

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE
FINANCE AND CAPITAL STRATEGIES COMMITTEE**

January 25, 2024

The Academic and Student Affairs Committee and the Finance and Capital Strategies Committee met jointly on the above date the UCSF–Mission Bay Conference Center, San Francisco campus and by teleconference at 1021 O Street and 1430 N Street, Sacramento and Corral del Risco, 63727 Nayarit, Mexico.

Members present: Representing the Academic and Student Affairs Committee: Regents Anguiano, Batchlor, Hernandez, Park, Raznick, Sarris, and Tesfai; Ex officio member Leib; Chancellors Block, Christ, Muñoz, Wilcox, and Yang; Advisory members Beharry, Salazar, and Steintrager; Staff Advisor Mackness

Representing the Finance and Capital Strategies Committee: Regents Chu, Elliott, Ellis, Makarechian, Matosantos, Pérez, Reilly, Robinson, Sherman, and Sures; Ex officio member Leib; Chancellors Gillman, Hawgood, Khosla, Larive, and May; Advisory member Cheung; Staff Advisor Emiru

In attendance: Secretary and Chief of Staff Lyall, General Counsel Robinson, Provost Newman, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Interim Senior Vice President Reese, and Vice President Brown

The meeting convened at 10:25 a.m. with Academic and Student Affairs Committee Chair Park presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of September 21, 2023 were approved, Regents Anguiano, Batchlor, Chu, Elliott, Ellis, Hernandez, Leib, Makarechian, Park, Pérez, Raznick, Reilly, Robinson, Sarris, Sherman, Sures, and Tesfai voting “aye” and Regent Matosantos abstaining.¹

2. STRATEGIC CAMPUS OVERVIEW, MERCED CAMPUS

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chancellor Muñoz recalled that in 1980, the Central Valley was the state’s largest and most populous region without the benefit of a UC campus. In 1988, the Regents voted to begin planning for a campus in the Central Valley. UC Merced was established to increase access to higher education and stimulate economic growth of the region. Ground was broken on

¹ Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code §11123(b)(1)(D)] for all meetings held by teleconference.

the project in 2002 by then Governor Gray Davis and founding Chancellor Carol Tomlinson-Keasey. The first faculty and graduate students arrived in 2003, and the first undergraduates in 2005. At the very beginning, faculty and staff were housed at the Castle Air Force Base. Nearly two decades since then, the campus has grown to 53 buildings, 13 of which opened between 2018 and 2020, delivered as part of the Merced 2020 Project. This project was the largest public-private partnership in U.S. higher education history.

Thanks to the Regents' approval, plans for further expansion included the Medical Education Building, which would house public health, psychology, and the San Joaquin Valley Programs in Medical Education Plus (SJV PRIME+) program, which provides a pathway from a bachelor of science degree to a doctor of medicine degree. Thanks to funding from the California Legislature, the campus will soon begin construction on the Promise Housing Facility, which will provide rooms on the Merced campus for income-qualified community college students who have met the requirements to transfer to UC Merced. It will complement the Merced Promise Transfer Agreement with Merced College. Chancellor Muñoz reported that the campus is in the design phase of planning for its third Classroom and Office Building. Finally, the campus is building the UCM Experimental Smart Farm, thanks to its recent designation as an Agricultural Experiment Station. The farm will focus on agricultural technology, such as the use of drone robots to monitor water and pesticide levels and the development of new strains of crops.

Chancellor Muñoz highlighted the impact of the campus on the region. An independent economic analysis found that from 2018 to 2019, UC Merced added 5,000 jobs and over \$500 million to the San Joaquin Valley. A second study found that the Merced 2020 construction project will bring \$700 million to the regional economy through 2030. UC Merced is the largest public employer in Merced County.

In October 2022, UC Merced launched the Boldly Forward campaign, its first comprehensive fundraising campaign, with a goal of raising \$200 million by 2030, and the campus was almost halfway to that goal. Prior to the campaign, the campus raised \$6 million annually and now raised \$26 million annually. The end-of-year fundraising drive raised \$1.3 million, 33 percent more than the prior year. Supporters included Regent Emeritus Fred Ruiz and his wife, Mitzie, whose generous gift was honored by naming the Ruiz Administration Center.

Chancellor Muñoz was proud that *U.S. News and World Report* ranked UC Merced in the top 30 public universities and 15th in the country for economic mobility. *The Wall Street Journal* ranked UC Merced in the top 15 public institutions and third among California public and private universities. The Washington, D.C. think tank Third Way ranked UC Merced seventh in the nation in terms of economic mobility, a measure of how the campus transforms students' lives and the lives of their families. Chancellor Muñoz stated that UC Merced does not pursue rankings for their own sake, but rather in the pursuit of excellence.

Thanks to the generous support of the UC Office of the President, the campus was providing incentives for faculty to create new degree programs, with the goal of five new programs per year. He reflected that when he arrived on campus, the campus only offered

27 majors, and while many students wanted to attend UC Merced, they were deterred because the campus did not offer majors of interest. New programs focused on areas of high student demand with good employment prospects, including pre-health, chemical engineering, aerospace engineering, electrical engineering, communication, and biology. He shared that the campus would welcome its first cohort of honors students this fall, which would serve as a recruitment and retention program for top students, and as an indicator of the growth and maturity of the academic enterprise.

Chancellor Muñoz reported that the UC Merced faculty attracted \$91 million in research funding in fiscal year 2023, with many grants over \$1 million. He announced that UC Merced just received a grant from the Bill and Melinda Gates Foundation to investigate college readiness among San Joaquin Valley high school students. He stated that 39 ladder-rank faculty received National Science Foundation career awards for young faculty. Enrollment has continued to increase, with a total enrollment of 9,148 in fall 2023. The student body reflected the population of the Central Valley; more than 80 percent of students were Asian, Black, or Latino(a), and nearly 65 percent of undergraduates were first-generation students. He emphasized that social mobility is germane to UC Merced's mission.

Chancellor Muñoz expounded on the previously mentioned SJV Prime+ program, which was established to address healthcare challenges and lack of doctors in the San Joaquin Valley. SJV Prime+ is a partnership with UCSF and UCSF-Fresno that aims to create a pipeline of doctors to serve the Valley by recruiting students from the region. The first cohort attracted 600 completed applications for 15 places. Of those who were not accepted to the program, 80 became health scholars at UC Merced.

Chancellor Muñoz highlighted partnerships that aim to recruit students from the San Joaquin Valley, including the aforementioned Merced Promise partnership with Merced College to smooth transfer to UC Merced and the Merced Automatic Admission Program (MAAP), which automatically admits students from 60 high schools who have fulfilled UC admissions requirements. Undergraduate application rates increased by almost 14 percent in the last year, and graduate applications increased by nine percent.

Chancellor Muñoz was excited about the growth of athletics at UC Merced. The campus has applied to join the National Collegiate Athletic Association (NCAA) Division II. This would provide opportunities for student-athletes and raise the visibility of UC Merced.

Chancellor Muñoz outlined opportunities and challenges for the campus, which are related to each other. While enrollment growth has been a challenge, UC Merced offers the opportunity for the system to increase enrollment with a student body that is demographically like California. The medical education program was an incredible opportunity, but Merced was located in a healthcare desert. This fact affected the campus' ability to attract employees. Increased investment in UC Merced would not only benefit the University but also the Valley and would create greater health equity in the region. He was proud that UC Merced achieved the Carnegie Foundation's Research 2 (R2) status faster than any other university and was very close to achieving the R1 designation. He

lauded UC Merced's faculty for their excellence and research productivity but cautioned that the campus needed resources to hire and retain faculty to grow that excellence. The promise of locating UC Merced in the Valley was to spur the transformational economic impact associated with a major university. He argued that UC Merced was fulfilling this promise. More amenities were being built in proximity to the campus, relying on private equity. Finally, he reiterated the opportunity to join Division II, which would attract high school students and their parents to attend athletic competitions on the campus and would raise the visibility of UC Merced.

Chancellor Muñoz stated that what UC Merced has accomplished in just a few decades is a result of the vision and support of the Regents, and the hard work of hundreds of faculty and staff who choose to be at UC Merced has ensured that the campus continues to grow and thrive. Students and alumni make UC Merced special place. He noted that for the first time, an Alumni Regent, Student Regent, and Student Observer for the Finance and Capital Strategies Committee were from UC Merced, a remarkable confluence of Bobcat leadership.

Associated Students of UC Merced President Miguel Craven provided remarks on his perspective as a student. Mr. Craven reflected on the unique experience of being a student on a new campus. He noted that he entered in fall 2021 when the University was emerging from the COVID-19 pandemic, but because UC Merced is a small, tight-knit community, he has made great friends. He noted that enrollment growth has created more community and life on campus. Students are excited about joining the NCAA Division II, and the broader community comes out to support UC Merced teams at sporting events. Students are proud to be part of a growing campus that is gaining accolades in national rankings, establishing new degrees, and is pioneering in every single sense. He hoped that all Regents would visit the campus.

Regent-designate Beharry expressed his love for UC Merced. He argued that what sets UC Merced apart is its commitment to serving the community and the campus is a testament to UC's mission to serve the state. He highlighted the Gateway Scholars Initiative as one program that exemplifies this commitment. This program provides scholarships and mentors to students throughout the state and creates opportunities to attend college, which students previously did not consider. He noted that no other campus proves the adage that college is the great equalizer more than UC Merced. It is a force for positive change. UC Merced engages with community members from an early age and the community is grateful. Communities like Merced are often overlooked and underfunded, but the campus serves as a bridge connecting the academic world with the vibrant community.

Regent Sarris offered his congratulations to Chancellor Muñoz.

Regent Hernandez expressed appreciation for the campus' establishment of new majors.

Regent Reilly stated that she was inspired by UC Merced. She asked what strategies the newly hired enrollment officer would implement to increase enrollment. Chancellor Muñoz replied that he added a dedicated cabinet-level position to increase the enrollment

or “yield” from the application pool. He noted that enrollment management has evolved in the social media era. He wanted this person to promote the positive campus environment referred to by Regent-designate Beharry and Mr. Craven.

Regent Anguiano inquired about staff and faculty diversity. Chancellor Muñoz responded that he would provide this information, noting that his cabinet was very diverse, and that he had elevated the chief diversity officer to a cabinet-level position. Additionally, he just appointed the first female provost, who was keenly aware of importance of faculty diversity.

Regent Anguiano asked how the UC system can better support UC Merced. Chancellor Muñoz responded that it could make funding for faculty hiring permanent. He observed that the ability to hire faculty and start new programs, which facilitated enrollment growth, was a result of temporary support from the Office of the President (UCOP). This funding led to a 14 percent increase in applications.

Regent Raznick added his appreciation and congratulations. He remarked on the impact of UC Merced on the San Joaquin Valley and the Inland Empire and of its focus on pathways from high school and community colleges to the University. He expressed appreciation for UC’s mission to uplift all of California and its growth in new areas of the state to reach more Californians. He looked forward to the results of the study funded by the Bill and Melinda Gates Foundation and hoped that they would be shared systemwide.

Regent Leib remarked that Chancellor Muñoz was a wonderful leader for the campus. Over time, he has seen UC Merced become a campus of choice. He asked if UC Merced still had the second-highest percentage of undergraduate students in the UC system who pursue graduate education. Chancellor Muñoz replied that this was true a few years prior; he would verify if this was still the case and provide this information to the Regents. Regent Leib commented that this was an example of UC Merced increasing the pool of diverse faculty.

Regent Chu recalled that she and Regent Robinson visited the campus and thanked the staff for hosting them. She praised the campus’s deliberate approach to community outreach and assistance. She noted that the University must be cognizant of the ways in which it can lessen the impact on communities in which they reside, such as affordable housing, which has been a challenge for other campuses. She requested information on the direct investments in UC Merced and UC Riverside.

Regent Batchlor congratulated Chancellor Muñoz for the opportunities the campus has brought to the region. She observed that African American students were underrepresented on campus and asked what this was attributed to and how the campus might increase these numbers. Chancellor Muñoz responded that the undergraduate African American population was approximately four to five percent and acknowledged the need to do better. He noted that he was Co-Chair of The 1300 Campaign, an initiative to attract high-achieving young men of color to pursue higher education. The campus was also working with Gear Up 4 LA, a program that brings a few thousand Los Angeles Unified School District students to campus in the hope of increasing applications from African Americans.

He also was cognizant of matriculating African American students into graduate school in order to diversify the faculty pipeline. Regent Batchlor observed that UC Merced is a campus where men of color could thrive. Mr. Craven commented that the Black organizations on campus were very tight-knit and that events that they host were attended widely by the campus community. The student government has funded Black organizations such as the National Society of Black Engineers. This funding enabled its members to attend conferences and events which contributed to their success in gaining post-graduate employment.

Regent Matosantos commented that she enjoyed her visit to campus. She was struck by how UC Merced is helping UC to achieve UC 2030 goals in terms of advancing equity.

Committee Chair Park remarked that the kudos were well-deserved. She observed that, while UC must balance its obligations to the state, UC Merced needed international and out-of-state students to provide perspective. It was an important part of the growth strategy. She asked how the annexation of UC Merced to the City of Merced would benefit the community and how these two factors played a role in the campus' vision in future years. Chancellor Muñoz commented that there has been a 30 percent increase in out-of-state applications and over 1,000 international applications due to the increase in rankings and attention. The new enrollment management position would increase the campus' capacity to pursue these applicants and enrich the campus. Regarding annexation, there were nine privately funded, pre-entitled construction projects just beyond campus boundaries that would add thousands of beds, business, and amenities to the area. Many students relied on public transportation to go shopping for supplies in town. Annexation would bring development and services to the edge of campus. The Merced City Council had also just voted to annex a section of the Virginia Smith Trust property to build several thousand homes, including 15 percent affordable homes, and a school. This would transform the area around the campus in a positive way.

Regent Ellis stated that he ranked UC Merced as number one. He was heartened to hear from Regent-designate Beharry and Mr. Craven that it was part of the campus ethos for members of the campus community to support one another and that UC Merced is a welcoming place. He was often asked, "Why Merced?" and this presentation provided the answer. Roughly half of UC Merced alumni had advanced degrees. There were many opportunities for undergraduate students. He thanked the students, faculty, staff, political leaders, Regents, alumni, and alumni donors, with an average age of 28, who consistently give what they can, for making UC Merced a success.

The meeting adjourned at 11:20 a.m.

Attest:

Secretary and Chief of Staff