

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

January 21, 2015

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

Members present: Regents Atkins, De La Peña, Elliott, Engelhorn, Gould, Island, Kieffer, Leong Clancy, Lozano, Makarechian, Napolitano, Newsom, Pattiz, Pérez, Reiss, Ruiz, Saifuddin, Varner, Wachter, and Zettel

In attendance: Regents-designate Davis and Oved, Faculty Representatives Gilly and Hare, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Chief Investment Officer Bachher, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Senior Vice President Stobo, Vice Presidents Brown, Budil, Duckett, and Sakaki, Chancellors Block, Blumenthal, Gillman, Hawgood, Katehi, Leland, Wilcox, and Yang, and Recording Secretary McCarthy

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

1. PUBLIC COMMENT

Chairman Varner 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. Alden Phinney, UC Santa Cruz student and member of Fossil Free UC, commended UC students and President Napolitano for their leadership in sustainability initiatives at UC, particularly the goal of UC carbon neutrality by 2025. He recommended exploring revolving loan financing for energy-efficiency projects, especially new buildings, as an alternative to less efficient and more expensive retrofits. He also recommended expanding UC Berkeley's energy incentive program, adding a carbon fee to reflect the real cost of carbon for Scope One through Three greenhouse gas emissions. Such a program would incentivize conservation, partially finance the transition to carbon neutrality, and account for the fact the carbon does have a cost. Fossil Free UC would work on UC campuses to build stakeholder support for divestment from the fossil fuel industry. He urged the Regents to support divestment.

- B. Mr. Maximilian Cotterill, UC San Diego third-year student, delegate to the California Democratic Party State Central Committee, and representative of the California College Democrats, urged support for an accelerated reinvestment in California public higher education and the involvement of students in decision-making.

- C. Mr. Christopher Campbell, third-year law student at UC Irvine, stated that UC was enshrined in California's constitution because the state made a commitment to improve its workforce. However, increased tuition is making it impossible for many California residents to afford a UC education. Future California students will not be able to afford the education that Mr. Campbell received at UC. Increasing tuition should not be used as a way to address budget problems.
- D. Ms. Erica Smeltzer, Ph.D. candidate at UC Santa Cruz, stated that UC's long-range financial plan provided a \$60 million annual investment in academic quality and increased graduate student enrollment. She noted that various elements of the academic enterprise such as new faculty hires, facility improvements, faculty raises, and improved support for graduate students would be considered for this funding. She noted Provost Dorr's 2013 presentation to the Regents on the state of graduate education at UC, including stipend competitiveness and the importance of increasing diversity. She urged transparency in how the needs of faculty, facilities, and students would be investigated and prioritized in light of their impact on academic quality. She expressed concern that the need for graduate student support and diversity could be undermined by parties with competing interests.
- E. Ms. Akshaya Natarajan, first-year student at UC Santa Barbara, expressed concern about the possible five-percent annual tuition increase and its effect on students just entering the UC system and their younger siblings. Students from middle-class families would face the brunt of the increase, which could affect their ability to attend graduate school. Current California high school students might choose to not apply to UC because it will have become unaffordable. She advocated maintaining the Middle Class Scholarship program and increased State funding for UC.
- F. Ms. Erin Coghlan, fourth-year UC Berkeley Ph.D. student, discussed the effect of increased tuition and fees on graduate and professional students. Any increase would have an immediate effect on already high levels of student debt. Graduate and professional students carry 40 percent of student debt, which for individual students could often be more than \$100,000. In addition, graduate students are not eligible for federal subsidized loans, so interest accrues while students are in school. A tuition increase could lead to fewer graduate student researchers and teaching assistant positions, since academic departments provide tuition for those positions. A reduction in these positions would mean that less research can be conducted and fewer undergraduate laboratory and discussion sections would be available.
- G. Ms. Kathryn Lybarger, president of American Federation of State, County and Municipal Employees (AFSCME) Local 3299, discussed AFSCME's continued opposition to tuition increases and its belief that the increases could be averted. She said the solution lies in both increased State funding for UC and reduced UC spending. An AFSCME coalition of UC, California State University, and

California Community Colleges students, faculty, and workers supports State reinvestment and higher education reform. Ms. Lybarger expressed AFSCME's commitment to work with UC and State leaders to find solutions including sharing research about new revenue sources for UC and opportunities for cost containment and reform. She advocated using a portion of UC medical center profits to reduce tuition increases. Senior management perquisites such as automobile and moving allowances should be reduced. Outsourcing jobs such as basic custodial services should be eliminated since it is more expensive than using UC employees. Transparency should be reinstated for review of salaries of UC's highest paid executives, including Regents' review of all executive pay packages and disclosure of compensation market surveys.

H. Mr. Michael Avant, patient care worker at UC San Diego Medical Center and executive vice president of AFSCME Local 3299, expressed solidarity with UC physicians in their efforts to obtain a fair contract.

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

Chairman Varner welcomed Regent Elliott, who served for four years as Legislative Affairs Secretary for Governor Brown.

Chairman Varner commented that Governor Brown's proposed budget for UC was an important next step in ongoing discussions among UC, the Governor, and the Legislature about UC's fiscal stability. Since the State had not restored the deep funding cuts UC experienced during the recession, other financial resources would be required to maintain the University's academic excellence, affordability, and accessibility. An investment in UC is an investment in the future of California.

Chairman Varner noted Governor Brown's extensive remarks about climate change and environmental sustainability in his January State of the State address and pointed out the University's integral role in the state's sustainability efforts. UC's recent Annual Report on Sustainable Practices highlighted the leadership of UC faculty and students in many of the state's sustainability efforts. UC is home to more Leadership in Energy and Environmental Design-certified buildings than any other university in the nation. In the midst of California's ongoing drought, UC campuses have adopted water action plans that will reduce per capita water consumption by 20 percent by 2020. As part of the plan to make UC carbon-neutral by 2025, the University signed an agreement for the largest solar energy purchase by any American institution of higher education.

Chairman Varner discussed highlights of the meeting agenda. The Committee on Long Range Planning would hear a status report on the recommendations of the Commission on the Future, which explored how UC could best serve the state in an environment of diminishing resources. The Commission laid out an important roadmap for UC in areas such as time to degree and transfer student pathways. Chairman Varner said he had requested an update and timeline for implementation of those recommendations that are underway, and for those to be implemented in the future.

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

President Napolitano welcomed Regent Elliott and previewed three agenda items. In the Committee on Educational Policy, the Regents would hear a presentation on Phase Two of the work of the President's Task Force on Preventing and Responding to Sexual Violence and Sexual Assault (Task Force), which acted swiftly to meet all four of its January milestones. Every UC campus had established a full-time student advocacy office from a common job description and charter. Response teams had been established on each campus to provide case management of reported sexual misconduct. Response teams had also been implemented to focus on policy, education, and prevention, with both the UC community and local agencies to ensure consistent and appropriate treatment of these issues. A systemwide website was launched and all campus websites now share uniform and easily accessible information. These important steps would ensure that UC policy on preventing and responding to sexual assault and sexual violence is consistent across the University. She thanked the members of the Task Force and Regent Reiss for her leadership.

Also in the Committee on Educational Policy, President Napolitano would provide an overview on the proposed federal rating system and the University's position. She affirmed that UC shared the U.S. Department of Education's objectives to strengthen the nation's higher education, specifically with regard to access, quality, accountability, and student success. While a rating system would be only a tool for students and their families, UC is committed to working with the Department of Education to ensure that the ratings system makes sense.

An update on student behavioral health would be presented in the Committee on Health Services. Dr. Stobo would share that UC student demand for mental health services exceeds the currently available resources on UC campuses. As a result, when the Regents voted to increase the student services fee, President Napolitano allocated at least 50 percent of the increase to support student mental health services, because it is imperative that UC students receive needed mental health support, especially when they seek it out.

President Napolitano provided updates on several initiatives. As part of the UC Carbon Neutrality Initiative to achieve carbon neutrality by 2025, the University switched from a third-party electricity supplier and began to provide electric power directly to five UC campuses, three UC medical centers, and other small accounts throughout the University, becoming, in effect, a utility. The University will possess greater control over the type of energy purchased, provide the University community with greater price transparency, and potentially reduce UC power bills by as much as ten percent this year alone. Two weeks earlier, President Napolitano had announced the creation of the Sustainability Student Fellowship/Internship Program at each campus, Lawrence Berkeley National Laboratory (LBNL), and UC Agriculture and Natural Resources (ANR), with funding for a non-need-based student award, with the goal of ensuring robust student participation in the University's sustainability efforts. Similar to the fellowship program for the Global Food Initiative, the awards would be administered locally, with each campus, ANR, and LBNL

having the flexibility to allocate the award to graduate or undergraduate students involved in research, engagement, or other activities supporting UC's carbon neutrality initiative.

President Napolitano provided an update on the Global Food Initiative, designed to combine the power of the ten UC campuses, ANR, and the National Laboratories to examine issues of global significance. The prior month, the winner of the student logo design contest, UC Davis senior Ren Bautista, was announced and awarded \$2,000. The first phase of projects undertaken by the Initiative had been funded and included projects focused on best practices and designing necessary toolkits to implement them across the system. Once the toolkits have been dispersed throughout UC, they could be offered to schools and communities nationwide. The projects include designing zero-waste dining facilities, addressing food security issues, and working with local school districts to develop healthy and sustainable dining options for K-12 students. The President's Research Catalyst Awards program, administered in the Office of the President, was launched to support faculty research more broadly. The program will fund \$10 million spread over three years of high-priority multi-campus research efforts, the outcomes of which are expected to benefit California and stimulate public support for the University's research mission. The first recipients, whose proposals were selected from a pool of nearly 200 applications, were exploring topics ranging from healthcare throughout the California prison system to understanding how climate change would affect California's ecosystems. The application process for the next round of funding would begin later this winter.

In the next month, President Napolitano would meet with the Academic Senate's Board of Admissions and Relations with Schools (BOARS) to discuss further improvements to the UC transfer pathway. She recently sent a letter to all California Community College students who had expressed interest in completing four-year degrees, encouraging them to begin the process of considering and planning for potential transfer to UC.

At the end of February, President Napolitano would travel to Ensenada, Mexico for the inaugural meeting of the advisory board of the UC-Mexico Initiative. Chancellor Wilcox had been a key leader in that effort. She observed that there was much that UC, Mexico's institutions of higher learning, and the Mexican government could achieve together. Areas of collaboration range from addressing problems of mutual importance to supporting meaningful student and faculty exchanges that create new knowledge and enrich students' educational experiences.

President Napolitano said that a new position of Vice Provost for Diversity and Engagement had been created because it was clear that a senior leader was needed to fulfill day-to-day oversight of the critical issues of diversity and inclusion at all levels of the University. Current Vice Provost for Educational Partnerships Yvette Gullatt would fill the new position. She has a long history of working successfully to increase the participation of underserved populations in higher education at both undergraduate and graduate levels.

Addressing the UC budget and the state of the University, President Napolitano reported that for the 11th straight year undergraduate applications to UC hit a record high. For the first time, Latino students accounted for more than one-third of those applications. UC has been amazingly resilient. Despite years of public disinvestment, UC's research and academic reputation had been largely sustained. Entire swaths of the California economy from biotechnology to the wine industry have sprung from UC research. UC graduates lead the creativity and innovation upon which California prides itself. However, the fact remains that UC cannot continue these accomplishments without additional revenue. UC was already educating thousands more California students than its current level of State funding supported and was constantly identifying innovations that would cut the cost of a UC education. Since 2010, the recommendations of the UC Commission on the Future have informed the University's work to educate more Californians despite the constrained resources of the past years. President Napolitano commended then-Chairman Gould and then-President Yudof for launching the critical work of the Commission on the Future. President Napolitano said she looked forward to ongoing productive discussions with Governor Brown regarding the University's budget, and to working with Speaker Atkins, President pro tempore De León, and other members of the Legislature. She expressed hope that this collaborative process would result in a budget that would strengthen the University's core research and public service efforts, and would ensure that the next generation of Californians has the same higher education opportunities as those in the past.

Chairman Varner echoed the President's comments about the importance of fostering diversity across the University and expressed support for the appointment of Vice Provost for Diversity and Engagement Gullatt.

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

Faculty Representative Gilly stated that Regent Ruiz had requested that she comment on the effect of technology on UC classroom teaching. She would expand the discussion to include the effect of technology on UC faculty's teaching and research, and would offer a few examples from a variety of disciplines.

All UC campuses have invested in classroom technology so faculty can access the internet in real time. Many faculty adapt to large classes by using personal response systems, or clickers, for in-class polling. This polling and learning management systems with pre-class quizzes encourage students to come to class prepared, and allow faculty to identify material students find most challenging and focus class time accordingly. This technology had not resulted in less preparation time for faculty, but had enabled faculty to offer alternative means of accessing course content. Another faculty use of technology is through online simulations, for instance in which students make strategic business decisions and could see the results of their decisions without incurring actual market risk. Nursing faculty use simulation technology to give students practice dealing with an emergency without endangering patients. Faculty use so-called "flipped" classrooms, in which students are provided with the professor's lecture online in advance and class time is spent on discussions, applying the material from the lecture, or group work. In fact, it

would be surprising if UC faculty did not use technology, since it permeates UC campuses.

Technology has also changed the ways research is conducted at UC. For example, online focus groups can be used to collect data. The effects of technology on collection of scientific data have expanded research capabilities in areas ranging from astronomy to molecular genomic research. Incorporating technology into research in the humanities has been just as transformational. Material that previously had to be accessed in hard-to-reach archives could now be accessed online at any time. The availability of searchable databases in many fields has enabled faster production of scholarly work, but also has created higher expectations for scholarship.

Ms. Gilly pointed out that there could be negative effects of technology. Students could find papers to plagiarize on the internet or use cell phones to access the internet during examinations. The availability of technology leads students and colleagues to expect faculty to respond quickly at all hours.

Technology has enhanced faculty effectiveness in research and teaching, but has not decreased the time faculty spend in these efforts. She quoted Michael Zastrocky, an expert on information technology (IT) trends in higher education. "The instructor is still the key to successful learning in both the virtual and the traditional classroom. IT is great at delivering content, but building bridges to wisdom and understanding is a human experience."

Regent Pérez asked about the procedure to request that an item be placed on the agenda of a future meeting. He asked that an item be placed on the agenda for the Regents' next meeting seeking the repeal of the Regents' November 2014 action that had authorized up to a five-percent tuition and student fee increase for the next five years, expressing his view that it had been passed on a false predicate. Chairman Varner stated that a Regent could submit a request to the Chair or the President of the University; the request would be reviewed and placed on the agenda. Regent Pérez asked if a verbal request was sufficient; General Counsel Robinson said it was. Regent Pérez said the intent of the November item was to create predictability over the next five years. When the item was discussed, he had expressed his concerns that it would be counterproductive and those concerns had been reinforced by the Governor's recently announced budget. The Governor proposed, as expected, a modest increase in funding for UC and the California State University, but with the condition that there be no increase in tuition or fees. If UC goes forward with any part of the authorization for five-percent annual tuition increases, it would violate the Governor's requirement for the increase in State funding. The value of the five-percent tuition increase would be less than the increase in State funding. He acknowledged that further budget discussions would take place, but expressed his view that students would be used as pawns in those discussions. He suggested taking away the authorization to increase tuition, pursuing negotiations with the State administration and Legislature to arrive at an appropriate level of State reinvestment in UC, and considering tuition increases after that information has been clarified.

Chairman Varner stated that discussions to be held at this meeting regarding creation of the Special Advisory Committee would address Regent Pérez's concerns.

Regent Kieffer expressed his view that it would not be productive to revisit the item passed at the November meeting. He expressed confidence that negotiations among President Napolitano, the Governor, and the Legislature would lead to a solution, as Regent Pérez desired.

The meeting recessed at 9:30 a.m.

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The meeting reconvened at 4:15 p.m.

Members Present: Regents Atkins, Brown, De La Peña, Elliott, Engelhorn, Gould, Island, Kieffer, Lansing, Leong Clancy, Lozano, Makarechian, Napolitano, Pattiz, Pérez, Reiss, Ruiz, Saifuddin, Varner, Wachter, and Zettel

In attendance: Regents-designate Davis and Oved, Faculty Representatives Gilly and Hare, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Senior Vice President Stobo, Vice Presidents Brown, Budil, Duckett, and Sakaki, Chancellors Block, Blumenthal, Gillman, Hawgood, Katehi, Leland, Wilcox, and Yang, and Recording Secretary McCarthy

President Napolitano introduced UC Student Association (UCSA) President Jefferson Kuoch-Seng, fourth-year UC Merced student. Mr. Kuoch-Seng welcomed Regent Elliott. UCSA would continue to advocate for diversity and transparency on the Board of Regents. He stressed the need for face-to-face communication with students during the Regents' campus visits.

UC graduate students completed the analysis of the results of their job survey, which included responses from nearly ten percent of UC graduate and professional students systemwide. The findings would help further professional development in UC's graduate and professional degree programs. UCSA recommends: (1) campus providers' active incorporation of student input and priorities into resource offerings on each campus; (2) increased collaboration between career centers and departments; (3) systemwide gathering and sharing of best practices; (4) tailoring programming to fit students' needs; and (5) additional support for students who change their career goals during their studies at UC. Graduate students' Graduates Advocating for Diversity in Education (grADE) campaign would focus on democratizing the hiring and evaluation process, including having a student on every hiring committee and the implementation of an evaluation process that would be fair, safe, and democratic for both graduate students and faculty advisors.

UCSA undergraduates have continued their Invest in Graduation Not Incarceration (IGNITE) campaign and their UConsent campaign to create a culture of awareness, education, and

advocacy against sexual assault. UCSA would continue to advocate for expansion of UC mental health services, although funds for these services should not come from students' pockets. The UCSA board of directors voted not to lobby alongside the Regents and the UC Office of the President (UCOP), but rather to conduct its own advocacy efforts in Sacramento and at local levels. Students would still be able to lobby with the Regents and the UCOP through their campus positions.

UCSA is opposed to the Long-term Stability Plan for Tuition and Financial Aid, would not support a reallocation of Middle Class Scholarship program funds, and would call for that program's accelerated implementation. UCSA would be open to discussion of increased enrollment at campuses with the capacity and funds to do so. UCSA opposes increases in nonresident tuition and calls for a cap on nonresident enrollment at its current level. UCSA supports the repeal of the 11 percent CalGrant award reductions. UCSA would continue to advocate for increased transparency in the UC budget.

Regent Ruiz asked for confirmation that UCSA voted not to lobby with the Regents in Sacramento. Mr. Kuoch-Seng confirmed that UCSA would not lobby with the Regents or the UCOP, but UC students could do so in their official campus capacities. Regent Ruiz asked for the reason behind this decision. Mr. Kuoch-Seng said UCSA felt its separate advocacy would be more effective. Regent Ruiz encouraged UCSA to continue to lobby students' and campuses' local representatives because it was very effective.

The meeting adjourned at 4:25 p.m.

Attest:

Secretary and Chief of Staff