should not be more than \$200,000. Mr. Morgan also said UC should use computer-assisted management to reduce administrative expenses. Mr. Morgan said he had been harassed for speaking out about scientific misconduct.
- F. Ms. Celeste Langan, Associate Professor of English at UC Berkeley, said she spoke on her own behalf and on behalf of the board of the Berkeley Faculty Association. She urged the Regents to act as responsible stewards of the resources made available to UC by the State for the education of its citizens, specifically by refusing to accept the proposed amendment to UC Berkeley's 2020 Long Range Development Plan (LRDP) that would allow development of the \$15 million California Aquatics Center on a site immediately adjacent to the central campus and close to downtown Berkeley. Ms. Langan stated that approval of the amendment would essentially privatize valuable University property that had been targeted by the 2020 LRDP for future high-intensity, multiple-use development, and instead gift it to private developers who want to construct a building for the exclusive benefit of intercollegiate athletics. She said there were three major problems with the proposal: exclusivity, failure to compensate the University for usufruct, and the ongoing operational costs of the proposed Aquatics Center and deficit spending of UC Berkeley intercollegiate athletics. Ms. Langan submitted materials that she hoped the Regents would review prior to the meeting of the Committee on Grounds and Buildings.
- G. Mr. David Warren, former UC Berkeley student, expressed his concern that young people have forgotten that the source of UC's problems is economic and attributable to a reduction in State funding. He urged students to have a sense of social responsibility.
- H. Mr. Jelger Kalmijn, UC San Diego employee and president of University Professional and Technical Employees Communications Workers of America Local 9119, stated that, while Proposition 30 had been passed as a result of a

collaborative effort, UC medical centers made a large profit in the past year, but were unwilling to fund employees' pensions. Mr. Kalmijn said the employees' proposal provides for retirement security and fair pay, while the University's proposal would provide neither. He expressed his view that finding a solution including a one-tier retirement plan was possible, but the University had been unwilling to discuss the alternatives.

- I. Ms. Kathryn Lybarger, president of American Federation of State, County and Municipal Employees (AFSCME) Local 3299, expressed her view that hospital resources are being directed toward executive pay and away from patient care at a time when many new patients will come to UC medical centers as the Patient Protection and Affordable Care Act (PPACA) comes into effect. Ms. Lybarger said that patient care workers sacrifice for their patients, but that these workers are under time pressure when serving patients because of reductions in staffing levels. She urged the University to have safe levels of patient care staff and to stop outsourcing patient care positions to inexperienced workers.
- J. Ms. Monica Martinez, administrative clinical care partner at UCLA Medical Center, said that patient care workers provide excellent care to their patients and deserve fair wages. She expressed concern about high executive salaries, when she cannot live on the salary she earns at UC. Ms. Martinez said the unions would be striking for the patients and the future of the University.
- K. Ms. Brenda Turner, ultrasound technician in the prenatal diagnosis center at UCSF Medical Center, spoke of the concern AFSCME members have for their patients. She said that UCSF Medical Center's ranking had dropped, partly because of reductions in staffing. She predicted that the hospital's census would increase when the PPACA goes into effect and patient care positions would be understaffed since the hospital plans to cut 300 staff positions. Ms. Turner said that 97 percent of AFSCME's membership voted to strike.
- L. Mr. Bill Camp, executive secretary of the Sacramento Central Labor Council, welcomed the Regents to Sacramento on behalf of the 171,000 American Federation of Labor and Congress of Industrial Organizations members in the Sacramento region. He reminded the Regents that union members worked in partnership to support Proposition 30, to help build a university focused on innovation and creativity. Mr. Camp expressed his view that the University had not made a fair offer to patient care workers, and urged the University to negotiate to avert a strike.
- M. Mr. Cameron Woods, UC Davis Medical Center employee for more than ten years, expressed concern about staffing levels for patient care employees. He said some staff in operating rooms work very long hours because of staffing cuts. Mr. Woods said that adequate staffing is essential to maintain clean, safe operating rooms.

The Regents recessed at 9:15 a.m.

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

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

Faculty Representative Powell said that he and Faculty Representative Jacob had posted a letter on the Academic Senate website detailing their opposition to proposed legislation that would require the three segments of California public higher education to develop in partnership with third parties an inventory of online courses that could be offered to students in all three segments. They had not received any communication from faculty questioning their position on this legislation. On April 24, Academic Council members spoke before the Senate Education Committee in opposition to the legislation.

Mr. Powell said the Academic Senate was collaborating with Provost Dorr to promote a systemwide initiative to strategically deploy the \$10 million earmarked for online instruction in the Governor's 2013-14 budget. A request for proposals will soon be issued that will challenge UC faculty to use instructional technology creatively to make courses available across the system. He noted that UC faculty have been involved in this effort for many years, increasingly incorporating digital resources into their teaching.

Mr. Powell recalled that in 2009-10 the Academic Senate University Committee on Planning and Budget issued a "Choices Report," which recommended prioritizing academic quality, increasing budget transparency, balancing systemwide needs with campus needs, disentangling sources of funds, supporting cross-subsidization, and recognizing UC Merced's unique situation and funding that campus accordingly. He said that President Yudof, supported by the Academic Senate, has led efforts to accomplish these necessary initiatives. These recommendations suggested that maintaining the student/faculty ratio should be the highest priority in making decisions about the use of all funds, even if construction projects had to be curtailed. However, student/faculty ratios have increased and pressure exists to move students through UC more quickly and less expensively. Mr. Powell said the Academic Senate will work with the Provost to prioritize goals that would enrich and maintain the quality of UC students' education.

Mr. Powell said that hiring and retaining the best faculty in the world are also essential to maintaining the excellence of the University's teaching and research. He expressed the Academic Senate's support for steps taken to maintain the health of the UC Retirement Plan. The Choices Report emphasized the need for competitive total remuneration for faculty and staff. Mr. Powell said he was pleased that the Office of the President had committed to a study of total remuneration.

In conclusion, Mr. Powell stated that faculty want prioritization of scholarship and learning, transparent and fair budgeting practices, compensation that is fair with benefits supported by sound planning, equity and diversity among UC's professoriate, and fairness in admission practices.

The Regents recessed at 9:50 a.m.

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The Regents reconvened at 10:20 a.m. with Chairman Lansing presiding.

Members present: Regents Blum, De La Peña, Gould, Island, Kieffer, Lansing, Makarechian, Mendelson, Pattiz, Reiss, Rubenstein, Ruiz, Stein, Varner, 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, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Beckwith, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, 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. He said Ms. Morales was very effective during meetings with legislators the prior day.

Ms. Morales thanked the Regents for joining with students to lobby legislators for increased UC funding and for continuation of tuition and fee buyouts for all UC students. She said the improved lines of communication created the prior year had been built upon, and expressed hope that the effort would continue in coming years.

Ms. Morales said that campus climate continues to be a systemwide problem, with some recent events indicating persistent tensions. She said students do not feel safe on their own campuses. A systemwide survey confirmed what was already known by students, that there are extremely serious campus climate issues. Ms. Morales asked what UC would do with all the survey data collected in order to make changes to fix the problems.

Students are also concerned about proposed increases to professional degree supplemental tuition (PDST) and the continued shift of academic programs to professional programs without well-defined criteria. She expressed hope that the PDST workgroup would be successful in finding a solution, but said UCSA had not received an update on the group's progress. She expressed UCSA's displeasure that the proposed increases would be discussed at the July Regents meeting when most students would not be on campus. UCSA had requested information about PDST levels for all programs at all campuses, and the effect on the 2013-14 budget if PDST increases are not approved. To date UCSA had not received this information.

Ms. Morales said that students were included in the April meeting with faculty and administrators regarding online education, but were not included in the May 4 follow-up meeting. She expressed UCSA's appreciation for the time taken by Faculty Representatives Powell and Jacob to meet with students to ensure that students' opinions would be expressed at

the May meeting. Students continue to support a hybrid model, with online education supplementing in-person instruction, allowing students time for interaction with their professors. Students expect to be part of the conversation about online education going forward.

Ms. Morales expressed students' support for the drafting of a long-needed policy governing and securing UC financial aid. Students agree with the Office of the President that it is a priority to advocate for extension of the Cal Grant program and to look at funding sources other than tuition for additional financial aid. UCSA has put forth a proposed plan, which it hopes will be seriously considered.

In conclusion, Ms. Morales thanked President Yudof for his time, service, and commitment to the University, particularly his efforts to include student voices, and congratulated him on his upcoming retirement as President. She also thanked Chairman Lansing for all she has done for UC students, for working to allow students better access to the Regents, for her support of joint lobbying in Sacramento, and for her efforts to pass Proposition 30. Ms. Morales thanked Regent Kieffer for attending the May UCSA Board meeting, and Regent Stein for his passion and drive in serving as student Regent, particularly around issues of proposed PDST increases, diversity, and helping students gain more access to the Regents. Ms. Morales congratulated Regent Varner on his election as Chairman of the Board and expressed UCSA's hope that the excellent collaboration developed during the past two years would continue.

The meeting adjourned at 10:30 a.m.

Attest:

Secretary and Chief of Staff