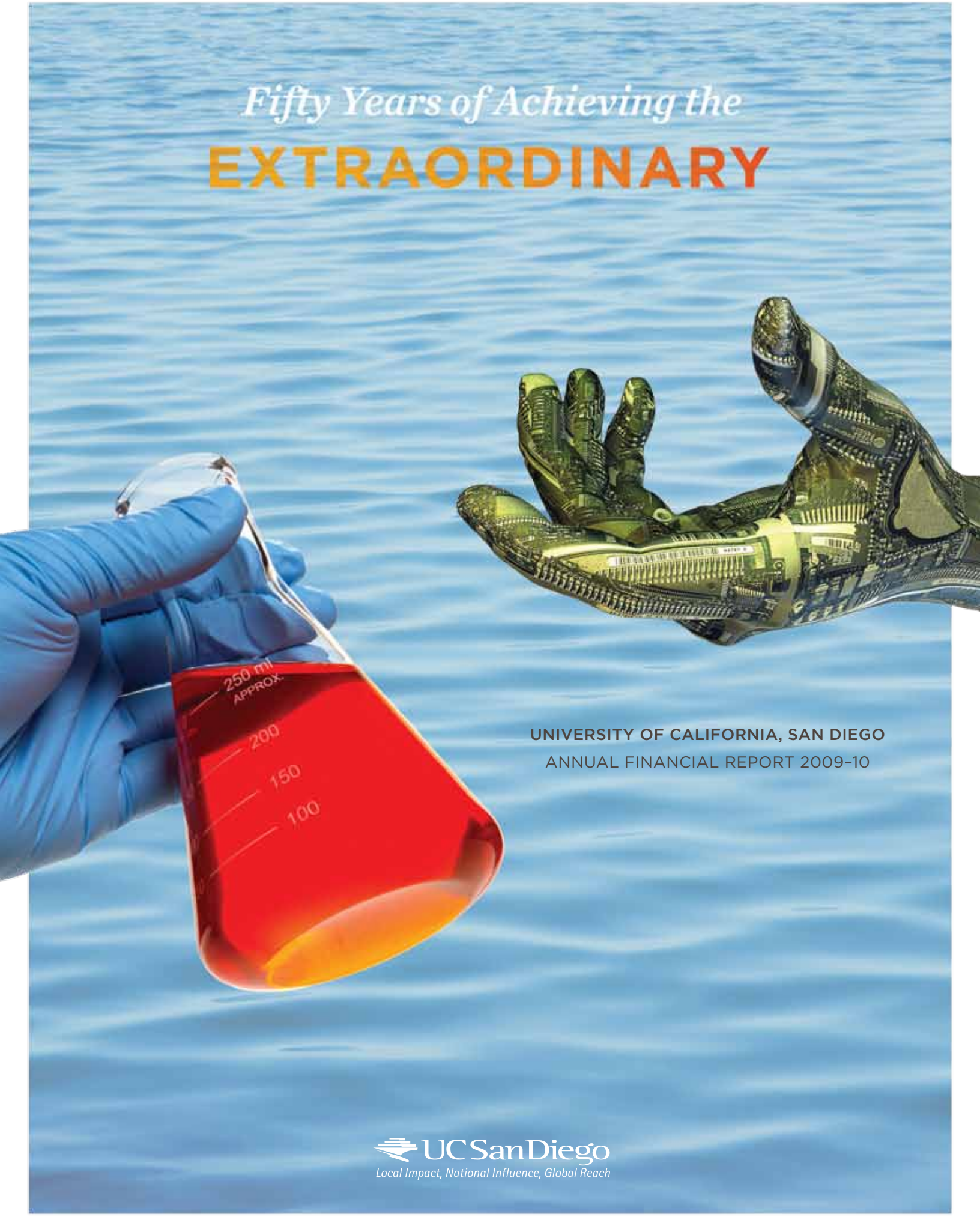
Fifty Years of Achieving the
EXTRAORDINARY



UNIVERSITY OF CALIFORNIA, SAN DIEGO

ANNUAL FINANCIAL REPORT 2009–10

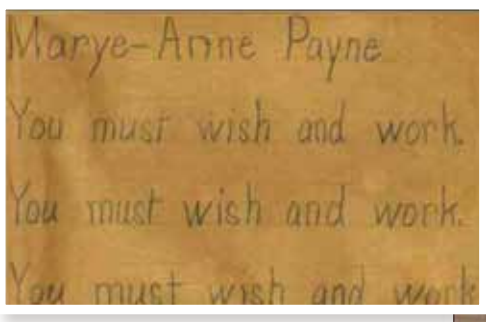
UC San Diego

Local Impact, National Influence, Global Reach

Chancellor Fox Awarded the NATIONAL MEDAL OF SCIENCE

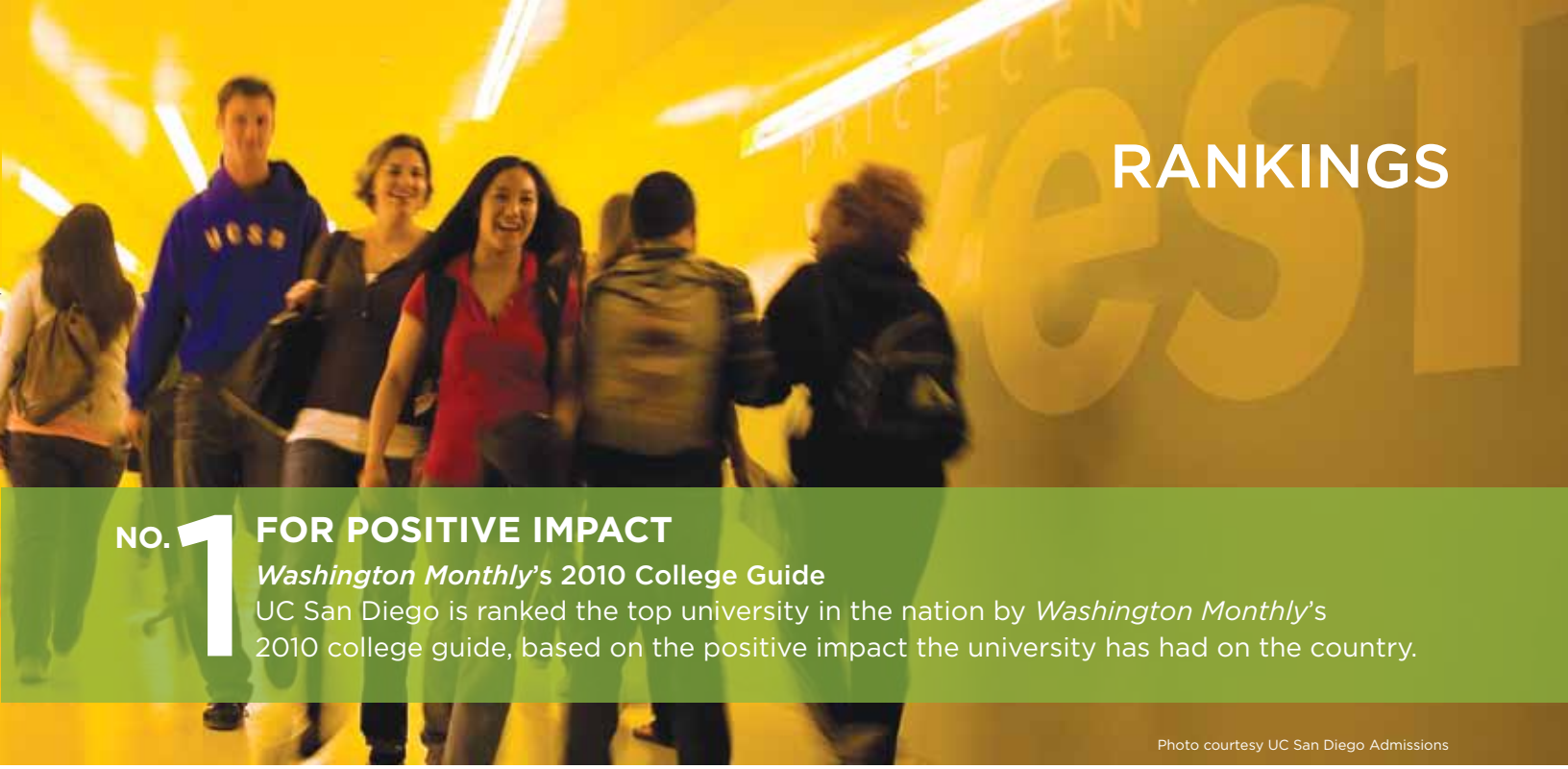
UC SAN DIEGO CHANCELLOR MARYE ANNE FOX received the National Medal of Science in 2010, the highest honor bestowed by the United States government on scientists, engineers, and inventors. A nationally recognized organic chemist and academic leader, Fox has been elected to membership in the National Academy of Sciences and the American Philosophical Society, and to fellowships in the American Academy of Arts and Sciences and the American Association for the Advancement of Science. She has also received honorary degrees from twelve U.S. institutions. Her research has focused on fundamental principles that were later translated into practical use in solar energy conversion, environmental remediation, and materials science.

Fox is the most recent member of the UC San Diego community to receive this prestigious award. Previous living National Medal of Science recipients from UC San Diego are E. Margaret Burbidge, astrophysics (1983); Walter Munk, geophysics (1983); Michael H. Freedman, mathematics (1987); Yuan-Cheng Fung, bioengineering (2000); Andrew Viterbi, electrical and computer engineering (2008); and Craig Venter, pharmacology (2009).



Clockwise from top: Chancellor Marye Anne Fox; Fox receives the medal from President Barack Obama at the White House, November 17, 2010; an inspirational note Fox wrote as a young girl

"I always thought I would be a scientist. Once you've understood something that didn't exist before, it's almost like you have to figure out what the answer to the next question is, and generate the next question after that. Each one of them leads you closer and closer to a fuller understanding of nature." —Marye Anne Fox



RANKINGS

NO. 1 FOR POSITIVE IMPACT

***Washington Monthly*'s 2010 College Guide**

UC San Diego is ranked the top university in the nation by *Washington Monthly*'s 2010 college guide, based on the positive impact the university has had on the country.

Photo courtesy UC San Diego Admissions

SECOND IN QUALITY OF DOCTORAL PROGRAMS

National Research Council

In a recently released National Research Council study of twenty-five UC San Diego doctoral programs, the university ranked second in the nation for quality compared to all comprehensive public institutions (those with fifteen or more doctoral programs rated). Three divisions and their doctoral programs—biological sciences, bioengineering, and Scripps Institution of Oceanography—were ranked best in the U.S.

THIRD BEST PUBLIC UNIVERSITY

Shanghai Jiao Tong University

The 2009 Academic Rankings of World Universities conducted by Shanghai Jiao Tong University ranks UC San Diego the third best public university in the U.S.

FIFTH IN THE NATION IN FEDERAL R&D

National Science Foundation

The National Science Foundation ranks UC San Diego fifth among top U.S. universities in federal R&D dollars for fiscal year 2009–10, and sixth in the nation for total R&D dollars.

SEVENTH NATIONALLY IN SENDING STUDENTS ABROAD

Institute of International Education

The 2009 *Open Doors* report of the Institute of International Education ranks UC San Diego seventh nationally among major research universities sending students abroad in full-year programs.

SEVENTH BEST PUBLIC UNIVERSITY

U.S. News & World Report

U.S. News & World Report ranks UC San Diego the seventh best public university in the nation.

SEVENTH FOR HIGHEST-IMPACT RESEARCH

Thomson Scientific

Thomson Scientific ranks UC San Diego the seventh highest-impact research institution in the nation from 2001–05, based on the citation impact of published research in science and the social sciences.

From left: Scripps Institution of Oceanography professor emeritus and one of UC San Diego's founders, Walter Munk, and Chancellor Marye Anne Fox. Right: In her lab while a faculty member at the University of Texas at Austin, Marye Anne Fox and one of her students, Gary Reitz.

LETTER FROM THE CHANCELLOR

FIFTY YEARS OF ACHIEVING THE EXTRAORDINARY

As I studied the numbers and charts in this year's annual report, I couldn't help but think of the thousands of faculty members, staff, and students whose efforts produced the significant progress for the past twelve months, and who have been "achieving the extraordinary" over the last fifty years.

That theme, which we've chosen to commemorate UC San Diego's 50th Anniversary this year, is fitting, as our visionaries, innovators, and overachievers have helped us evolve from our ocean origins at Scripps Institution of Oceanography to a world-renowned education and research institution. Our founding leaders, faculty, staff, students, and alumni established a tradition of excellence and innovation that continues today.

In the last year alone, UC San Diego was ranked the number one university in the country for our commitment to service by *Washington Monthly*. The university surpassed $1 billion in research funding for the first time in our history. Our researchers and faculty members brought in more than $160 million dollars in federal stimulus money, more than any other University of California campus. A group of UC San Diego students played a critical role in helping the university and the region secure $154 million in federal funding for solar projects. And one of our faculty members, writing and literature professor Rae Armantrout, received the 2010 Pulitzer Prize for Poetry.

These achievements join similar successes all across campus, this past year and throughout the last five decades. UC San Diego's unique collaborative and innovative environment has led to new discoveries and advances in science, engineering, technology, and the arts and humanities, among many other fields. Our award-winning faculty and researchers, staff, and students work together—across disciplines, divisions, and job descriptions—to tackle pressing global challenges. We transcend traditional boundaries at UC San Diego—just one of the many reasons we're ranked the seventh best public university in the nation by *U.S. News & World Report*.

During this milestone anniversary year, as we reflect on our successes, we can be proud that we're still making history. Even today, the university continues to grow and evolve. Education, research, service, and patient care are all part of our mission, and we are committed to advancing the health and well-being of our region, state, nation, and world.

I am honored to be chancellor of UC San Diego during this significant period in the university's history, and I know we will continue to strengthen the university's local impact, national influence, and global reach over the next fifty years.

Sincerely,

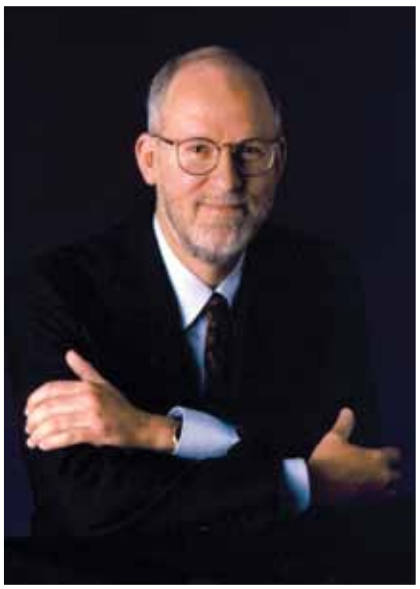
Marye Anne Fox

Marye Anne Fox
CHANCELLOR, UC SAN DIEGO

CONTENTS

From left: Scripps Pier under construction; Department of Music professor Cecil Lytle directs a rehearsal; the ceremony marking the transfer of Camp Matthews to UC San Diego

LETTER FROM THE VICE CHANCELLOR FOR EXTERNAL AND BUSINESS AFFAIRS AND PRESIDENT, UC SAN DIEGO FOUNDATION

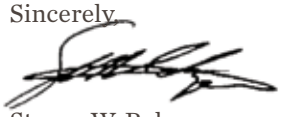


I am happy to present the *UC San Diego Annual Financial Report* for 2009–10, which coincides with the 50th Anniversary of this institution. In addition to tracing the major highlights and accomplishments of the past year, this report touches on the institution's entrepreneurial heritage, its ambitious plans for the future, and its major and growing institutional strengths. These include health sciences research and patient care, sustainable solutions for a healthy planet, and the shaping of international alliances and public policy.

Diversifying our sources of revenue continues to be an important strategy to maintain our standards of excellence and accessibility in lean and prosperous times. Despite the global economic slowdown, our extramural funding reached and exceeded the $1 billion mark in 2009–10—underscoring our success in capitalizing on alternate funding sources. We remain committed to a bold vision for the future of this campus and invite you to celebrate with us as we look forward to the next half-century at UC San Diego. Our fundamental mission remains unchanged: scholarship and research that prepare future leaders and push the boundaries of innovation, and exemplary service to the community.

I hope you enjoy this year's report.

Sincerely,

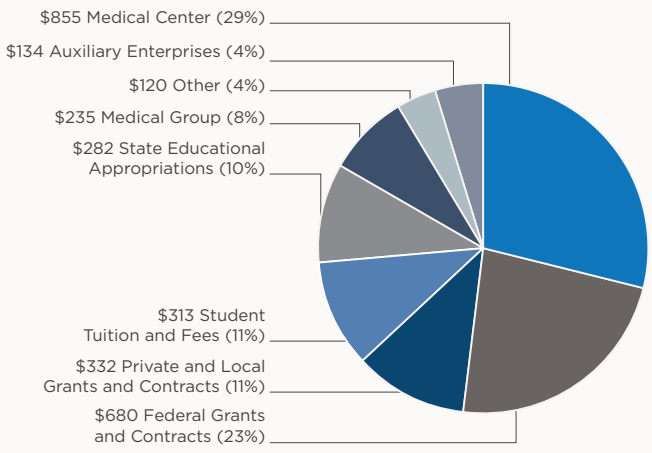


Steven W. Relyea

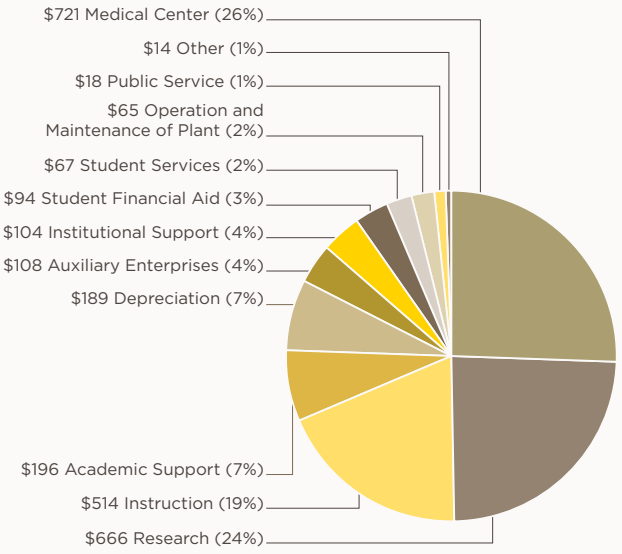
VICE CHANCELLOR, EXTERNAL AND BUSINESS AFFAIRS
PRESIDENT, UC SAN DIEGO FOUNDATION

UC SAN DIEGO'S ANNUAL OPERATIONS

▶ TOTAL REVENUES BY PROVIDER (IN MILLIONS)



▶ TOTAL EXPENSE BY FUNCTION (IN MILLIONS)



UC San Diego's Ballet Folklórico

Achieving the EXTRAORDINARY

THE UNIVERSITY OF CALIFORNIA, SAN DIEGO CELEBRATES FIFTY YEARS OF VISIONARIES, INNOVATORS, AND OVERACHIEVERS

The University of California, San Diego is a place where futures begin, creativity is celebrated, and intellectual pioneers shape history. Since its founding fifty years ago, the university has achieved the extraordinary in education, research, and innovation. Sixteen Nobel laureates have taught on campus, and faculty members have been recipients of Fields Medals, Pulitzer Prizes, MacArthur Fellowships, and many other significant awards and honors.

During the 2010–11 academic year, UC San Diego will celebrate the visionaries, innovators, and overachievers who shaped the first five decades of university life. Looking ahead to the next half-century, the university that came so far so fast continues to reexamine and reinvent itself; transcend traditional boundaries of knowledge in science, arts, and humanities; and exceed expectations. The entrepreneurial spirit prevails—even in difficult economic times.

$1 BILLION FUNDING MILESTONE

UC San Diego was awarded more than $1 billion in research funding in fiscal year 2009–10, a historic milestone for the campus. The record-setting amount was especially gratifying in a year when state support for higher education continued its dramatic slide. Typically, about 70 percent of research funding provides the salaries of faculty, staff, and students conducting that research. Many of the projects evolve into larger endeavors and generate discoveries, inventions, patents, and licensing agreements that lead to additional job creation.

Total research funds included more than $160 million in federal stimulus money for 345 campus projects under the 2009 American Recovery and Reinvestment Act (ARRA). UC San Diego received more ARRA dollars than any other University of California campus. In a highly competitive funding environment, the campus quickly mobilized to apply for ARRA dollars in support of selected research programs. Channeled through existing federal agencies such as the National Institutes of Health and the National Science Foundation, ARRA funds support research in medicine, biology, chemistry, oceanography, engineering, and other fields.

Scripps Institution of Oceanography received a $100 million ARRA grant for construction of two new laboratory buildings dedicated to ocean science. The National Oceanic and Atmospheric Administration (NOAA) and the National Institute of Standards and Technology (NIST) approved the grant for the campus buildings, which will include state-of-the-art marine life tanks and cutting-edge science labs.

In 2010, the U.S. Office of Naval Research chose Scripps as the operator of a new scientific research vessel that will usher in the next era of ocean exploration. The navy is providing more than $88 million to fund the design and construction of the vessel, which will be home ported at the Scripps Nimitz Marine Facility on San Diego Bay.

SUPPORTING THE COMMUNITY

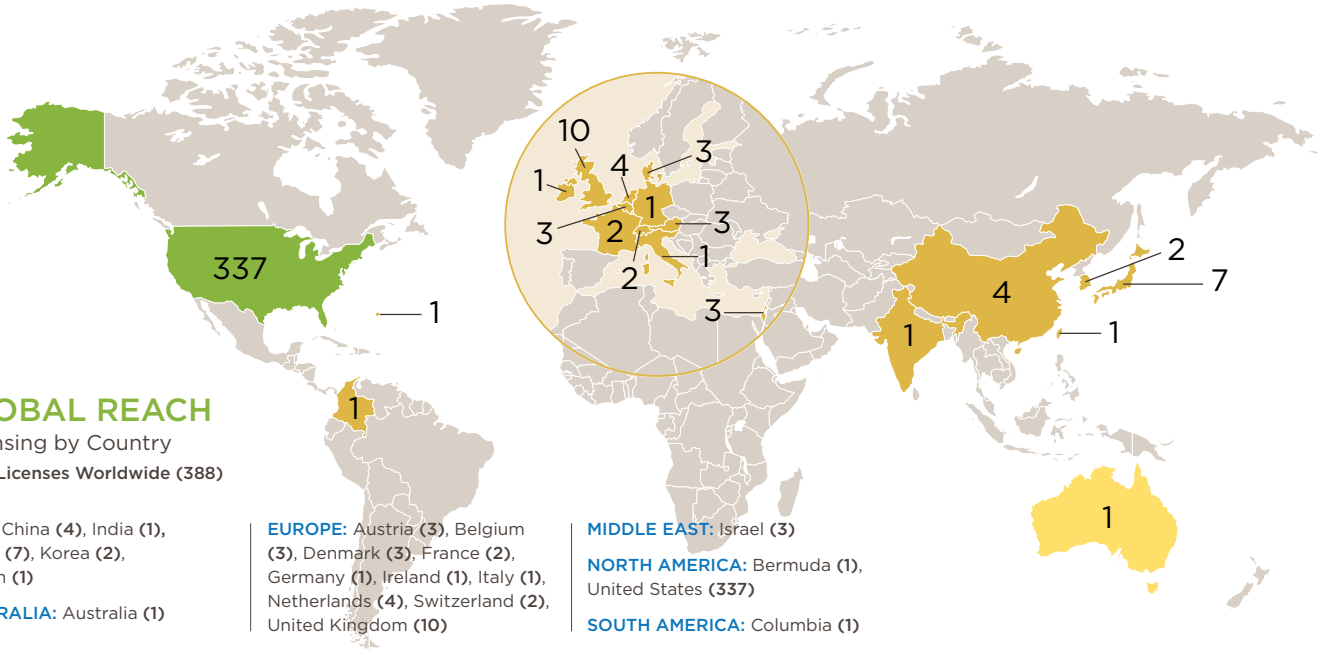
UC San Diego is a primary engine of economic development, a powerful catalyst for the advancement of knowledge, a critical force for improving human lives, and a vital investment in the future. The 2008 economic impact analysis shows that the university contributed approximately $4.74 billion in direct and indirect spending and personal income to the California economy, and generated 39,400 jobs in

SUPPORTING FACULTY OF DISTINCTION: **HELLMAN FELLOWS**

"UCSD has done a wonderful job in fulfilling the mission of the Hellman Faculty Fellows Awards by stewarding its young faculty members toward the tenure track." —Warren Hellman

THE HELLMAN FELLOWSHIP PROGRAM was established at UC San Diego in 1995 with a gift of $2.5 million from Chris and Warren Hellman to provide financial support and encouragement to young faculty who show capacity for great distinction in their research and creative activities.

With the decline in state funding, private support for faculty research is critical to attracting and retaining the nation's top professors and researchers. In fiscal year 2009–10, $375,000 was awarded to the 2010–11 Hellman Faculty Fellows at UC San Diego to support thirty faculty members in their scholarly work as they strive for tenure with the university. The winning proposals included twenty-two from the Arts and Humanities, and Social Sciences divisions, and eight from Biological Sciences, Physical Sciences, and Engineering.



GLOBAL REACH

Licensing by Country

Total Licenses Worldwide (388)

ASIA: China **(4)**, India **(1)**, Japan **(7)**, Korea **(2)**, Taiwan **(1)**

AUSTRALIA: Australia **(1)**

EUROPE: Austria **(3)**, Belgium **(3)**, Denmark **(3)**, France **(2)**, Germany **(1)**, Ireland **(1)**, Italy **(1)**, Netherlands **(4)**, Switzerland **(2)**, United Kingdom **(10)**

MIDDLE EAST: Israel **(3)**

NORTH AMERICA: Bermuda **(1)**, United States **(337)**

SOUTH AMERICA: Columbia **(1)**

Map courtesy UC San Diego Technology Transfer Office, invent.ucsd.edu

fiscal year 2006–07. Over the last fifty years, the university's faculty and alumni have created more than 500 start-up companies, including many local biotech firms.

By 2016, new UC San Diego Health System facilities will transform health care in the region and draw patients from around the globe. The state-of-the-art Jacobs Medical Center will bring 245 additional new beds to the La Jolla campus. A new Medical Education and Telemedicine Center will deliver specialty care to remote areas via telecommunications, while a planned Clinical and Translational Research Institute will speed the delivery of new treatments from laboratory bench to patient bedside.

UC San Diego's Technology Transfer Office (TTO) manages the university's large technology portfolio, which includes innovations in biomedicine, bioinformatics, engineering and physical sciences, nanotechnology, clean technology, and several other fields. This portfolio includes more than 1,400 active patents and 3,000 active inventions, of which more than 1,800 are available for licensing.

TTO facilitates the transfer of innovations created at the university to industry partners for further development as commercial products and services. Through its activities, TTO fosters an entrepreneurial climate and economic expansion within the greater UC San Diego community and beyond. At the end of fiscal year 2009–10, there were more than 380 active license agreements for university technology. One-third of these licenses were with companies designated as small businesses. Of the total active licenses, more than half were with California companies or organizations.

DIVERSIFYING REVENUE SOURCES

To sustain its excellence in teaching, research, and service, UC San Diego continues to strengthen its community ties and diversify its revenue sources. In fiscal year 2009–10, the university's total revenues were $2.95 billion, representing an 82.4 percent rise since 2001, and 35.7 percent since 2006. The campus received 37,714 gifts totaling $147.4 million in private support from alumni, parents, faculty and staff, students, and other friends of UC San Diego.

Educational appropriations from the state of California increased by $37.7 million to $282.3 million in 2010, principally as a result of a one-time federal grant to the state. California's fiscal crisis in 2009 and 2010 necessitated special-session actions by the legislature and the governor that led to midyear budget reductions, both one-time and permanent, that took place over an eighteen-month period. Because of the complexity and timing of these actions, it is important to look at year-over-year changes over a two-year—rather than one-year—period. While the one-year change between 2009 and 2010 appears to reflect an increase in state educational appropriations, when compared to 2008, there was actually a decline of $19 million over the two-year period.

Systemwide fees for resident undergraduate students grew at a substantially higher rate in 2009–10,

Physics doctoral student Feifei Wei reports on her work on a low-cost lab-on-a-chip to screen for diseases and food or water contamination. The project is funded by the Calit2 Strategic Research Opportunities program.

the result of a fall 2009 increase of 9.3 percent plus a midyear increase of 15 percent. This compares to a total student fee increase of 45.9 percent over the past five years, with an annual average of 9 percent per year since 2005–06. For the fall 2009 quarter, enrollment for undergraduate and graduate students rose by more than 3 percent over the previous fall.

Grants and contracts, and health-care revenue remain the university's two largest funding sources. In fiscal year 2009–10, revenues from grants and contracts totaled $882.1 million, with a one-year increase of 8.5 percent. Medical Center revenues were $854.8 million, a one-year increase of 6.1 percent.

When considering all sources of revenue for fiscal year 2009–10 (campus operating revenue, campus nonoperating revenue, and the Medical Center), the educational appropriations from the state of California comprised 9.6 percent of total revenue. This compares to 9.3 percent for fiscal year 2008–09. This source of funding is critical to the university's core mission, but current fiscal year support is less than it was nine years ago in fiscal 2000–01, when it provided 18.4 percent of total revenue.

GRADUATE EDUCATION, UNCOMMON SCHOLARS, AND THE PUBLIC GOOD

Graduate education fuels the engine of economic and social prosperity. By 2020, UC San Diego plans to increase its graduate school enrollment to 20 percent of the overall student body—a 5 percent rise from the current ratio. *Invent the Future*, UC San Diego's three-year, private support campaign, will help in recruiting and retaining excellent candidates by underwriting graduate fellowships.

Graduate students help to attract and retain top faculty, mentor undergraduates, provide a high-quality workforce, and support regional industry. They are critically important to the intellectual productivity of the campus by bringing new perspectives, energy, and enthusiasm to their respective fields. Those who remain in San Diego after completing their education may go on to teach at UC San Diego, launch start-up companies, or stay in the community in other capacities and contribute to the region's cultural and educational vibrancy.

New graduate and professional degrees established in 2009–10 include a doctoral degree specialization in anthropogeny within the graduate programs of anthropology, biological sciences, cognitive science, linguistics, neurosciences, and psychology. Anthropogeny is the study of human origins and evolution from a scientific perspective. The Graduate School of International Relations and Pacific Studies (IR/PS) established an M.A.S. (master of advanced studies) degree in international affairs; the Jacobs School of Engineering introduced an M.S. and Ph.D. in nanoengineering; and an interdisciplinary M.S. program in computational science, mathematics, and engineering is a recent addition to university graduate programs.

The social mission of the Division of Arts and Humanities at UC San Diego is central to a great public university: to learn and to teach others to live fully and creatively in society. The university's founders brought a stellar faculty of writers and critics, philosophers and historians, artists, musicians, and performers to the

campus. The heart of arts and humanities, then as now, is teaching undergraduates, training future scholars, and fostering creative life. The division has plans to develop new graduate programs in dance, and interdisciplinary computing and the arts.

UC San Diego is both a magnet and a catalyst for leading minds and uncommon scholars. Carol Padden, a scholar of sign languages, was named a 2010 MacArthur Fellow by the John D. and Catherine T. MacArthur Foundation. She will receive $500,000 in "no strings attached" support over the next five years. She is the sixteenth UC San Diego scholar to receive a MacArthur Fellowship and the seventh from the Division of Social Sciences. A professor in the Department of Communication, she is also an associate dean in the Division of Social Sciences, an affiliate of the Center for Research in Language, and a doctoral graduate of the Department of Linguistics. Her research focuses on the unique structure and evolution of sign languages—how they differ from spoken language and from one another—and on the specific social implications of signed communication.

UC San Diego has 155 endowed chairs, 5 of which were established in fiscal year 2009–10. Faculty searches on the general campus were put on hold during that period because of fiscal constraints. General campus searches will resume in academic year 2010–11; funding for the 40 new positions will come from the Academic Affairs operating budget. Committed to making positive changes in the campus atmosphere and broadening the richness and diversity of its community and curriculum, Academic Affairs has authorized 33 new faculty searches for the 2010–11 academic year and identified 12 of these searches—or 36 percent—to contribute to diversity, equity, and a campus climate of inclusion. In addition, a pool of seven faculty positions has been established for 2010–11 to respond to opportunities to address diversity, spousal, or extraordinary faculty hires that may emerge throughout the year.

Professor Charles Keeling of Scripps Institution of Oceanography reviews growing levels of atmospheric carbon dioxide during his tenure in the 1960s.

STILL AHEAD OF THE CURVE: SUSTAINABILITY

In the early 1960s, Scripps researcher Charles Keeling provided the first proof that carbon dioxide levels in the atmosphere were rising. His Keeling Curve is now a scientific icon that quantifies a fundamental way that humankind has affected the planet.

A twenty-first-century leader in climate science research, UC San Diego works to promote sustainability solutions throughout the region and the world. Through its Climate Action Plan for the campus, the university is tracking progress toward achieving 20 percent water use reduction by 2015, zero waste by 2020, and carbon neutrality by 2025. UC San Diego provides 82 percent of the power needs for the daily campus population of 45,000 students, faculty, and staff with a micro utility that has a growing portfolio of solar photovoltaics, fuel cells utilizing renewable methane, and a natural gas-fired power plant recognized by the U.S. Environmental Protection Agency as one of the cleanest and most efficient in the country.

In 2009, the California Public Utilities Commission (CPUC) awarded $11 million in incentives to UC

UC San Diego was included on a list of the greenest college campuses compiled by *Princeton Review* and named among the nation's top 20 "coolest" schools by the Sierra Club for efforts to reverse global warming and operate sustainably.

Undergraduate research is a prominent feature of study at UC San Diego. Photo courtesy UC San Diego Admissions.

San Diego for the installation of an innovative fuel cell energy generation and storage system. Scheduled for completion in 2012, this smart-grid project is the largest of its kind in the world, and the nation's first advanced energy storage project to receive state incentive funds.

The system, which pairs a 2.8-megawatt fuel cell with a 2.8-megawatt advanced energy-storage system, will allow the university to store power produced at night for use during peak daytime hours. The California Center for Sustainable Energy (CCSE) is administering the program within the San Diego Gas & Electric (SDG&E) service territory. BioFuels Energy, LLC of Encinitas in San Diego County will build the plant, which will use methane allocated from the city of San Diego's Point Loma Wastewater Treatment Plant that will be piped to the campus.

UC San Diego offers some 200 courses under the environment/sustainability umbrella. A new Sustainability Solutions Institute has been established on campus to develop a comprehensive strategic plan to strengthen research programs in water, energy, and climate change; provide robust curricular offerings at the undergraduate level; and develop outreach programs with the potential to achieve major societal changes.

UC San Diego was included on a list of the greenest college campuses compiled by *Princeton Review*; was named among the nation's top 20 "coolest" schools by the Sierra Club for efforts to reverse global warming and operate sustainably; received a U.S. EPA 2010 Energy Star Combined Heat & Power Award for its high efficiency, low-emission cogeneration plant that provides more than 80 percent of the campus electricity needs; won three California Higher Education Sustainability Conference Best Practice awards; and was runner-up for the San Diego Excellence in Energy Efficiency award for Special Achievement in Energy by a Government or Institution.

More than eighty student groups have a sustainability focus, and three of them (Green Campus, AQUAholics, and EcoNauts) have received regional and national recognition for their work. The recently established Student Sustainability Collective (SSC) focuses on engaging the campus in proactive change and, in 2009, UC San Diego's Sustainability Resource Center opened, establishing a central campus location to promote sustainability.

HANDS-ON LEARNING AND DISCOVERING: UNDERGRADUATE RESEARCH OPPORTUNITIES

UC San Diego provides undergraduate students with valuable hands-on research opportunities outside the classroom in virtually every discipline. Students can work one-on-one with internationally distinguished faculty, participate in cutting-edge projects, and make important contributions in their field of interest. Faculty interaction with undergraduates in research activities has grown steadily over the past ten years and continues to be an important instructional emphasis.

Division of Physical Sciences undergraduate research experiences have propelled students into spectacular careers such as developing the Apple Macintosh or coaxing bacteria into creating synthetic human insulin, human growth hormone, and human tPA (tissue plasminogen activator) for use in therapeutic medicine that launched Genentech.

Research opportunities are not limited to scientific areas but encompass all academic disciplines. Research in the arts and humanities and social sciences includes a range of creative and artistic projects from costume design to playwriting to curating a fine arts exhibit, and archival work in the library or on the Internet.

In 2009–10, the university expanded the Regents Scholars Research Initiative, and a partnership between Research Affairs, Academic Affairs, and Student Affairs to recruit outstanding students to UC San Diego by opening enrollment in independent research courses to freshman Regents Scholars as early as their first quarter on campus. Approximately 144 scholars have participated in this program since its debut in 2007–08, with 58 students participating in 2009–10.

In collaboration with Student Affairs, the Advisory Committee for the Center for Undergraduate Research, Internships, and Entrepreneurships (CURIE) is promoting increased participation in structured research experiences by undergraduates, establishing new internships and entrepreneurial training programs, increasing the number of students applying to graduate and professional schools, and providing assistance in finding faculty mentors. In 2009, the Office of Research Affairs initiated collaboration between Student Affairs, Academic Affairs, and the Council of Provosts to create an undergraduate research Web portal and a center for unifying various activities related to undergraduate research, internships, and entrepreneurial initiatives.

GLOBAL REACH

A great research university must be innovative, international, and interdisciplinary. The answers to today's local, national, and global challenges are not likely to be found in isolation. A major campus priority is to expand UC San Diego's international presence through a series of partnerships. The Office of International Affairs (OIA) develops campuswide initiatives that improve the flow of communication and collaboration on international matters between administrative offices and academic and research units.

In 2009–10, OIA provided consultation on thirty-nine partnership proposals, and negotiated, drafted, and vetted eighteen agreements, including UC San Diego's first international dual-degree program agreement, through which IR/PS will receive students funded by the Korea Development Institute in 2010–11 for the one-year M.A.S. program in international affairs. Other efforts include a Talentia fellowship agreement providing full funding for students from Andalusia, Spain, to pursue graduate degree programs beginning in 2010–11, and four academic and research agreements with universities in China and Mexico, UC San Diego target countries for the development of international partnerships.

In 2010, UC San Diego signed an initial three-year agreement with Saudi Arabia's national science agency and national laboratories, King Abdulaziz City for Science and Technology (KACST) and Saudi Telecom Company (STC), to collaborate on the development of information technology systems and advanced communications. In 2009, UC San Diego Health Sciences and the Indian Institutes of Technology (IIT) Kharagpur signed a preliminary agreement to collaborate in developing an international medical center at IIT Kharagpur.

During the 2008–09 academic year, UC San Diego ranked seventh nationally among major research universities that send students abroad in full-year programs, and seventh among U.S. research institutions in the number of international scholars hosted. Approximately 22 percent of UC San Diego's undergraduates participated in programs abroad (calculated as a percentage of undergraduate degrees conferred), and 12 percent participated in long-term programs compared to 4 percent nationally. Programs such as the two-year-old Summer Global Seminars continue to kindle student and faculty interest in studying abroad; in summer 2009, 195 students participated in eight global seminars.

CHARITABLE SUPPORT *in a* CHALLENGING YEAR

In fiscal year 2009–10, UC San Diego asked for generous support and the donor community responded with a resounding yes. The stellar outcome included raising $147.4 million in private support for the university. *Invent the Future: The UC San Diego Student Support Campaign* achieved $17 million in commitments during the year, and a visionary $75 million leadership gift was made by Irwin and Joan Jacobs to enable the medical center construction project to go forward.

Anaya Johnson, doctoral candidate in marine biology at Scripps Institution of Oceanography, and an *Invent the Future* fellowship recipient

INVENT THE FUTURE CAMPAIGN AHEAD OF SCHEDULE

As UC San Diego continued to struggle with the global recession and severe state budget cuts in fiscal year 2009–10, the university held fast to its primary focus: educating talented and ambitious students to become tomorrow's innovative leaders and problem solvers. *Invent the Future: The UC San Diego Student Support Campaign*, a three-year, $50 million fund-raising effort, was launched in fall 2009 to help UC San Diego stay competitive in attracting outstanding graduate and undergraduate students to campus.

The goal for year one was to raise $15 million—a substantial increase in funds for scholarships and fellowships over the previous year. Remarkably in a recession year, the university surpassed that goal by securing more than $17 million in campaign commitments for undergraduate scholarships and graduate student fellowships.

At the undergraduate level, more than 50 percent of all students need financial assistance. To improve access for future innovators and leaders and to compete with other top public universities, UC San Diego needs three times the current level of its scholarship funding. The *Invent the Future* campaign will help support undergraduates with merit, need-based, and research scholarships.

Only 16 percent of UC San Diego graduate students receive fellowships, making it difficult for UC San Diego to compete with peer institutions. Students must often choose the college that offers the highest level of support.

MAJOR GIFTS TO INVENT THE FUTURE, 2009–10

- $5.7 million from University of California president emeritus and UC San Diego chancellor emeritus Richard Atkinson and his wife, Rita, for graduate student fellowships.
- $2.5 million from former UC San Diego Foundation chair Pauline Foster for M.B.A. student fellowships at the Rady School of Management.
- $2 million endowment from the Siebel Foundation to fund fellowships for top bioengineering graduate students at the Jacobs School of Engineering.
- $1.4 million from longtime campus supporters Joan and Irwin Jacobs for the Jacobs School Scholars and Fellows program.
- $977,000 bequest from the Kaplan Family Trust for graduate fellowships and undergraduate scholarships.

THE CAMPUS AND THE ALUMNI: A MUTUAL SUPPORT SYSTEM

UC San Diego is one of the youngest of the top-ranking public universities in the nation. As the campus celebrates its 50th Anniversary, it is supported in part by a powerful network of alumni that is no longer too small or too young to make a difference. Many of these individuals are at the forefront of business, research, the

arts, social innovation, and political service in California, throughout the nation, and increasingly across the world. The mission of the UCSD Alumni Association is to foster a lifelong, mutually beneficial relationship of alumni and students with UC San Diego.

UCSD ALUMNI ASSOCIATION'S BIG TENT

A big tent was not just a location but a metaphor, when the UCSD Alumni Association celebrated its 32nd Awards Banquet in 2010 in a tent large enough to hold a group that is expanding exponentially. To reach out to more alumni, the association has honed its communications, segmented its alumni markets, and added a large variety of affinity groups, clubs, and faculty lectures to its offerings. The latest step, in 2010, was to reevaluate its membership criteria and open its doors without charge to each and every alumnus—or a group of more than 130,000 members.

The UCSD Alumni Association also works with current students to create a culture of philanthropy and service—and a lifelong tradition of giving back. The Alumni Discovery Initiative, launched in 2009, is a student-led effort to reach thousands of alumni annually who are currently not engaged with the campus.

Student ambassadors from the association meet face-to-face or by phone with hundreds of alumni, interview these individuals, and bring back narratives about their backgrounds. An interview typically focuses on life since graduation, memories of UC San Diego, and how best to reconnect with the school. This innovative approach aims to generate new donors, new leaders, new volunteers, and new advocates from a diverse group of alumni—and ensure that UC San Diego remains world-class.

BANNER YEAR FOR SENIOR CLASS CHALLENGE

For the class of 2010, giving back began even before the students received their diplomas.

More than 1,200 graduates, nearly one-quarter of the 2010 graduating class, made a gift of $20.10 each as part of a special gift campaign to support student scholarships at UC San Diego. This year's Senior Class Challenge event brought in more than $24,000, a 40 percent increase over last year's record-breaking challenge gifts of more than $17,000.

Each year, graduating seniors are encouraged to pay it forward by supporting scholarships for the next generation of students. The UC San Diego Student Foundation is responsible for these fund-raising efforts.

CHANGING REALITIES

Since graduating in 1999 from UC San Diego with degrees in Spanish literature and political science, Christopher Yanov has been reaching out to high-risk youth who want to change their lives. As founder and executive director of Reality Changers, he helps highly motivated inner-city high school students in San Diego find the academic and financial resources they need to become the first in their families to attend college. Founded in 2001 with just $300, the program has since assisted more than 200 students and helped them obtain more than $10 million in scholarships from a variety of sources.

HELPING GRADUATE STUDENTS INVENT THE FUTURE: **RITA AND RICHARD ATKINSON**

"Great universities fuel the economy, spark medical and research breakthroughs, and drive the excellence of the country. By supporting students now, we are establishing the underpinnings for the future."—Richard Atkinson

A $5.7 MILLION GIFT from Rita and Richard Atkinson in September 2010 to support fellowships for UC San Diego graduate students was the largest commitment to date for *Invent the Future: The UC San Diego Student Support Campaign*. The gift established the Rita L. Atkinson Graduate Fellowship Fund, which provides scholarships for graduate students engaged in interdisciplinary studies in science and related fields leading to doctoral degrees at UC San Diego. Richard Atkinson was UC San Diego's chancellor from 1980 to 1995 and was president of the University of California system from 1995 to 2003.

One of these students is Jorge Narvaez, the single father of two daughters and a full-time UC San Diego student pursuing ethnic studies, photography, and literature with the support of a Chancellor's Scholarship. Through Reality Changers, he participated in the UC San Diego Academic Connections program and took college-level courses while still in high school.

RECORD GIFT FOR "BOUNDLESS ENERGY"

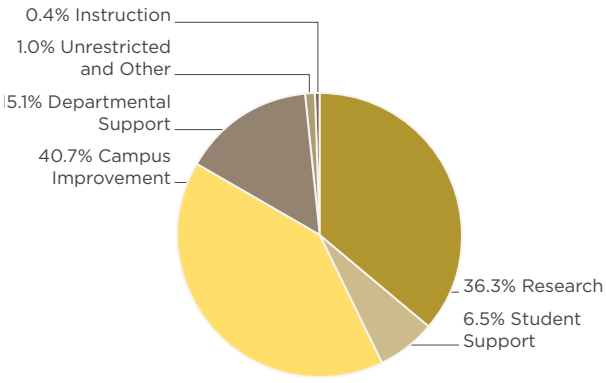
A $600,000 gift from the Sempra Energy Foundation to UC San Diego in 2010 is the largest ever made by the foundation to a nonprofit institution. As lead sponsor of Birch Aquarium at Scripps Institution of Oceanography's "Boundless Energy" exhibit and education program, Sempra Energy and the Sempra Energy Foundation are partnering with Scripps for an exhibit that focuses on innovative ideas for cleaner, renewable sources of energy. More than two million visitors are expected to visit "Boundless Energy" during its five-year run.

PHILANTHROPY MOVES THE WORLD

Gifts to UC San Diego have the power to transform individual lives and benefit whole communities. Private support of the university creates scholarships and fellowships, expands academic programs, funds groundbreaking research, supports faculty recruitment and retention, enhances patient care, constructs new buildings, and provides a pool of flexible funds to help UC San Diego meet its highest priority needs. With the support of generous alumni, parents, faculty, staff, students, and friends, UC San Diego can continue to deliver the local impact, national influence, and global reach of the region's leading research university.

UC SAN DIEGO PRIVATE SUPPORT BY PURPOSE

Total Private Support: $147.4 Million



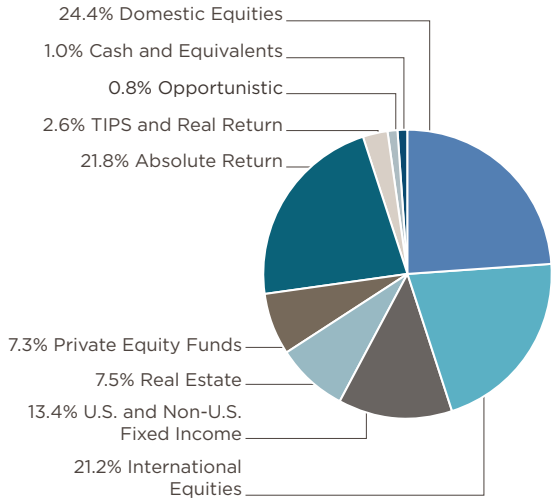
INVESTING IN THE FUTURE: THE UC SAN DIEGO FOUNDATION

The UC San Diego Foundation is a not-for-profit corporation dedicated to securing and stewarding private gifts that benefit UC San Diego, and serves as trustee for a number of charitable trusts. As of June 30, 2010, the Foundation managed $455 million in diverse financial assets given for endowed or expendable campus purposes.

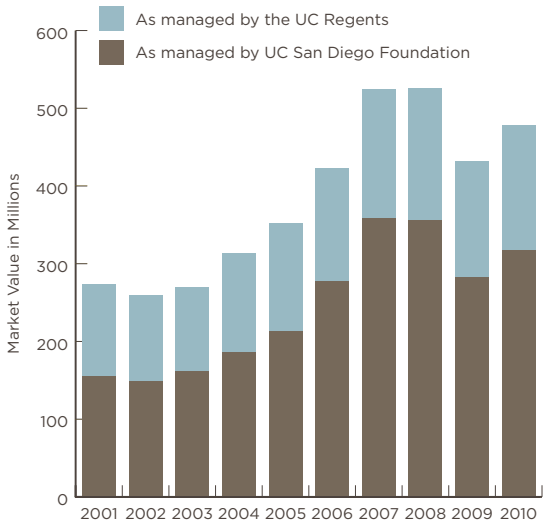
See the Detailed Financial Statements of the UC San Diego Foundation at http://www-er.ucsd.edu/foundationDir/FDN-ACT//AUDITEFANSTMTS.asp.

UC SAN DIEGO FOUNDATION ENDOWMENT PORTFOLIO ASSET ALLOCATION (IN MILLIONS)

Total Endowment Value : $313.8 Million



UC SAN DIEGO ENDOWMENT MARKET VALUE AS OF JUNE 30 (IN MILLIONS)



LETTER FROM THE CHAIR OF THE UC SAN DIEGO FOUNDATION BOARD

FIFTY YEARS AGO, UC San Diego founder Roger Revelle had one criterion for the campus: It must be distinctive. The campus now ranks among the very best universities in the U.S., a stunning achievement in such a short time. Our prowess in research and innovation in many fields is legendary. The university is an engine of economic development, job creation, workforce development, and social mobility.

As UC San Diego marks its 50th Anniversary this year, we celebrate the donors, trustees, and friends who have generously given their time and resources to help make these incredible accomplishments possible. In fiscal year 2009–10, UC San Diego achieved its second highest year in private support. A total of $147.4 million was raised in gifts and pledges, surpassing the university's goal of $110 million.

The largest gift received by UC San Diego during fiscal year 2009–10 was from Joan and Irwin Jacobs, with their family, who pledged $75 million to UC San Diego Health System to build the Jacobs Medical Center on UC San Diego's east campus in La Jolla. Joan is a former trustee of the Foundation, and Irwin is a current trustee.

In year one of UC San Diego's *Invent the Future* campaign, supporters helped the campus achieve commitments for just more than $17 million for student scholarships and fellowships—exceeding the first-year goal by more than $2 million. The largest gift to date for this three-year, $50 million fund-raising effort has come from Richard Atkinson—former president of the ten-campus University of California system and chancellor at San Diego from 1980 to 1995—who has designated, with his wife, Rita, $5.7 million to support fellowships for graduate students at UC San Diego.

Local philanthropist and former chair of the UC San Diego Foundation, Pauline Foster, also supported students, making a $2.5 million charitable gift commitment to the Rady School of Management at UC San Diego to endow M.B.A. student fellowships. Her generous contribution will serve as a challenge to encourage others to join the school's ongoing fund-raising activities.

The UC San Diego Triton baseball team has something new to cheer about—a $100,000 gift from campus supporter, former UC San Diego Foundation trustee, and Athletic Board member William Scripps, who helped launch an initiative to purchase and install lighting on UC San Diego's baseball field. Scripps is the grandson of Robert Paine Scripps and the great-grandson of E. W. Scripps.

Not surprising for a school with a tradition of philanthropy, UC San Diego students reacted to a difficult economy with a renewed spirit of giving. As an example, hundreds of UC San Diego students gathered in October to "race for scholarships" as part of the 15th Annual Chancellor's 5K Run/Walk for Scholars. Since the first Chancellor's Challenge 5K in 1996, thousands of students have joined alumni, faculty, friends, and community sponsors to raise $2.12 million, which has benefited more than 800 scholarship recipients.

And this is just a brief sampling of the many gifts—large and small—that UC San Diego received in 2009–10 to help advance the campus; educate promising students; spark discoveries and innovation in science, arts and humanities, engineering and health care; and conserve our oceans and the environment for generations to come.

For more than thirty-five years, the UC San Diego Foundation has partnered with the campus in raising funds. The university has a great opportunity to develop solutions to key challenges facing the world today; the Foundation is here to help ensure UC San Diego's future success.

Best regards,

Julia R. Brown

Julia Brown

CHAIR, UC SAN DIEGO FOUNDATION BOARD

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LEARNING THE IMPORTANCE OF PHILANTHROPY: **UCSD STUDENT FOUNDATION**

"Our mission is to instill in students a tradition of giving back that they will continue throughout their lives."

—Geoff Honda, 2010–11 UCSD Student Foundation President

WHILE THE ECONOMIC DOWNTURN is hurting philanthropic organizations throughout the nation, UCSD Student Foundation members have defied the odds. Fiscal year 2009–10 was one of the student foundation's most successful years since its establishment in 1999.

The organization awarded more than $12,000 through eight scholarships and one "vision grant." More than 800 seniors gave to the Senior Class Gift, raising more than $24,000 for future scholarships. Additionally, the student foundation's total return on its endowment was 11.9 percent.

The UCSD Student Foundation is the first organization of its kind in the University of California system and one of just a few in the nation. The program provides an opportunity for students to learn firsthand what it takes to run a foundation, the importance of philanthropy, and the realities of investing and fundraising.

The UCSD Student Foundation recently expanded its stewardship program. Students who donate have the opportunity to become members of Society Sixty, a student donor appreciation group that receives special benefits from the UCSD Alumni Association and student foundation.

Juanita LaHaye (Extension), left, and Kim Newin (Chancellor's Office) take part in the kick-off event for Volunteer50: The Chancellor's Call to Service.

WISE AND CARING CITIZENS: UC SAN DIEGO GIVES BACK

AS UC SAN DIEGO CELEBRATES FIFTY YEARS of visionaries, innovators, and overachievers, it is also celebrating its remarkable legacy of community service. *Washington Monthly*, in its 2010 rankings measuring "what colleges are doing for the country," recognized UC San Diego as the top college in the nation for service. The magazine honored the campus for producing cutting-edge research, wise and knowledgeable citizens, and workers who focus on giving back.

This commitment to public service begins at the undergraduate level. UC San Diego students reach out to local, national, and global communities on a range of issues, including poverty, homelessness, and environmental justice. In 2009, nearly 14,000 students engaged in some form of helping activity.

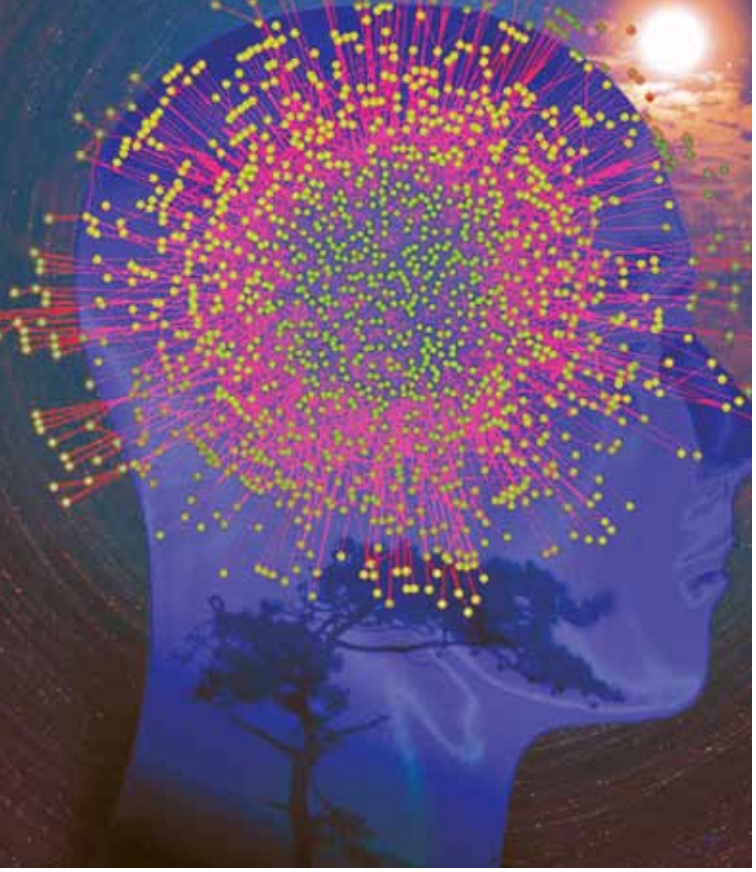
The campus has more than 500 student organizations—92 of which are dedicated to service, including UC San Diego Cares, Alternative Breaks @ UCSD, and the Associated Students Volunteer Connection. Alternative Breaks are national or international service and learning trips that cultivate lifelong socially active and globally conscious leaders through direct service, education, diversity, reflection, and investigation of social-justice issues.

UC San Diego alumni have a long tradition of serving others through programs such as the Peace Corps. Since the Peace Corps' inception in 1961, 630 UC San Diego alumni have served overseas as Peace Corps volunteers to promote better understanding between Americans and the people of the various host countries.

Giving back is a philosophy embraced in Chancellor Marye Anne Fox's Volunteer50: The Chancellor's Call to Service, a key component of the university's 50th Anniversary celebration. The initiative encourages the entire campus community, including students, faculty, staff, alumni, and university friends, to perform fifty hours of volunteer service during the 2010–11 academic year. Fox has set the challenge of reaching at least 50,000 cumulative volunteer hours during this milestone year.

REDEFINING FIELDS OF KNOWLEDGE: SYSTEMS BIOLOGY

Early UC San Diego campus leaders, such as Roger Revelle, Harold Urey, Herbert York, and Maria Mayer, set an interdisciplinary course—and UC San Diego continues to be a place where intellectual pioneers



Left: Interactions among a complex web of genes and proteins underlie the biological responses to stress, which is a research interest at the new Biological Systems Center. Right: UC San Diego student Veronica Fuog, second from left, during her monthlong visit to Tanzania, where she volunteered for the nonprofit organization Faraja (*courage* in Swahili) Women Empowerment. Others shown, left to right: Faraja director Sister Felly; Joseph, a translator; and Sister Theresa, a teacher at Faraja's school.

redefine fields of knowledge. A prime example is the newly established Center for Systems Biology in the Division of Physical Sciences, which brings together experts in biochemistry, genetics, and computation to study the regulation of complex biological systems. The initiative is funded by a $15.4 million grant from the National Institute of General Medical Sciences.

Systems biology, a relatively new branch of science, maps interactions between regulatory modules such as genes, proteins, and biochemical reactions, and models how complex biological systems work. This twenty-first-century systems approach to studying biological forms and functions emerged as a result of the Human Genome Project and is aided by the Internet's ability to store and distribute vast amounts of information.

The UC San Diego center will focus on interactions involved in cells' responses to stress. A major goal is to link two research approaches—functional genomics and synthetic biology—to derive insights into human health and disease. Synthetic biology is a scientific field that engineers novel genetic systems ranging in complexity from simple genetic circuits to entire synthetic genomes.

The Center for Systems Biology builds on other major campus initiatives, including the BioCircuits Institute, which will house two of the center's core facilities, and UC San Diego's interdisciplinary program in bioinformatics and systems biology. Codirectors of the new center are Alexander Hoffman, Ph.D., professor of chemistry and biochemistry; Trey Ideker, Ph.D., chief of genetics at the UC San Diego School of Medicine, member of the Institute for Genomic Medicine, and professor of medicine and bioengineering; and Jeff Hasty, Ph.D., director of the BioCircuits Institute and professor of biology and bioengineering. Working across disciplines, these leaders will forge a new approach to understanding stress.

A major goal is to link two research approaches—functional genomics and synthetic biology—to derive insights into human health and disease.

Architectural rendering of the new Jacobs Medical Center at UC San Diego

ON THE FOREFRONT OF MEDICAL INNOVATION AND DISCOVERY

UC SAN DIEGO HEALTH SCIENCES has long been known as a place where discoveries are made. Today it is also known as a place where discoveries are delivered.

In just four decades, Health Sciences has had a profound impact on health care—locally and globally—by translating basic laboratory findings into lifesaving medical and surgical care. From the first human trial of gene therapy for Alzheimer's disease to new treatments for ovarian cancer and the revolution of robotic and scarless surgery, Health Sciences is now—and continues to be—on the forefront of innovation.

Health Sciences comprises the region's only academic health system, one of the country's top-ranked schools of medicine, the only public school of pharmacy in Southern California, and physician-scientists who rank among the top-funded researchers in the United States. Its bench-to-bedside—or translational—research brings scientific findings of UC San Diego Health Sciences researchers out of the lab to deliver

VISIONARY GIFT WILL TRANSFORM HEALTH CARE IN SAN DIEGO: JOAN AND IRWIN JACOBS

"We are extremely pleased to support this state-of-the-art medical center, which will provide outstanding care for patients, as well as resources for UC San Diego physicians, researchers, and their colleagues across La Jolla Mesa to rapidly translate medical research into improved health." —Joan and Irwin Jacobs

IN FISCAL YEAR 2009–10, Joan and Irwin Jacobs, with their family, pledged $75 million to UC San Diego to build the Jacobs Medical Center on UC San Diego's La Jolla campus. The new center, adjacent to Thornton Hospital, will have approximately 245 patient beds and three new hospitals: the Cancer Hospital, the Hospital for Women and Infants, and the Hospital for Advanced Surgery.

Construction will commence by early 2012, and the center will open for patient care in December 2016. The total estimated cost for the project is $664 million: about $350 million will come from external financing; $131 million from philanthropy; and the remainder from hospital bonds, reserves, and capitalized leases.

Irwin Jacobs is the cofounder and former chairman and chief executive officer of QUALCOMM Incorporated, a former engineering professor, and founding faculty member of UC San Diego. His wife, Joan, was a cofounder of the Friends of the International Center and the Friends of the Stuart Collection at UC San Diego, as well as a long-term board member of the La Jolla Playhouse. Both Irwin and Joan Jacobs have served as UC San Diego trustees.

Left: Commemoration of the transfer of the San Diego County Hospital to the University of California, San Diego. Right: UC San DIego Health System cardiologists Pam R. Taub, M.D. (left), and Ajit Raisinghani, M.D.

cures, new therapies and treatments, surgical techniques, and diagnoses to patients.

CLINICAL AND TRANSLATIONAL RESEARCH INSTITUTE (CTRI)

In 2010, the Clinical and Translational Research Institute (CTRI) received a five-year, $37.2 million Clinical and Translational Science Award from the National Center for Research Resources, which is part of the National Institutes of Health. With this award, UC San Diego Health Sciences joins an elite consortium of institutions in a national network dedicated to improving biomedical research by accelerating the application of laboratory discoveries into effective treatments for patients, more actively engaging multidisciplinary teams of researchers in clinical studies, and training future generations of clinical and translational researchers.

Plans for the full vision of CTRI include a new 292,000-square-foot building erected adjacent to the planned Jacobs Medical Center. The proposed CTRI structure would connect to Jacobs Medical Center by a skyway, a physical link from basic science to real-world medicine.

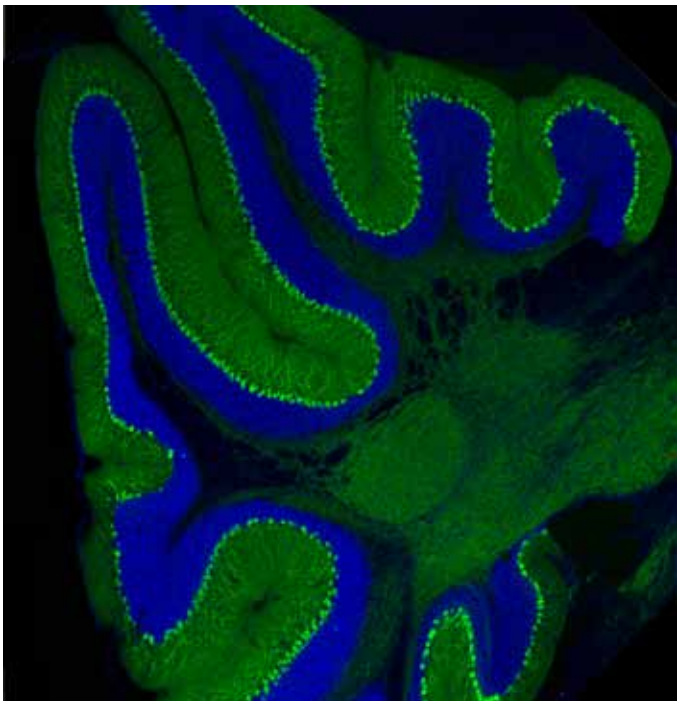
STEM CELL CONSORTIUM

The Sanford Consortium for Regenerative Medicine aligns the research and goals of UC San Diego, Sanford-Burnham Medical Research Institute, Salk Institute for Biological Studies, and The Scripps Research Institute under one roof, creating a global resource for stem cell research.

In March 2010, the consortium began construction on the $127 million center. Located on North Torrey Pines Road in La Jolla, it is scheduled for completion in early 2012. Laboratory and office space is designed to accommodate more than 300 investigators. The building also includes core facilities with sophisticated imaging technologies, conference space, and a 4,000-square-foot auditorium. The project is funded by a $43 million award from the California Institute for Regenerative Medicine (CIRM) for building and equipping the center, and a $30 million gift from local philanthropist T. Denny Sanford.

$20 MILLION STEM CELL RESEARCH AWARD TO MOORES CANCER CENTER

UC San Diego Moores Cancer Center is one of the nation's forty National Cancer Institute-designated comprehensive cancer centers. In 2009, CIRM awarded a $20 million Disease Team Research Award to the Moores Cancer Center's Cancer Stem Cell Research Program to develop novel drugs for the treatment of leukemia using stem cells. The four-year grant will fund a multidisciplinary research team of basic scientists, clinicians, and industry partners, including a Canadian research team based at the University of Toronto. The goal is to move promising research for blood cancers to clinical trials in the shortest time frame possible. The award brings UC San Diego's total CIRM funding to nearly $65.6 million.



One of the last remaining major challenges for biomedical research will be to understand how the brain works. Genetics and genomics will play a pivotal role in achieving this. Here we see a section through a region of the brain known as the cerebellum, which is important for motor coordination and learning. Purkinje cell neurons are labeled green, and the nuclei of other neurons and cell types are labeled blue. Understanding disorders of the cerebellum is a focus area for a number of Institute for Genomic Medicine faculty.

INSTITUTE FOR GENOMIC MEDICINE

The Institute for Genomic Medicine (IGM), a Health Sciences organized research unit established in 2009, leverages the university's strengths in basic science, disease biology, pharmacology, engineering, clinical research, and computer science to accelerate investigation and translation. This comprehensive program engages members of the campus and the local biotechnology and pharmaceutical community in creating new opportunities for collaborative efforts with a genomics focus.

TELEMEDICINE HUB OF LEARNING

In 2009, the UC San Diego School of Medicine broke ground on the $65 million Medical Education and Telemedicine Center. Scheduled to open in 2011, the 99,000-square-foot facility will serve as a regional and statewide center for new initiatives in tele-education and telemedicine, and provide access to medical care and expertise for remote areas and communities with inadequate physician coverage. Medical students and faculty will receive hands-on experience with surgical robotics and advanced simulation at the center's training facilities.

FOCUS ON DIABETES

Diabetes affects more than 150 million people worldwide, and is a leading cause of death in many countries. Given its complexity, an unprecedented degree of interdisciplinary and cooperative efforts will be required to find solutions for this devastating disease. With preeminence in the areas of stem cell research, genetics, bioengineering, immunology and clinical treatment, UC San Diego Health Sciences is uniquely suited to partner with other leading institutions and initiatives in the development of new therapies to treat, prevent, and ultimately cure diabetes. UC San Diego's Pediatric Diabetes Research Center is an example of one such partnership, bringing together many of the world's most renowned and dedicated research scientists and clinicians under one roof in the type of collaboration that is vital to discovery.

CLINICAL PRIORITIES

UC San Diego's comprehensive Health System includes Thornton Hospital, UC San Diego Medical Center, Moores Cancer Center, UC San Diego Shiley Eye Center, and affiliated health care providers and clinics. The two hospitals in Hillcrest and La Jolla serve nearly 23,000 patients a year. Part of a growing clinical network of affiliates, including the VA San Diego Healthcare System, Rady Children's Hospital-San Diego, and San Diego's robust community clinic system, UC San Diego Health System is poised to transform health care in San Diego.

UC San Diego Health System's clinical focus is to expand and enhance clinical delivery systems to better serve San Diego County and the growing number of patients traveling from outside the region to seek care from UC San Diego Health System specialists. At its two campuses, the Health System is investing in areas of key importance to a growing and aging population: heart disease, cancer and surgical specialties, and women's and infants' health.

In Hillcrest, UC San Diego Medical Center will offer a core of integrated services focused on complex emergent and organ transplantation care.

The La Jolla campus will integrate world-class talent for advanced cancer, cardiovascular, and high risk reproductive and neonatal care. In spring 2011 the four-story, $227 million UC San Diego Sulpizio Family Cardiovascular Center, the region's first dedicated multidisciplinary center for heart care, is scheduled to open near Thornton Hospital.

JUMP-STARTING THE BIO-BASED ECONOMY

ONGOING RESEARCH in basic photosynthetic biology is essential for growing the emerging bio-based economy. The sun delivers approximately 86,000 terawatts of energy to Earth per year. Learning how to transform a mere fraction of this energy into food, sustainable fuel, medicines, and biomaterials for clothing and shelter would reduce the world's dependence on fossil fuels and enhance the quality of life on a global scale. UC San Diego's Photosynthetic Biology Institute (PBI), now in the planning stages, boldly addresses these vital concerns.

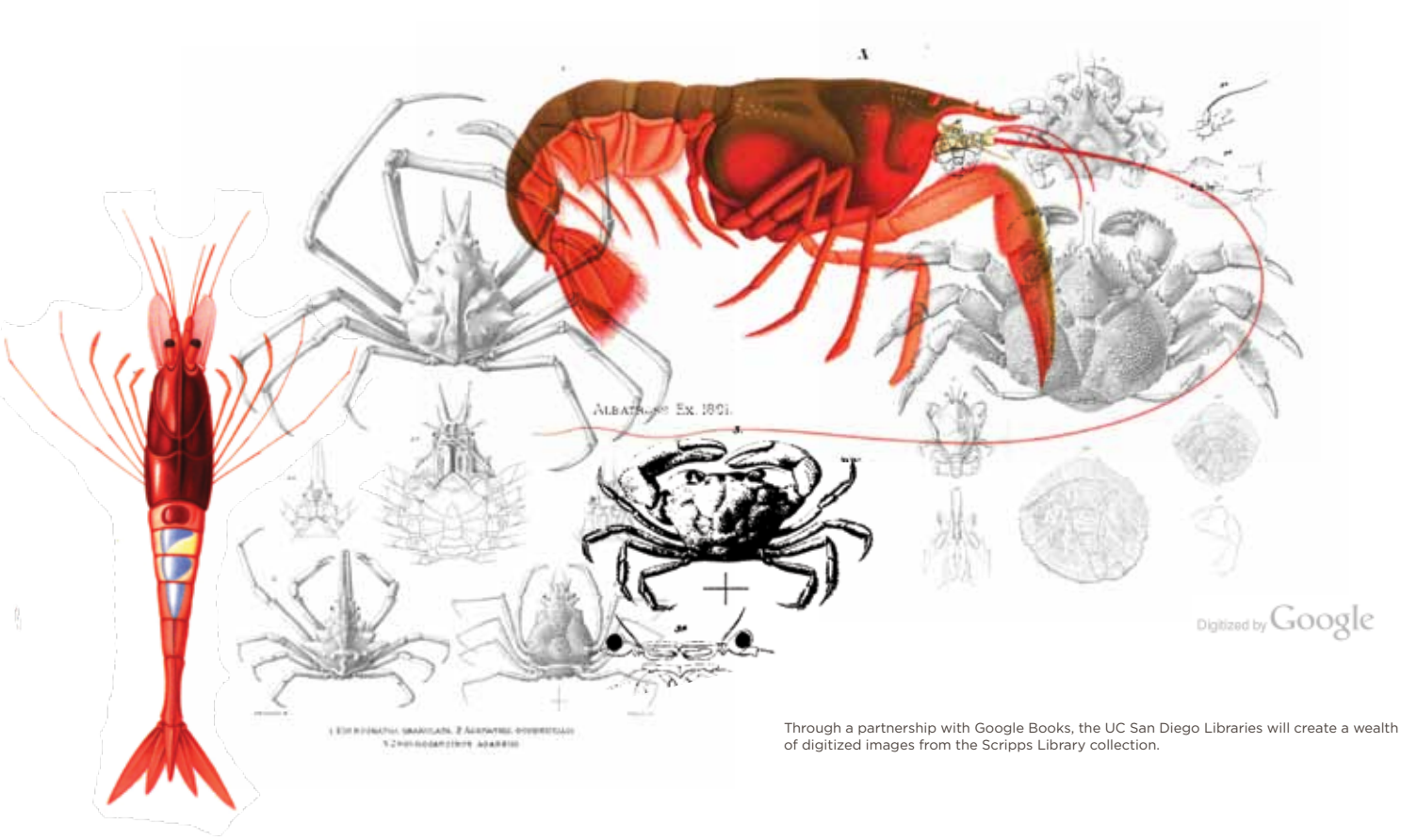
The Photosynthetic Biology Institute (PBI) at UC San Diego will integrate the research efforts of plant scientists within the Division of Biological Sciences and across campus with other key disciplines, including biochemistry, bioinformatics, bioengineering, and biomedical sciences. The institute will establish UC San Diego as a premier international center of excellence in advanced photosynthetic biology research, cultivate academic-industry partnerships, and license new technologies.

Photosynthesis, which uses energy from sunlight to convert carbon dioxide into organic compounds, is arguably the most important biological process on Earth. Natural photosynthesis is a relatively inefficient process, however, and photosynthetic biology research could vastly improve the outcomes.

Most agricultural plants today, especially those in the temperate zones of the United States, undergo photorespiration, which wastes much of the plants' natural photosynthetic energy. Plant scientists at UC San Diego are seeking ways to control photosynthesis—and to use the basic biology, chemistry, and physics of photosynthesis for other purposes. A better understanding of photosynthetic processes could lead to increased crop yields of food, fiber, wood, and fuel; ways to sustain arable lands; methods of collecting and using solar energy more efficiently; and new biomedical breakthroughs.

PBI will establish UC San Diego as a premier international center of excellence in advanced photosynthetic biology research, cultivate academic-industry partnerships, and license new technologies.

Science has only recently developed the basic tools and techniques needed to investigate the intricate details of photosynthetic biology. The work ahead has many challenges, from designing new plant crops and controlling pests to large-scale bioenergy production technologies that are themselves "green." As a global leader in plant science and the study of climate change, UC San Diego is up to the task.



Through a partnership with Google Books, the UC San Diego Libraries will create a wealth of digitized images from the Scripps Library collection.

PRESERVING THE PAST TO PROTECT THE FUTURE

Recent human activity—including massive population growth and increased use of fossil fuels—is altering not just human history, but planet Earth itself. As environments change and plant and animal species disappear, astute written observations by seventeenth- and eighteenth-century scientists take on greater significance. These documents may hold the key to understanding conditions and ecosystems of the past, and help society prepare for the future.

Many of these early scientific reflections were lost simply because the documents were not accessible. At the Scripps Institution of Oceanography Library, however, full-text works from the 1700s and scientific journals dating back to the 1800s have long been available for individual use. And now, through a partnership with Google, the University of California, and UC San Diego Libraries, approximately 100,000 volumes in the world's largest oceanography library have been digitized and made available to the public, dramatically changing scholarly research. Google Books's in-depth cross-collection searching feature enables scholars to identify and review all books on specific research topics through word and phrase searching.

The digitized materials at the Scripps Library include a wealth of books, journals, and scientific expedition reports covering a wide range of subjects, including oceanography, marine biology, marine geology, marine technology, climate science and geophysics, ecology, zoology, fisheries, and seismology. Among the works is an 1895 report on crustaceans collected on a U.S. expedition to central and South America and the Galapagos on the famous ship *Albatross*. Built by the U.S. government specifically for marine research, the *Albatross* was a precursor to today's U.S. oceanographic fleet of ships.

UC San Diego became the first university in Southern California to partner with Google to digitize the holdings of the world's most prominent libraries.

In 2008, UC San Diego became the first university in Southern California to partner with Google to digitize the holdings of the world's most prominent libraries. Since then approximately 300,000 volumes and other materials have been digitized from UC San Diego's International Relations and Pacific Studies Library, the East Asian Language Collection, and the Scripps Institution of Oceanography Library.

Skaggs School of Pharmacy and Pharmaceutical Sciences postdoctoral scholar and Rady School of Management graduate George Nicola (left) and William Gerwick (far right), professor at Skaggs and Scripps Institution of Oceanography, collaborate on a natural compounds library.

CATALOGING NATURAL COMPOUNDS TO MEET BUSINESS NEEDS

The vast diversity of natural compounds housed at Scripps Institution of Oceanography at UC San Diego holds immeasurable potential for biomedical applications. Extracted by Scripps researchers on diving expeditions to Fiji, Panama, Madagascar, Papua New Guinea, and other remote destinations, the compounds carry the hope that their molecular makeup could lead to drugs that treat diseases such as malaria, dengue fever, and various forms of cancer.

George Nicola, M.B.A., also sees great potential in the natural-compound collection but from a different perspective. A postdoctoral scholar at the Skaggs School of Pharmacy and Pharmaceutical Sciences at UC San Diego and recent graduate from the university's Rady School of Management, Nicola, along with Scripps and Skaggs professor William Gerwick, Ph.D., believe the potential of the marine resources could be maximized by organizing and cataloging them in a natural compound library at Scripps in collaboration with the Skaggs School of Pharmacy.

This collection is currently inaccessible to drug companies, but Nicola and Gerwick aim to build a suitable format so that companies can easily screen the vast group of compounds.

Such a partnership between the university and outside pharmaceutical companies could result in a massive revenue stream for the university. Part of the revenue could go to the governments where the sources were collected, supporting efforts to protect and preserve natural marine resources for the future.

More than seventy-five of San Diego's leading CEOs and other business leaders agree that the idea has merit. In 2009, the Scripps Natural Compounds Library idea took first place in a science-meets-business competition jointly organized by Scripps and the Young Presidents' Organization (YPO), a global business education and networking association. Nicola will use the $10,000 prize to seed a start-up company, and YPO members are helping him develop the business model.

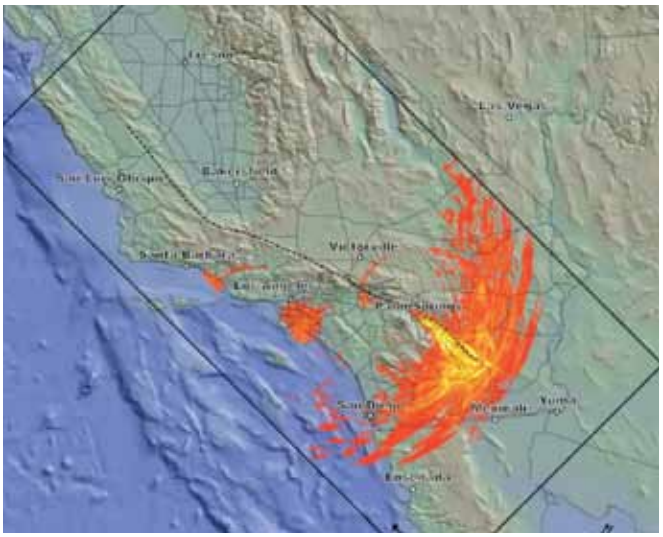
In 2009, the Scripps Natural Compounds Library idea took first place in a science-meets-business competition jointly organized by Scripps and the Young Presidents' Organization.

ASKING NOT IF, BUT WHEN… SAN DIEGO SUPERCOMPUTER CENTER EARTHQUAKE SIMULATIONS

Seismologists have long been asking not if, but when the Big One will strike Southern California. Simulating the magnitude and variations of the shaking throughout the region could guide emergency planning in the Golden State.

In 2010, researchers at the San Diego Supercomputer Center (SDSC) at UC San Diego and San Diego State University created the largest-ever earthquake simulation, for a magnitude 8.0 (M8) rupture of the entire southern San Andreas fault. The simulation provided more accurate insight into the nature of the shaking anticipated from a large earthquake on the fault. About 25 million people reside in that area, which extends as far south as Yuma, Arizona, and Ensenada, Mexico, and runs up through California as far north as Fresno. Similar large-scale earthquake simulations can be used to evaluate earthquake early-warning planning systems, and help engineers, emergency response teams, and geophysicists better understand seismic hazards in California and around the world.

The simulation project, led by the Southern California Earthquake Center (SCEC), was selected as a finalist for the Gordon Bell Prize, awarded annually for outstanding achievement in high-performance computing applications at the annual International Conference for High Performance Computing, Networking, Storage, and Analysis.



Top: San Diego Supercomputer Center at UC San Diego. Photo by Alan Decker.

Below: Snapshot of the ground motion after the magnitude 8 simulation has initiated on the San Andreas fault near Parkfield, California (the northern terminus of the dashed line). The waves (orange and yellow) shake through the Ventura, Los Angeles, and San Bernardino areas due to reverberations in their underlying soft sedimentary basins while the rupture is still in progress, spreading out toward the coast and the San Diego area. Image by Amit Chourasia, San Diego Supercomputer Center, UC San Diego.

Funded through a number of National Science Foundation grants, the SDSC simulation was the most detailed ever performed of a major earthquake in terms of floating point operations, or calculations per second. The project opens up new ways for earthquake science and engineering to reduce the potential for loss of life and property.

As a follow-up to the simulation, the research team will analyze potential damage to buildings, including high-rises in Los Angeles, based on simulated ground motions. High-rise buildings are more susceptible to the low-frequency shaking, a roller-coaster-like motion, while smaller structures usually suffer more damage from the higher-frequency shaking, which feels more like a series of sudden jolts.

Honoring OUTSTANDING SERVICE

In celebration of its 50th Anniversary, UC San Diego awarded Chancellor's Medals to two individuals and three couples—the most at any one time in the university's history—to recognize outstanding support and service to the university. Honorees were Pauline Foster, Audrey Geisel, Irwin and Joan Jacobs, Jerome and Miriam Katzin, and Ernest and Evelyn Rady. Conceived in 2000, the medal is one of the highest honors bestowed by UC San Diego for long-standing involvement with the campus and multiple contributions to university life. The awardees are listed below with excerpts from each nomination.

PAULINE FOSTER

Pauline Foster has committed her time, talent, and treasure to UC San Diego and many other organizations in our community.

She served as chair of the UC San Diego Foundation and was a founder of the Rady School of Management. Pauline and her family were also instrumental in establishing the Abraham Ratner Children's Eye Center and the Ratner Children's Eye Mobile.

AUDREY GEISEL

Audrey Geisel is truly our angel. She is a generous benefactor who has made, and will continue to make, a significant difference in our community.

The university's Central Library was renamed Geisel Library in honor of Theodor "Dr. Seuss" Geisel, following a $20 million gift from Mrs. Geisel. She donated more than 10,000 of her late husband's original drawings, sketches, books, and other memorabilia to the university's Mandeville Special Collections Library.

IRWIN AND JOAN JACOBS

The outstanding leadership of Irwin Mark Jacobs and Joan Klein Jacobs has spanned nearly the entire history of our great university. It is hard to imagine UC San Diego reaching the national recognition that has been achieved without the contributions from Dr. and Mrs. Jacobs.

Irwin and Joan pledged $110 million—the largest gift in the history of the university—to the Jacobs School of Engineering in 2003. In fiscal year 2009–10, they pledged $75 million to build the Jacobs Medical Center on UC San Diego's east campus in La Jolla.

JEROME AND MIRIAM KATZIN

For more than three decades, Jerome and Miriam Katzin have steadily championed UC San Diego as one of San Diego's most important assets.

They have given several significant lead gifts that enabled the university to raise further funds for the construction of the UC San Diego Moores Cancer Center, the Sulpizio Family Cardiovascular Center, and the Ratner Children's Eye Center.

ERNEST AND EVELYN RADY

Ernest and Evelyn Rady have a passion for helping others and a talent for helping organizations flourish.

With a $30 million lead gift in 2004, Ernest and Evelyn helped establish the Rady School of Management and contributed an additional $5 million toward the expansion of the business school campus.

From left: Irwin and Joan Jacobs, Audrey Geisel, Miriam and Jerome Katzin, Pauline Foster, Ernest and Evelyn Rady

CELEBRATING THE UNIVERSITY'S BUILT ENVIRONMENT

The UC San Diego campus is a living museum of contemporary public art. The site of original and adventurous architecture, it is a research university splendidly in sync with its natural environment.

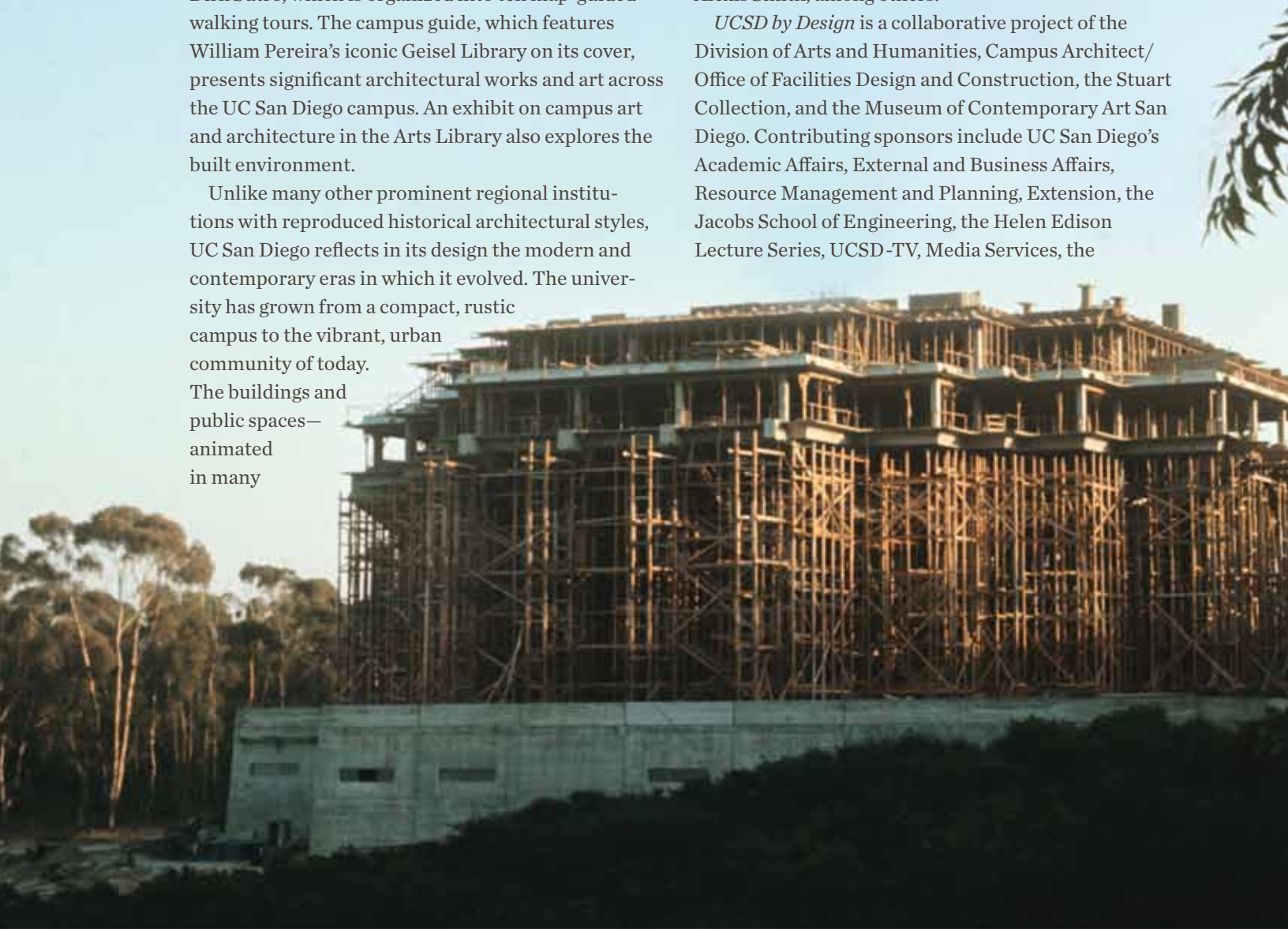
As UC San Diego celebrates its 50th Anniversary, the campus is also celebrating and exploring its built environment. *UCSD by Design: Art, Architecture, and Urbanism in the Campus Context* is a yearlong series of lectures, events, and publications. Its centerpiece is a free five-part public lecture and discussion series.

Hot off the press is the recently published book *University of California, San Diego: The Campus Guide* (Princeton Architectural Press) by design journalist Dirk Sutro, which is organized into ten map-guided walking tours. The campus guide, which features William Pereira's iconic Geisel Library on its cover, presents significant architectural works and art across the UC San Diego campus. An exhibit on campus art and architecture in the Arts Library also explores the built environment.

Unlike many other prominent regional institutions with reproduced historical architectural styles, UC San Diego reflects in its design the modern and contemporary eras in which it evolved. The university has grown from a compact, rustic campus to the vibrant, urban community of today. The buildings and public spaces—animated in many instances by the site-specific sculptures created for the renowned Stuart Collection—range from cutting-edge examples of modernism and brutalism to, in the new millennium, postmodern structures that embody the latest ideas about sustainability and connecting with community.

The campus has buildings by some of the world's most celebrated architects, including Charles Gwathmey, Charles Moore, William Pereira, Antoine Predock, Rob Quigley, Michael Rotondi, and Moshe Safdie. The Stuart Collection includes works by John Baldessari, Tim Hawkinson, Robert Irwin, Bruce Nauman, Nam June Paik, Niki de Saint Phalle, and Alexis Smith, among others.

UCSD by Design is a collaborative project of the Division of Arts and Humanities, Campus Architect/Office of Facilities Design and Construction, the Stuart Collection, and the Museum of Contemporary Art San Diego. Contributing sponsors include UC San Diego's Academic Affairs, External and Business Affairs, Resource Management and Planning, Extension, the Jacobs School of Engineering, the Helen Edison Lecture Series, UCSD-TV, Media Services, the



Geisel Library under construction in late 1969, when it was called Central Library. The campus landmark opened in 1970.

From left: Conrad Prebys Music Center; Department of Literature professor Rae Armantrout and *Versed* (inset), her book that was awarded the 2010 Pulitzer Prize for poetry; Dean of Arts and Humanities Seth Lerer

Athenaeum Music & Arts Library and its Dialogues in Art & Architecture program, and the UC San Diego 50th Anniversary Executive Committee.

LITERARY PRIZEWINNERS

UC San Diego poet Rae Armantrout, M.A., won the 2010 Pulitzer Prize for poetry for *Versed* (Wesleyan University Press). The prize recognizes "a distinguished volume of original verse by an American author" and comes with an award of $10,000.

Versed was cited as "a book striking for its wit and linguistic inventiveness, offering poems that are often little thought-bombs detonating in the mind long after the first reading." *Versed* also won the 2009 National Book Critics Circle Award and was selected as a finalist for the 2009 National Book Award.

Division of Arts and Humanities dean Seth Lerer, Ph.D., is the recipient of the 2010 Truman Capote Award for Literary Criticism for his book *Children's Literature: A Reader's History from Aesop to Harry Potter*. Administered by the University of Iowa Writers' Workshop, the award includes a $30,000 cash prize.

TUNING UP FOR THE BIG 5-0

When the Conrad Prebys Music Center and concert hall debuted on campus in 2009, it marked a new era for the UC San Diego Department of Music and for local chamber music lovers. The 400–seat hall with flawless acoustics draws audiences from the San Diego region and beyond, as well as members of the UC San Diego campus community who attend first-rate concerts in their own backyard.

The Camera Lucida chamber music series, a collaboration of leading music faculty performers and principal players from the San Diego Symphony, welcomes full houses in the new hall—and has become one of San Diego's most popular classical music events. To commemorate UC San Diego's 50th Anniversary, the series expanded to seven concerts, beginning in October 2010 with a program of Beethoven, Janáček, and Schubert.

On the experimental side, the eleven-concert Wednesdays@7 series features edgy music from faculty performers and composers as well as special guests, continuing the spirit of innovation that has driven the department since its founding in the 1960s.

Several UC San Diego alumni have built successful careers in music. Sonic Diasporas, a 50th Anniversary campus celebration, welcomes back generations of Department of Music composers, performers, computer musicians, scholars, and improvisers. They range from composer Mark Applebaum, Ph.D., (professor at Stanford University) to percussionist Aiyun Huang, D.M.A., (head of the percussion program at McGill University in Canada), to Shahrokh Yadegari, Ph.D., a multimedia artist and member of UC San Diego's Department of Theatre and Dance faculty.

As for emerging talent, the Department of Music will present more than a dozen concerts during the 2010–11 academic year featuring graduate student composers and performers. Many of these individuals already have international reputations.

Scalable City, 2008, screen shot, by professor of visual arts and Calit2 artist-in-residence Sheldon Brown

EXPLORING NEW WAYS TO LOOK AND LISTEN

UC SAN DIEGO IS REDEFINING the interplay of science and technology with the arts and culture. At the California Institute for Telecommunications and Information Technology (Calit2), visual artists, sound designers, and composers are challenging the conventional experience of art lovers and concertgoers.

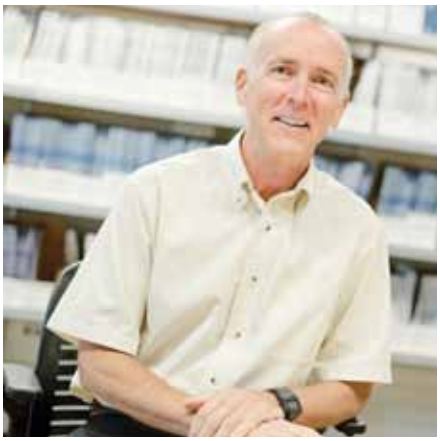
Visual artist Sheldon Brown, director of the Center for Research in Computing and the Arts (CRCA) at UC San Diego and head of New Media Arts at Calit2, used computer algorithms to create a landscape, to carve roads, and to distribute houses for his interactive art installation *Scalable City*. The project, which explores how our world is reimagined and transformed by the use of computers, is displayed across media, including game installations, sculptures, and digital prints. Versions of the critically acclaimed work have traveled as far as China, Brazil, and the Czech Republic. Some of the pieces went on display in 2010 in La Jolla at the Museum of Contemporary Art San Diego.

Composer Rand Steiger, outgoing chair of the Department of Music, succeeded Pulitzer Prize winner Roger Reynolds as Calit2's composer in residence in July 2010. Steiger draws inspiration from technology for his musical compositions, which feature real-time digital signal processing to modify the sounds made by traditional instruments. First up: a series of electro-acoustic works for solo instruments, and a large ensemble work with the International Contemporary Ensemble.

STREAMLINING THE DATA FOR EVALUATING CANCER CARE

Despite the U.S. government's annual investment of $5 billion in cancer research, cancer still claims the lives of some 560,000 Americans annually. Vast amounts of data make it increasingly difficult to evaluate the relative benefits, risks, and costs of new drug discoveries and interventions, but the Cyberinfrastructure for Comparative Effectiveness Research (CYCORE) project—a collaborative effort between the California Institute for Telecommunications and Information Technology (Calit2) and the UC San Diego School of Medicine—will streamline the process.

A two-year, $2.6 million award from the U.S. National Institutes of Health's National Cancer Institute will enable the UC San Diego research team to create a prototype of a cyberinfrastructure for data collection and comparison. CYCORE will gather data from clinical trials, patient medical records, self-reported and objectively monitored social and



From left: Calit2 composer-in-residence Rand Steiger; cancer researcher Kevin Patrick, M.D.; a StarCAVE simulation at Calit2

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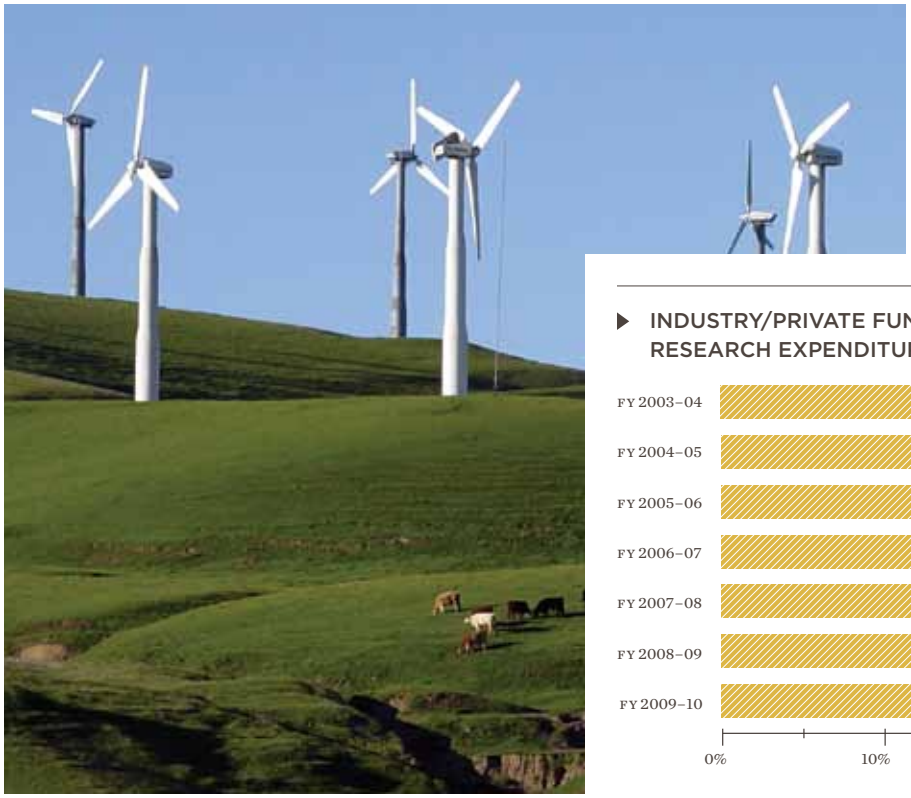
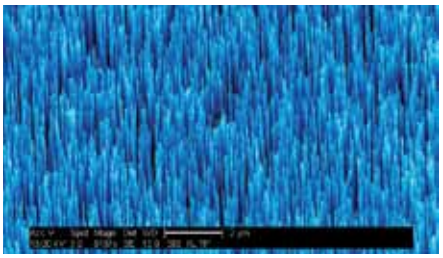
behavioral data, data on cancer outcomes from regional cancer registries, and cost-benefit analyses.

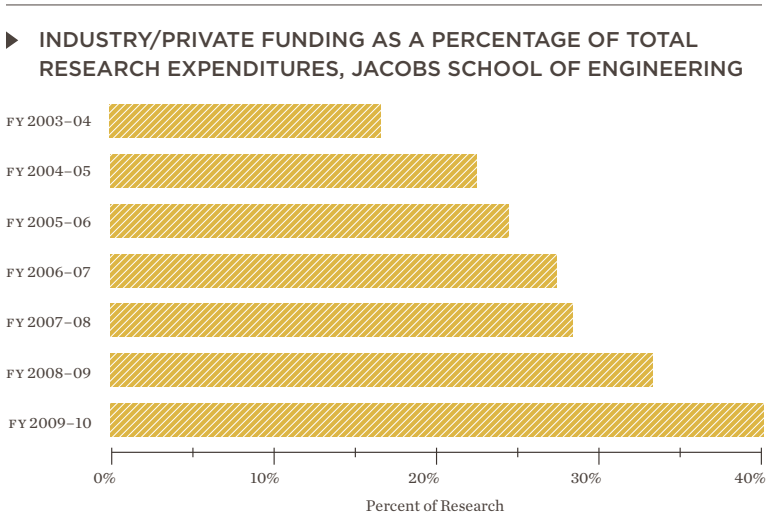
The head of the UC San Diego research team is Kevin Patrick, M.D., professor of family and preventive medicine. The work is based in Calit2's Center for Wireless and Population Health Systems.

The UC San Diego team is partnering with the University of Texas MD Anderson Cancer Center on a $3.86 million Grand Opportunity grant under the American Recovery and Reinvestment Act of 2009 (ARRA) federal stimulus funding program to create the prototype infrastructure and to test it in clinical trials. As the CYCORE system expands in size and scope, the oncology community will be able to upload data from a vast number of clinical trials. By having more data points, scientists will be in a better position to create effective models for prevention, treatment, and recovery.

The CYCORE project will utilize visualization technologies based at Calit2. In StarCAVE, a virtual-reality environment, researchers wearing stereoscopic glasses "walk into" digital models of hypermagnified biological structures. Calit2's HIPerSpace display wall, with more than 287 million pixels of screen resolution, enables researchers to look at large databases on a massive scale while telecollaborating with other institutions in real time.







Top right: Carbon nanotube arrays such as these are used in research under way in the Department of NanoEngineering, the newest department in UC San Diego's Jacobs School of Engineering.

FAST-TRACKING CLEAN-ENERGY INNOVATIONS

RESEARCH UNIVERSITIES are often the birthplace of clean-energy technologies. Accelerating the development of partnerships among university researchers, investors, and the business world is an essential step in moving these innovations from the academic laboratory to the consumer marketplace.

Under a three-year, $1.05 million grant received in 2010 from the U.S. Department of Energy (DOE), university and industry leaders in San Diego will work on fast-tracking the transfer process from lab to market. The grant is part of a $5.3 million DOE program to enhance innovative university-based ecosystems for energy efficiency and renewable energy technologies.

The UC San Diego William J. von Liebig Center for Entrepreneurism and Technology Advancement at the Jacobs School of Engineering, and the Rady School of Management, in partnership with San Diego State University, will hold a series of Regional Energy Innovation Challenges that will provide fellowships and extensive mentoring support for students and faculty working on the most promising technologies. Innovator teams of experienced advisors, faculty, science and engineering students, and management students will collaborate to develop and execute commercialization plans. A virtual network will connect these teams and sources of capital to one another and to other initiatives within the clean-energy space on campus, in the region, and worldwide.

Since its inception in 2001, the von Liebig Center has advised more than 290 projects and has allocated close to $4.0 million in proof-of-concept grants and business advisory services to more than 70 projects. The center's activities have contributed to the licensing of six technologies and the creation of more than twenty-six start-up companies, which have attracted close to $100 million in subsequent capital from the private sector and created more than 180 new jobs. The center's team of technology and business advisors mentors a broad range of projects in areas such as medical devices and diagnostics, software, and clean technologies.

WIN-WIN INDUSTRY-ACADEMIC PARTNERSHIPS

Industry continues to increase its investment in research at the Jacobs School of Engineering. In fiscal year 2009–10, private research funding grew to more

Industry partners improve their long-term research capability by tapping into faculty expertise, and having access to the school's talented and hardworking students as a source of future human capital.

than 40 percent of the school's nearly $130 million in total research expenditures, up from 23 percent just five years ago.

Faculty and students at the Jacobs School also benefit from the opportunity to work with corporate researchers and scientists on challenging problems. Industry partners improve their long-term research capability by tapping into faculty expertise, and having access to the school's talented and hardworking students as a source of future human capital. These win-win partnerships enhance the educational experience for engineering students and increase the relevance of university research in solving real-world problems.

ENGINEERING'S NEW FRONTIER

NanoEngineering, the sixth and newest department at the Jacobs School of Engineering, welcomed its first freshman class in 2010. The initial undergraduate class of 48 students is expected to grow to more than 200 in subsequent academic years.

Founded in 2007, the Department of NanoEngineering has expanded rapidly, with seventeen faculty members and more than $30 million in extramural research. Undergraduate and graduate students learn from an interdisciplinary team of professors who are leaders in various fields of engineering, physics, and chemistry, and a variety of new subdisciplines where those fields overlap. In addition to nanoengineering courses, each student is required to select a focus area in bioengineering, electrical engineering, mechanical engineering, chemical engineering, or materials science.

Nanoengineering is the practice of engineering at the nanometer scale (a nanometer is one-billionth of a meter; a meter is approximately thirty-nine inches). Understanding how atoms come together to form larger structures could lead to major advances in fields such as new materials, biology and medicine, energy conversion, sensors, and environmental remediation. For example, nanodevices in medicine might provide a more targeted form of treatment by delivering drugs to specific cells in the human body.

RECOGNIZING TOP GRADUATE STUDENTS IN BIOENGINEERING: **SIEBEL SCHOLARS**

"I chose UC San Diego because I knew I would be working with some of the greatest minds in the field. If I hadn't received the fellowships that I did, I would not be here."

—Terrell Green, 2010 Siebel Scholar

THE SIEBEL SCHOLARS PROGRAM, which recognizes the most talented students at the world's leading graduate schools of business and computer science, awarded $2 million in 2009 to fund fellowships for five top bioengineering graduate students at UC San Diego's Jacobs School of Engineering. This marked the first year that the Siebel Foundation included bioengineering students in its fellowship awards.

The UC San Diego Institute for Engineering in Medicine (IEM), in collaboration with the Jacobs School, will administer the fellowships. IEM brings together faculty in engineering, medicine, and pharmaceutical sciences who are collaborating on novel approaches to medicine.

2010 Siebel Scholars, clockwise from upper right: Roy Lefkowitz, Julio Ng, Jennifer Singelyn, Amy Hsieh

Left: Professor Ayelet Gneezy and Professor Uri Gneezy from UC San Diego's Rady School of Management. Right: Women practicing a traditional fan dance in Shanghai, China.

CONSUMERS SHARING SOCIAL RESPONSIBILITY: PAY-WHAT-YOU-WANT PRICING

CHARITABLE GIVING IS NOT RECESSION-PROOF. Private donations in the United States fell by 6 percent in 2008, the largest drop since the Giving USA Foundation began tracking these numbers more than fifty years ago. A study published in the journal *Science* in July 2010 proposes a new model for corporate social responsibility that could result in more dollars for nonprofits and for-profit companies, even in tough economic times. The research supports a new concept—shared social responsibility—in which businesses allow consumers to express their own preferences when giving back to the community.

Ayelet Gneezy, Ph.D., an assistant professor at the UC San Diego Rady School of Management, led the study on shared social responsibility, which was coauthored by Uri Gneezy, Ph.D., from the Rady School; Leif D. Nelson, Ph.D., from UC Berkeley; and Amber Brown, M.A., from Disney Research. Their pay-what-you-want model allows customers to take greater ownership of their donations and is an alternative to the standard-pricing model.

The researchers studied more than 113,000 theme park visitors. In the course of taking a roller coaster ride, each visitor was photographed and had the option of purchasing the photo at the exit. On some days, people could buy the picture for $12.95, with the understanding that half the revenue would be donated to charity. On other days, people could choose their price and were also informed that half the revenue would be donated.

The pay-what-you-want option produced the highest profits and the highest level of donor support. According to the study, people identify themselves more closely with purchases and resulting donations when they choose their own price. In addition, when the pay-what-you-want option is available, consumers do not infer sinister motives because the company risks earning very little or no money. The study suggests a method by which the pursuit of social good does not undermine the pursuit of profit.

TRANSFORMATION IN PACIFIC CULTURES

The nations of the Pacific, including the Americas and Asia, are the center of the world's population and economy, and its major source of advanced technology, natural resources, and agriculture. The UC San Diego

School of International Relations and Pacific Studies (IR/PS) has helped to build a strong Pacific community by creating ideas, training leaders, and providing networks that will shape the twenty-first century.

For more than twenty years, IR/PS has been redefining international relations, public policy, and management. Its research faculty turns theory into practical tools for problem solving, and its graduates have assumed leadership positions in government, business, and nonprofit organizations around the world.

In these challenging economic times, many professionals from a wide variety of careers are returning to school for additional education. To meet their needs, IR/PS launched its executive Master of Advanced Studies in International Affairs (MAS-IA) degree program in 2010. It gives participants a deeper understanding of the dynamic political, economic, and business environment of the Pacific region, and offers advanced education to prepare them to assume senior leadership positions in their fields. The degree can be completed in one year or within two years on a part-time basis.

IR/PS has also made a substantial commitment to continuing education, offering customized training in international management and relations and comparative public policy. The school offers predeployment training for U.S. Marines officers along with graduate-level executive training that provides valuable insights into strategies for salient geopolitical, economic, security, and human concerns in the Asia-Pacific region.

The political, economic, social, cultural, and military transformation of China is contributing to its rapid emergence as a world economic power. IR/PS's new 21st Century China program has sharpened the focus on China's transformation.

PREPARING FOR GOVERNMENT WORK WITH FULL FINANCIAL SUPPORT: **ROBERTSON FELLOWS**

"UC San Diego was selected because it has one of the best international relations programs in the nation. We hope to train some of the finest candidates to serve in the U.S. government and the Foreign Service corps, and allow those candidates to start the job without being thousands of dollars in debt."

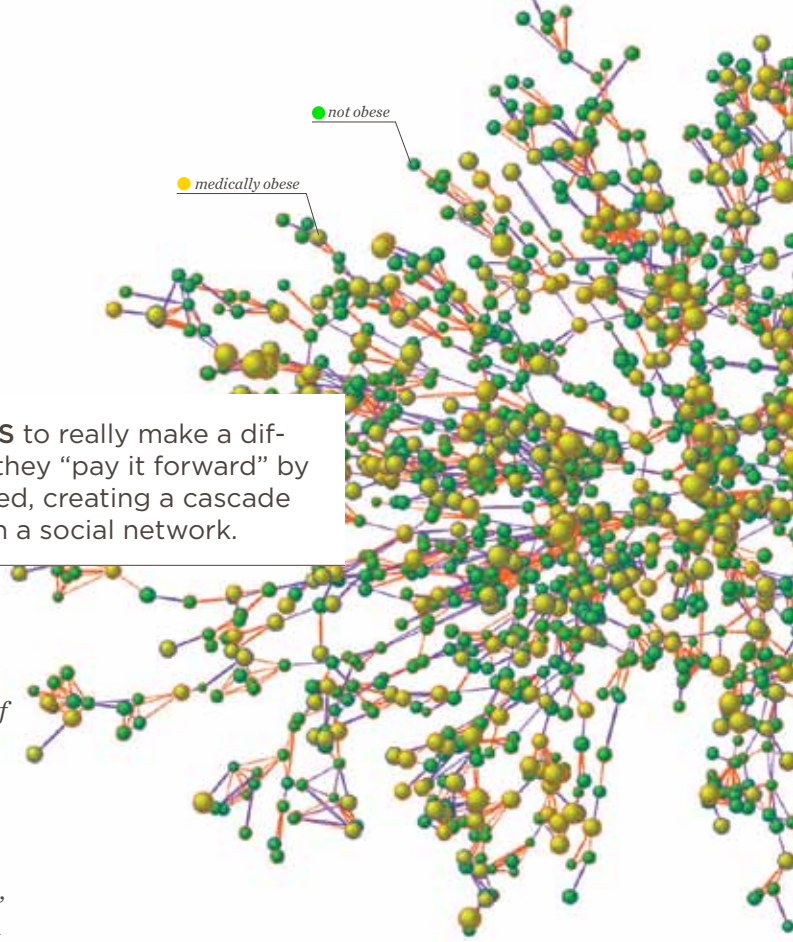
—William S. Robertson, Chairman, Robertson Foundation for Government



From left: Katy Donovan, Chas Culverwell, Sharon McCoy

THREE GRADUATE STUDENTS at the UC San Diego School of International Relations and Pacific Studies (IR/PS) will receive full financial support to prepare for careers in the federal government. The new Robertson Fellows Program, which begins in the 2010–11 academic year, is funded by the Robertson Foundation for Government (RFFG), a private foundation that has pledged $450,000 over the next four years.

The program will cover expenses for outstanding IR/PS students to complete their master's degrees. Robertson Fellows must be proficient in a foreign language upon graduation and are required to work for the federal government for at least three of the first five years after graduation.



COOPERATIVE BEHAVIOR IS CONTAGIOUS

IT TAKES JUST A HANDFUL OF INDIVIDUALS to really make a difference. When people benefit from kindness they "pay it forward" by helping others who were not originally involved, creating a cascade of cooperation that influences dozens more in a social network.

In a study published in the March 2010 *Proceedings of the National Academy of Sciences of the United States of America*, researchers from UC San Diego and Harvard University provided the first laboratory evidence that cooperative behavior is contagious and spreads from person to person to person.

The research was conducted by James Fowler, Ph.D., UC San Diego professor in the Department of Political Science and School of Medicine, and an affiliate in the California Institute for Telecommunications and Information Technology's (Calit2) Center for Wireless and Population Health Systems; and Nicholas Christakis, M.D., Ph.D., Harvard University professor in the Department of Sociology, and professor of medicine and medical sociology at Harvard Medical School. Fowler and Christakis are coauthors of the recently published book *Connected: The Surprising Power of Our Social Networks and How They Shape Our Lives*.

The study indicates that when one person gives money to help others in a "public-goods game," where people have the opportunity to cooperate with one another, the recipients are more likely to give their own money away to other people in future games. This creates a domino effect in which one person's generosity spreads first to three people and then to the nine people that those three people interact with in the future, and then to other individuals in subsequent waves of the experiment.

The effect persists, people don't revert to being selfish, and the network functions like a matching grant. Although humans have direct experience with giving and seeing people's immediate reactions, they typically don't see how their generosity cascades through the social network to affect the lives of dozens or maybe hundreds of other unseen people.

In previous work demonstrating the contagious spread of behaviors, emotions, and ideas—including obesity, happiness, smoking cessation, and loneliness—Fowler and Christakis examined social networks re-created from the records of the Framingham Heart Study. Unlike Framingham and other observational studies, Fowler and Christakis's pay-it-forward laboratory study is the first to document experimentally their earlier findings that social contagion travels in networks up to three degrees of separation. The work was funded by the National Institute on Aging, the John Templeton Foundation, and a Pioneer grant from the Robert Wood Johnson Foundation.

MAPPING YOUNG MINDS

UC San Diego is committed to improving lives, and the PING study (for pediatric imaging, neurocognition, and genetics) is critically important for solving a range of problems that affect children.

Using sophisticated gene-mapping tools and imaging technology, researchers from at least seven different UC San Diego departments are looking for the biological basis of differences in human behavior. The findings could help to enhance education, improve detection of mental disorders, and identify targets for early intervention that might prevent addiction and other negative outcomes.

Left: A social network map of 2,200 people, the largest group of connected individuals in the Framingham Heart Study, in the year 2000. Each circle represents one person, and the size of each circle is proportional to that person's body-mass index (BMI). Yellow circles indicate people who are considered medically obese and green circles indicate people who are not obese. Lines indicate family and friendship ties. Figure courtesy of James Fowler, UC San Diego.

Above: James Fowler, professor in the Department of Political Science and the School of Medicine. Photo by Kent Horner.

Top right: Children between ages three and twenty are participating in the PING (for pediatric imaging, neurorecognition, and genetics) study under way in the Division of Social Sciences.

Project funding comes from a stimulus grant of nearly $9 million awarded by the National Institute on Drug Abuse in 2009 through the American Recovery and Reinvestment Act (ARRA). The UC-based study involves ten sites throughout the country and is expected to create approximately twenty-five new jobs.

The Center for Human Development, an interdisciplinary research unit in the Division of Social Sciences, is coordinating the effort, and the advanced neuroimaging work is based in the Multimodal Imaging Laboratory in the Department of Radiology at the UC San Diego School of Medicine. Co-principal investigators of the project at UC San Diego are professor of cognitive science Terry L. Jernigan, Ph.D., and professor of neurosciences Anders M. Dale, Ph.D. Researchers aim to develop a searchable database or map for the scientific community that depicts the genomic landscape of the developing human brain.

Since structural and functional connectivity in the brain undergoes continuous remodeling during childhood, the study consists of 1,400 children between the ages of three and twenty. All information contained in the database is stripped of personal identifiers and codified in order to preserve the privacy of the participants.

CHANCELLOR'S ASSOCIATES YOUNG ALUMNI INSPIRES PHILANTHROPY: **SETH KLONSKY**

"Young alumni recognize that their experiences at UC San Diego were all made possible by the generous support of philanthropists. I am honored to do my part and join that community of supporters."

—Seth Klonsky '04, Muir College economics major, first alumnus to join CAYA

CHANCELLOR'S ASSOCIATES YOUNG ALUMNI (CAYA) inspires philanthropy—even in the youngest alums. The five-year-old program helps recent graduates of UC San Diego to develop philanthropic behavior by giving back to their alma mater.

The parent organization, Chancellor's Associates, consists of supporters who make unrestricted gifts of $1,500 to more than $10,000 each year. In return, they are invited to special UC San Diego events and are among the first to hear about new campus initiatives.

CAYA members enjoy the benefits of Chancellor's Associates at lower annual donation levels: $500 for alumni who have graduated within the last five years, and $1,000 for alumni who graduated in the last six to nine years.

From left: Bezos Scholars from The Preuss School, teacher Anne Artz and student Miriam Million

FAMILY VALUES AND GLOBAL AWARENESS: PREUSS SCHOOL JUNIOR AND TEACHER HONORED

Preuss School junior Miriam Million has an endless curiosity and a passion for learning. Her father fled the violence and instability of political unrest in Ethiopia, determined to reach America. In the United States, he created a new life for his wife and three-year-old daughter, establishing education as a central family value.

Now Miriam Million is among the top twenty in her class: a student leader of a variety of extracurricular activities, a dedicated volunteer at Scripps Memorial Hospital La Jolla, and a Bezos Scholar. She and Anne Artz, a Preuss School science teacher, were selected for the 2010 Bezos Scholars program, which brought twelve of the nation's top public high school juniors and twelve of the most engaged educators together for a weeklong seminar designed to encourage dialogue, innovation, community involvement, and global awareness at the Aspen Ideas Festival in Colorado.

Artz began teaching twenty-one years ago and has been at The Preuss School for five years. Her dedication to students goes well beyond the classroom: she chaperones school dances at night, often spends her Saturdays at conferences getting resources for the school, and even takes her students on nature walks on weekends. She is convinced that given the right environment, all students can and will succeed.

At the Aspen Ideas Festival, Artz and Million engaged in debates, presentations, and panel discussions led by global leaders, scientists, entrepreneurs, and creative artists. A global forum for leadership and open-minded dialogue, the festival fosters talk about today's most pressing topics, from scientific breakthroughs to approaches to education. This is the second consecutive year that Bezos Scholars have been selected from The Preuss School. Last year, Principal Scott Barton and junior Paul Tran achieved that honor.

The Preuss School at UC San Diego is a middle and high school dedicated to providing intensive college-preparatory education for motivated low-income students who will become the first in their families to graduate from college. Every year, graduates go on to

UC San Diego Extension serves the critical lifelong knowledge and skill development needs of individuals, organizations, and the community. The range of courses includes casual online computer game creation and teaching adult learners.

prestigious universities, including many University of California campuses, Harvard University, Stanford University, and the Massachusetts Institute of Technology. Million plans to attend medical school and to participate in Doctors Without Borders/Médecins Sans Frontières (MSF), which would enable her to return to Africa to help the people of Ethiopia.

HEADING BACK TO SCHOOL: UC SAN DIEGO EXTENSION

School's in for career changers and adult learners seeking an advantage in their current fields. As an industry, adult education was one of the few that saw job growth in 2009, according to the Bureau of Labor Statistics.

UC San Diego Extension, the continuing education and public programs arm of the university, experienced a 2 percent enrollment increase in 2010 with a record 56,000 enrollees—or 26,000 students taking 4,900 courses. As a division that is 100 percent self-funded with no state support, Extension will continue to forge partnerships with community organizations and client businesses to fuel its projected 33 percent growth over the next five years. Extension attracts more than $35 million annually through fees, contracts, and grants.

In 2010, 26,000 Extension students took 4,900 courses.

Extension offers approximately 125 distinct academic programs ranging from the life sciences and engineering to arts and business leadership. With U.S. unemployment at a twenty-five-year high, Extension is expanding offerings in higher-demand employment areas, including

- Sustainable business practices and the greening of all jobs
- Clinical trials design and management for oncology
- Casual online computer games development
- Data mining and predictive analytics
- Embedded engineering for software developers
- Geriatric health care
- Occupational health and safety
- Spanish/English translation
- Teaching adult learners
- Teaching English as a foreign language

FINANCIAL OVERVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The objective of Management's Discussion and Analysis is to help readers of the University of California, San Diego's financial statements to understand better the financial position and operating activities for the fiscal year ended June 30, 2010, with selected comparative information for the year ended June 30, 2009. UC San Diego's financial report communicates financial information for the university through three primary financial statements. The statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows present the financial position, changes in financial position, and cash flows for the university. The financial statements should be read in conjunction with the management's discussion and the notes to the financial statements to gain a more complete understanding of the university's financial information.

The audited, consolidated financial statements of the University of California are available at **http://www.ucop.edu/ucophome/busfin/reports.html.**

THE UNIVERSITY'S FINANCIAL POSITION

The statement of net assets presents the financial position of the university at the end of each fiscal year. At June 30, 2010, the university's net assets were $2.05 billion, with assets of $4.32 billion and liabilities of $2.27 billion. The major components of the assets, liabilities, and net assets as of 2010 and 2009 are as follows (in thousands).

	2010	2009	CHANGE
ASSETS			
Cash and equity in treasurer's investments	$1,139,382	$ 878,737	$ 260,645
Receivables	305,744	282,728	23,016
Inventories	24,347	24,098	249
Capital assets, net	2,677,751	2,440,284	237,467
Other assets	172,498	88,086	84,412
Total assets	$4,319,722	$3,713,933	$ 605,789
LIABILITIES			
Debt	$1,687,923	$1,268,130	$ 419,793
Other liabilities	584,595	471,037	113,558
Total liabilities	$2,272,518	$ 1,739,167	$ 533,351
NET ASSETS			
Invested in capital assets, net of related debt	$1,037,675	$ 1,171,515	$ (133,840)
Restricted Expendable	140,788	106,158	34,630
Unrestricted	868,741	697,094	171,647
Total net assets	$2,047,204	$1,974,767	$ 72,437

ASSETS

UC San Diego's total assets increased by $605.79 million to $4.32 billion in 2010, compared to $3.71 billion in 2009, primarily due to increases in cash and equity in treasurer's investments of $0.26 million and capital assets net of depreciation, $0.24 million.

Cash and equity in treasurer's investments—The university's cash and equity in treasurer's investments totaled $1.14 billion at the end of 2010 and $878.74 million at the end of 2009. The increase in the short-term investments component is primarily due to cash from operations and investing exceeding cash used for operations, capital investments, and noncapital financing.

Accounts receivable, net—Accounts receivable in total increased by $23.02 million to $305.74 million in 2010 from $282.73 million in 2009. The increase is primarily in the Medical Center category, where patient receivables net of uncollectibles increased $15.27 million due to increased patient activity.

Capital assets, net—Capital assets, net of accumulated depreciation, increased by $237.47 million to $2.68 billion in 2010. The major asset capitalized in 2010 was the north campus housing, $109.13 million. Construction in progress of $149.09 million accounted for the balance.

LIABILITIES

The university's liabilities totaled $2.27 billion in 2010. This total includes the liabilities of $1.39 billion for capital projects that provide financing for projects on more than one campus and are accounted for centrally at the UC Office of the President (UCOP).

Long-term debt—This debt, principally recorded at the Office of the President, increased by $419.79 million to $1.69 billion in 2010. The major additional increase in 2010 was for revenue bonds: $123.72 million for the cardio center at Thornton Hospital.

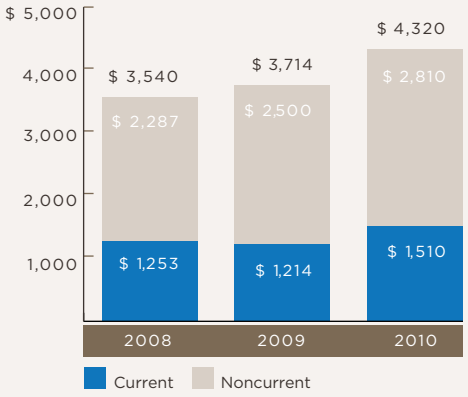
Other liabilities—Other liabilities increased by $113.56 million to $584.60 million in 2010 from $471.04 million in 2009. This increase is principally the result of accrued salaries and benefits, $74.56 million, due to the timing of the June 30 payroll expense.

NET ASSETS

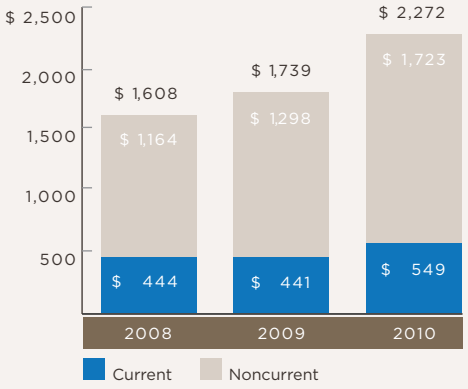
Net assets represent the residual interest in the university's assets after all liabilities are deducted. Net assets are reported in four major categories: invested in capital assets, net of related debt; restricted, nonexpendable; restricted expendable; and unrestricted. The university's net assets grew by $72.44 million to $2.05 billion in 2010.

Invested in capital assets, net of related debt—This category decreased to $1.04 billion in 2010, compared to $1.17 billion in 2009.

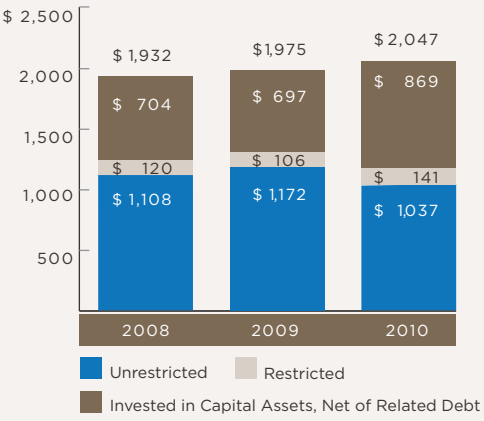
ASSETS (in millions)



LIABILITIES (in millions)



NET ASSETS (in millions)



The decrease represents the university's continued investment in its physical facilities, despite the increase in the use of related financing and depreciation expense. Principal projects financed and capitalized in 2010 were the north campus housing and the cardio center at Thornton Hospital.

Restricted expendable—The increase of $34.63 million in 2010 to $140.79 million reflects an increase of $18.11 million in capital projects, and an increase of $14.25 million in gifts. The primary increase in gifts reflected the initial inclusion of the Sanford Consortium for Regenerative Medicine, a Governmental Accounting Standards Board (GASB) 14 entity.

Unrestricted—Under generally accepted accounting principles, net assets that are not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Unrestricted net assets increased $171.65 million to $868.74 million in 2010. The increase reflects a $69.53 million increase in general funds. The prior year's balance reflected a one-time decrease due to a retroactive adjustment resulting from the California budget situation. Fiscal year 2010 principally reflected an increase in the UC San Diego Medical Center's reserves of $33.84 million.

GASB 14 entities—For the period ended June 30, 2010, the initial inclusion of the Sanford Consortium for Regenerative Medicine included third-party debt of $65.11 million, gift revenues of $27.40 million, and construction in progress of $33.17 million.

THE UNIVERSITY'S RESULTS OF OPERATIONS

The statement of revenues, expenses, and changes in net assets is a presentation of the university's operating results. It indicates whether the financial condition has improved or deteriorated. In accordance with GASB requirements, certain significant revenues relied upon and budgeted for fundamental operational support of the core instructional mission of the university are required to be recorded as nonoperating revenues, including state educational appropriations, private gifts, and investment income.

REVENUES SUPPORTING CORE ACTIVITIES

Revenues to support the university's core activities, including those classified as nonoperating revenues, were $2.95 billion and $2.64 billion in 2010 and 2009, respectively. This diversified source of revenue increased by $314.56 million in 2010. State of California educational appropriations, in conjunction with student tuition and fees, are the core components that support the instructional mission of the university. Grants and contracts provide opportunities for undergraduate and graduate students to participate in basic research alongside some of the most prominent researchers in the country. Gifts to the university allow crucial flexibility for support of its fundamental activities or new academic initiatives. Other significant revenues are from the Medical Center, educational activities, and auxiliary enterprises such as student housing, food service operations, parking, and the Bookstore.

Student tuition and fees, net—Student tuition and fees revenue, net of scholarship allowances, grew in 2010 by $51.74 million to $312.66 million. The increase is attributable to two separate increases in fees during the fiscal period for all categories of students.

Grants and contracts—Revenues from grants and contracts increased $69.29 million in 2010 to $882.11 million. This revenue represents support from a variety of federal, state, private, and local agencies, with funding from the American Recovery and Reinvestment Act (ARRA) being a major contributor in 2010. Funding from private corporations and local governments showed a 10 percent increase in fiscal 2010.

The table that follows details awarded grants and contracts for fiscal year 2010 and 2009 (in thousands). Awarded grants and contracts may be reflected in the current fiscal year or in future periods as work is completed and billed.

NEW AWARDS RECEIVED (in thousands)

CAMPUS AREA	2010	2009
General Campus	$ 303,888	$ 260,915
Health Sciences	597,428	494,279
Scripps Institution of Oceanography	158,010	126,430
Total	$1,059,326	$ 881,624

Medical Center—Revenues of $854.76 million in 2010 reflect an increase of $49.21 million from 2009. Net patient service revenue for 2010 increased by $49.43 million over 2009. The increase in 2010 over 2009 in this category was due to outpatient volumes, contract price increases, and improved collections. Net patient service revenue is reported net of estimated allowances under contractual arrangements with Medicare, Medi-Cal, the county of San Diego, and other third-party payors and has been estimated based upon the principles of reimbursements and terms of the contracts currently in effect.

Sales and services, educational activities—Revenues from educational activities grew to $260.26 million in 2010 compared to $227.43 million in 2009. The increase is primarily due to the medical group's patient services activities.

State educational appropriations—Educational appropriations from the state of California increased by $37.73 million to $282.35 million in 2010, principally as a result of a one-time federal grant to the state of California. The state's fiscal crisis in 2009 and 2010 necessitated special-session actions by the legislature and the governor that led to midyear budget reductions, both one-time and permanent, that took place over an eighteen-month period. Because of the complexity and timing of these actions, it is important to look at year-over-year changes over a two-year—rather than one-year—period. While the one-year change between 2009 and 2010 appears to reflect an increase in state educational appropriations when compared to 2008, there was actually a decline of $18.95 million over the two-year period.

PRIVATE GIFTS

UC San Diego recorded $27.45 million for the Sanford Consortium for Regenerative Medicine to comply with GASB 14 requirements. This gift was for the construction of the building to house the consortium. Additionally a $3.43 million gift to the Green Foundation was recorded. This is also a GASB 14 reporting entity.

EXPENSES ASSOCIATED WITH CORE ACTIVITIES

Expenses associated with the university's core activities, including those classified as nonoperating expenses, increased by $166.76 million, from $2.59 billion to $2.75 billion in 2010.

Salaries and benefits—More than 60 percent of the university's expenses are related to salaries and benefits. During 2010, salaries and benefits increased to $1.71 billion. The increase of $109.22 million was net of a $23.50 million reduction in the fiscal year due to the mandatory furlough program. This was more than offset by programmed faculty merits, necessary new hiring, and benefit cost increases.

UCRP benefits—Beginning on April 15, 2010, the University of California Retirement Program (UCRP) employer contribution of 2 percent of covered salary/wages was reinstated. In May 2010 and for subsequent months, the employer contribution was increased to 4 percent of covered salary and wages. In the previous several years, no contributions were made to UCRP. This change resulted in a $8.96 million increase in 2010 over 2009.

Utilities—During 2010, utility expenses were $47.08 million, a decrease of $0.92 million from fiscal 2009, primarily as a result of an aggressive solar panel installation program and other energy-saving steps taken by the university.

Scholarships and fellowships—Despite significant increases in student tuition and fees in 2010, the university places a high priority on student financial aid as a part of a commitment to affordability. Scholarships and fellowships (gross) increased in 2010 by $32.30 million to $90.27 million, or 55.73 percent.

Other expenses—Other expenses consist of a variety of expense categories, including travel, rent, insurance, legal settlements, and repairs and maintenance, plus any gain or loss on disposals of capital assets and other nonoperating expenses. Expenses in this category were $328.31 million in 2010, or an increase of less than 1 percent over 2009.

OTHER CHANGES IN NET ASSETS

A $3.17 million decrease occurred in the state capital appropriations, which decreased to $17.62 million in 2010. Capital appropriations are from bond measures approved by the California voters.

In accordance with GASB reporting standards, operating losses were $252.52 million in 2010 and $285.94 million in 2009. These operating losses were more than offset by net revenues and expenses that are required by GASB to be classified as nonoperating, but which remain available to support operating activities of the university: $447.34 million in 2010 and $332.87 million in 2009. This income is restricted by either legal or fiduciary obligations, allocated for academic and research initiatives or programs, necessary for debt service, or required for capital purposes.

THE UNIVERSITY'S CASH FLOWS

In 2010, net cash inflow from operating activities was $7.14 million, and an additional $404.96 million was provided by noncapital financing activities. By comparison, in 2009 the net cash outflow from operating activities was $99.74 million, offset by $290.12 million of cash provided by noncapital financing activities.

The net cash outflow from capital and related financing activities was $249.12 million in 2010 and $324.10 million in 2009. The primary uses of cash were payments to employees, suppliers, utilities, and capital asset purchases. Cash sources include grants and contracts, receipts from the Medical Center, and student tuition.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

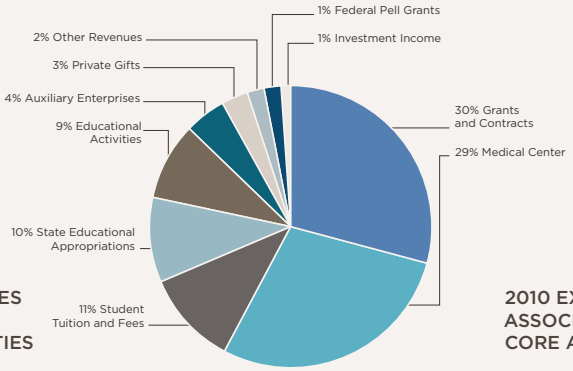
FOR THE FISCAL YEARS ENDED JUNE 30, 2010, AND JUNE 30, 2009 (IN THOUSANDS)

	CAMPUS		FOUNDATION	
	2010[1]	2009	2010	2009
OPERATING REVENUES				
Student tuition and fees, net	$ 312,657	$ 260,915	$ —	$ —
Grants and contracts				
Federal	635,847	584,294	—	—
State	41,848	42,115	—	—
Private	193,337	175,215	—	—
Local	11,082	11,201	—	—
Sales and services				
Medical Center	854,759	805,547	—	—
Educational activities	260,264	227,425	—	—
Auxiliary enterprises, net	133,842	134,575	—	—
Contributions revenue	—	—	39,937	32,409
Other operating revenues, net	54,395	56,752	—	—
Total operating revenues	2,498,031	2,298,039	39,937	32,409
OPERATING EXPENSES				
Salaries and wages	1,394,308	1,319,900	—	—
Benefits	313,095	278,283	—	—
Scholarships and fellowships	90,265	57,962	—	—
Utilities	47,082	47,997	—	—
Supplies and materials	388,839	379,893	—	—
Depreciation and amortization	188,641	174,200	—	—
Grants to campus	—	—	52,117	47,107
Other operating expenses				
Building maintenance	113,523	108,280	—	—
Travel	33,460	33,963	—	—
Telecommunications	29,579	30,098	—	—
Other	151,754	153,398	—	29
Total operating expenses	2,750,546	2,583,974	52,117	47,136
Operating income (loss)	(252,515)	(285,935)	(12,180)	(14,727)
NONOPERATING REVENUES (EXPENSES)				
State educational appropriations	282,346	244,612	—	—
State financing appropriations	15,639	13,030	—	—
Federal financing appropriations	4,325	—	—	—
Federal Pell Grants[1]	44,385	—	—	—
Private gifts	85,608	55,791	—	—
Investment income	20,306	24,613	7,353	7,702
Realized gain on sale of investments	—	—	(1,853)	1,620
Unrealized appreciation/depreciation on investments	—	—	33,205	(84,377)
Interest expense	(3,104)	(336)	—	—
Change in value of annuity and life income liabilities	—	—	832	(2,613)
Loss on disposal of capital assets, net	(2,265)	(3,626)	—	—
Other nonoperating revenues (expenses)	102	(1,215)	20	126
Total net nonoperating revenues (expenses)	447,342	332,869	39,557	(77,542)
Income before other changes in net assets	194,827	46,934	27,377	(92,269)
OTHER CHANGES IN NET ASSETS				
State capital appropriations	17,624	20,797	—	—
Capital gifts and grants	10,915	10,894	—	—
Permanent endowments	—	—	10,520	12,616
Transfers	(150,929)	(34,998)	—	—
Total other changes in net assets	(122,390)	(3,307)	10,520	12,616
Increase in net assets	72,437	43,627	37,897	(79,653)
NET ASSETS				
Net assets, beginning of year	1,974,767	1,931,902	417,135	496,788
Cummulative effect of a change in accounting principle	—	(762)	—	—
Net assets, end of year	$ 2,047,204	$ 1,974,767	$ 455,032	$ 417,135

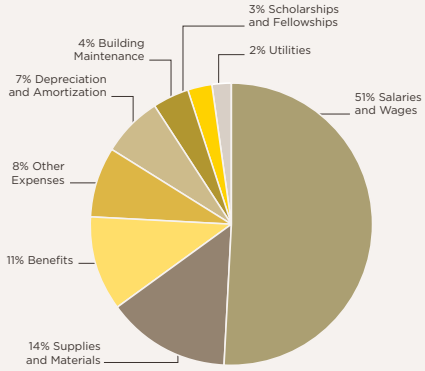
Financial statements for the University of California, San Diego are unaudited. Financial statements for the UC San Diego Foundation are audited.
See accompanying "Notes to the Financial Statements."

[1] Federal Pell Grants shown as nonoperating revenue in FY2010 per GASB guidelines (formerly shown as part of contracts and grants-federal). No restatement for FY2009.

2010 REVENUES SUPPORTING CORE ACTIVITIES



2010 EXPENSES ASSOCIATED WITH CORE ACTIVITIES



STATEMENT OF NET ASSETS FOR THE FISCAL YEARS ENDED JUNE 30, 2010, AND JUNE 30, 2009 (IN THOUSANDS)

	CAMPUS		FOUNDATION	
	2010	2009	2010	2009
ASSETS				
Current Assets				
Cash and equity in treasurer's investments	$ 1,139,382	$ 878,737	$ 980	$ 3,024
Investments held by trustees	—	676	73,422	72,437
Accounts receivable, net				
State and federal government	58,130	57,307	—	—
Medical Center	165,126	149,857	—	—
Other	82,488	75,563	70	65
Pledges receivable, net	6,668	4,629	5,297	7,028
Notes receivable, net	3,039	2,476	—	—
Inventories	24,347	24,098	—	—
Other current assets	30,957	20,623	99	380
Total current assets	1,510,137	1,213,966	79,868	82,934
Noncurrent Assets				
Investments held by trustees	76,402	18,164	356,866	313,738
Pledges receivable	10,049	4,373	35,561	37,935
Notes and mortgages	30,252	28,169	—	—
Land, buildings, equipment, Libraries, and special collections	4,960,879	4,551,051	—	—
Less: Accumulated depreciation	(2,283,130)	(2,110,767)	—	—
Other noncurrent assets	15,133	8,977	1,330	1,507
Total noncurrent assets	2,809,585	2,499,967	393,757	353,180
Total assets	$ 4,319,722	$ 3,713,933	$ 473,625	$ 436,114
LIABILITIES				
Current Liabilities				
Accounts payable	$ 161,124	$ 139,797	$ 1,250	$ 758
Accrued salaries and benefits	139,353	64,790	—	—
Deferred revenue	114,017	110,262	—	—
Current portion of long-term debt	50,563	46,556	—	—
Funds held for others	1,677	1,780	123	150
Annuities payable	—	—	1,104	1,200
Liabilities to life beneficiaries	—	—	1,205	1,059
Other current liabilities	82,592	77,991	—	—
Total current liabilities	549,326	441,176	3,682	3,167
Noncurrent Liabilities				
Federal refundable loans	24,635	23,177	—	—
Annuities payable	—	—	6,785	7,729
Liabilities to life beneficiaries	—	—	8,143	8,084
Long-term debt				
Revenue bonds	1,297,389	953,116	—	—
Certificates of participation	—	—	—	—
Mortgages and other borrowings	21,955	39,638	—	—
Capital lease obligations	253,155	228,820	—	—
Third-party debt	64,862	—	—	—
Other noncurrent liabilities	61,197	53,240	—	—
Total noncurrent liabilities	1,723,193	1,297,991	14,928	15,813
Total liabilities	$ 2,272,519	$ 1,739,167	$ 18,610	$ 18,980
NET ASSETS				
Invested in capital assets, net of related debt	$ 1,037,675	$ 1,171,515	$ —	$ —
Restricted				
Nonexpendable				
Endowments	—	—	254,220	230,999
Annuity and life income funds	—	—	3,862	3,167
Expendable				
Endowments	—	—	66,858	58,360
Endowment income	12,743	10,636	—	—
Annuity and life income funds	—	—	5,104	4,989
Funds functioning as endowments	—	—	10,650	10,497
Loans	3,700	3,540	—	—
Gifts	94,624	80,343	110,327	105,879
Capital projects	24,809	6,703	—	—
Debt service	4,787	4,843	—	—
Other	125	93	—	—
Unrestricted	868,741	697,094	3,994	3,243
Total net assets	$ 2,047,204	$ 1,974,767	$ 455,015	$ 417,134

Financial statements for the University of California, San Diego are unaudited. Financial statements for the UC San Diego Foundation are audited.
See accompanying "Notes to the Financial Statements."

STATEMENT OF CASH FLOWS FOR THE FISCAL YEARS ENDED JUNE 30, 2010, AND JUNE 30, 2009 (IN THOUSANDS)

	CAMPUS		FOUNDATION	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Student tuition and fees	$ 311,457	$ 265,523	$ —	$ —
Grants and contracts	874,895	826,008	—	—
Receipts from sales and services of				
Medical Center	839,095	815,155	—	—
Educational activities	262,786	223,545	—	—
Auxiliary enterprises	135,040	132,428	—	—
Receipts from contributions	—	—	36,086	32,343
Collections of loans to students and employees	2,788	3,008	—	—
Payments to employees	(1,316,520)	(1,316,526)	—	—
Payments to suppliers and utilities	(739,598)	(746,149)	—	—
Payments for benefits	(308,098)	(275,456)	—	—
Payments for scholarships and fellowships	(90,265)	(57,962)	—	—
Payments to campuses	—	—	(46,060)	(44,356)
Payments to beneficiaries	—	—	(2,303)	(2,536)
Loans issued to students and employees	(5,576)	(3,805)	—	—
Other receipts (payments)	41,136	34,489	(5,007)	(5,028)
Net cash provided (used) by operating activities	7,140	(99,742)	(17,284)	(19,577)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State educational appropriations	282,346	244,612	—	—
Federal Pell Grants	44,385	—	—	—
Private gifts for endowment purposes	—	—	9,914	11,802
Private gifts received for other than capital purposes	76,964	55,175	—	—
Other receipts (payments)	1,261	(9,668)	8	318
Net cash flows from noncapital financing activities	404,956	290,119	14,291	12,121
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
State capital appropriations	15,408	19,007	—	—
State financing appropriations	13,676	17,301	—	—
Federal financing appropriations	4,325	—		
Capital gifts and grants	11,496	6,874	—	—
Proceeds from debt issuance	253,417	48,899	—	—
Proceeds from the sale of capital assets	157	204	—	—
Proceeds from insurance recoveries	—	—	—	—
Purchases of capital assets	(525,810)	(395,216)	—	—
Refinancing/prepayment of outstanding debt	—	—	—	—
Principal paid on debt and capital leases	(11,926)	(18,563)	—	—
Interest paid on debt and capital leases	(9,859)	(2,609)	—	—
Net cash provided (used) by capital and related activities	(249,116)	(324,103)	—	—
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale and maturities of investments	42	(31)	45,945	51,944
Purchase of investments	—	—	(47,577)	(53,917)
Other receipts	5,073	4,492	6,950	9,962
Net cash provided (used) by investing activities	5,115	4,461	5,318	7,989
CHANGE IN ACCOUNTING PRINCIPLES				
Cumulative effect of change in accounting principles	—	(762)	—	—
Net change due to GASB prouncements	—	(762)	—	—
CASH FLOWS FROM TRANSFERS				
Current				
Intercampus	352,242	280,929	—	—
Interfund	(118,926)	(93,212)	—	—
Net revenue of bonds and other indebtedness programs	—	973	—	—
Unexpended plant	121,852	144,723	—	—
Retirement of indebtedness	(71,107)	(71,031)	—	—
Investment in plant	62	2	—	—
Loan	69	71	—	—
Indirect cost recovery	(191,428)	(165,680)	—	—
Net cash flows from transfers	92,764	96,775	—	—
Total net increase in cash	260,859	(33,252)	(2,044)	532
Cash beginning of year	877,788	911,040	3.024	2,492
Cash end of year	$ 1,138,647	$ 877,788	$ 980	$ 3,024
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating income (loss)	$ (252,515)	$ (285,935)	$ (12,197)	$ (14,727)
Depreciation and amortization expense	188,641	174,200	—	—
Noncash gifts	—	—	(7,954)	(1,313)
Allowance for doubtful accounts	32,134	7,707	—	—
Allowance for uncollectible receivables	—	—	(206)	—
Loss on impairment of capital assets	—	—	—	—
Change in assets and liabilities				
Receivables, net	(59,242)	2,262	4,309	835
Inventories	(249)	2	—	—
Deferred charges	(10,279)	(3,302)	—	—
Other assets	(4,399)	126	—	412
Accounts payable	20,825	(6,161)	272	(1,930)
Accrued salaries and benefits	74,561	169	—	—
Deferred revenue	4,735	5,956	—	—
Annuities payable	—	—	(869)	(2,854)
Other liabilities	12,928	5,234	(638)	—
Net cash used by operating activities	$ 7,140	$ (99,742)	$ (17,283)	$ (19,577)

Financial statements for the University of California, San Diego are unaudited. Financial statements for the UC San Diego Foundation are audited.
See accompanying "Notes to the Financial Statements."

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the University of California, San Diego campus, including the UC San Diego Medical Center, have been prepared in accordance with generally accepted accounting principles, including all applicable effective statements of the Financial Accounting Standards board through November 30, 1989, and generally adhering to the statements of the Governmental Accounting Standards Board (GASB), using the accrual basis of accounting. The accounts of the San Diego campus are subject to limited-scope procedures as a part of the annual audit of the financial statements of the entire University of California. The financial statements of the San Diego campus have not been individually audited. The significant accounting policies of the university, not including the UC San Diego Foundation, are summarized below.

The UC San Diego Foundation is a nonprofit, public-benefit corporation organized for the purpose of accepting and administering the full range of private contributions for the campus. It is qualified as a tax-exempt organization under the provision of Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income.

Use of estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

ADOPTION OF NEW ACCOUNTING STANDARDS

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, was adopted by the university during the year ended June 30, 2010. This statement requires capitalization of identifiable intangible assets in the statement of net assets and provides guidance for amortization of intangible assets unless they are considered to have an indefinite useful life.

GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, was also adopted during the year ended June 30, 2010. Statement No. 53 requires the university to report its derivative instruments at fair value. Changes in fair value for effective hedges that are achieved with derivative instruments are to be reported as deferrals in the statement of net assets. Derivative instruments that either do not meet the criteria for an effective hedge or are associated with investments that are already reported at fair value are to be classified as investment derivative instruments. Changes in fair value of those derivative instruments are to be reported as net appreciation or depreciation in the fair value of investments. Upon adoption of Statement No. 53, retrospective application is required.

The implementation of Statements No. 51 and 53 had no effect on the university's net assets for the years ended June 30, 2010, and 2009.

Cash and cash equivalent—The university considers all balances in demand-deposit accounts to be cash. The university classifies all other highly liquid cash equivalents as short-term investments. The Office of the President (UCOP)/Treasurer's Office maintains centralized management for substantially all of the university's cash. Cash in demand-deposit accounts is minimized by sweeping available cash balances into investment accounts on a daily basis.

Short-term investments—UC San Diego participates in a temporary investment pool that is administered by the Office of the President. This pool invests primarily in U.S. Treasury securities, commercial paper, and short-term corporate notes with cost approximating market value. These temporary investments are considered cash equivalents for the purposes of the statement of cash flows.

Investments—Investments are recorded at fair value. Securities, including derivative investments, are generally valued at the last sale price on the last business day of the fiscal year, as quoted on a recognized exchange or an industry standard pricing service, when available. Securities for which no sale was reported as of the close of the last business day of the fiscal year are valued at the quoted bid price of a dealer who regularly trades in the security being valued. Certain securities may be valued on a basis of a price provided by a single source.

Endowments—The campus endowment funds are invested and administered by the Endowment and Investment Accounting unit at UCOP and are not included in these financial statements. Income from campus endowment funds is recorded at UCOP and transferred to the campus annually. The university's endowment income distribution policies are designed to preserve the value of the endowment and to generate a predictable stream of spendable income.

Investments held by trustees—All investments held by trustees are insured, registered, or held by the university's trustee or custodial bank, as fiduciary for the bondholder or as agent for the university.

Accounts receivable, net—Accounts receivable, net of allowance for uncollectible accounts, include reimbursements due from state and federal sponsors of externally funded research, patient billings, and other receivables. Other receivables include local government and private grants and contracts; educational activities; and amounts due from students, employees, and faculty for services.

Deferred revenue—Deferred revenue primarily includes amounts received from grant and contract sponsors that have not been earned under the terms of the agreement and other revenue billed in advance of the event, such as student tuition and fees, and fees for housing and dining services.

Funds held for others—Funds held for others result from the university or the campus foundations acting as an agent, or fiduciary, on behalf of organizations that are not significant or financially accountable to the university or campus foundations.

Federal refundable loans—Certain loans to students are administered by the university with funding primarily supported by the federal government. The university's statement of net assets includes both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

Pollution remediation obligations—Upon an obligating event, the university estimates the components of any expected pollution remediation costs and recoveries from third parties. The costs, estimated using the expected cash flow technique, are accrued as a liability.

Pledges receivable, net—Unconditional pledges of private gifts to the university or to the campus foundations in the future, net of allowance for uncollectible amounts, are recorded as pledges receivable and revenue in the year promised at the present value of expected cash flows. Conditional pledges, including all pledges of endowments and intentions to pledge, are recognized as receivables and revenues when the specified conditions are met. The composition of pledges receivable at June 30, 2010, and 2009 is summarized as follows (in thousands of dollars).

	2010	2009
Total pledges receivable outstanding	$ 17,820	$ 9,395
Unamortized discount to present value	(808)	(276)
Allowance for uncollectible pledges	(295)	(117)
Total pledges receivable, net	16,717	9,002
Less: Current portion of pledges receivable	6,668	4,629
Noncurrent portion of pledges receivable	$ 10,049	$ 4,373

Notes and mortgages receivable—Loans to students are provided from federal student loan programs and from university sources. Home mortgage loans, primarily for faculty, are provided by the Short Term Investment Pool and from other university sources. Notes receivable at June 30, 2010, and 2009, along with the allowance for uncollectible amounts, are as follows (in thousands of dollars).

	Current Portion	Noncurrent Portion	Total
At June 30, 2010			
Notes and mortgages receivable	$ 4,102	$ 31,590	$ 35,692
Allowance for uncollectible amounts	(1,063)	(1,340)	(2,403)
Notes receivable, net	$ 3,039	$ 30,250	$ 33,290
At June 30, 2009			
Notes and mortgages receivable	$ 3,606	$ 29,311	$ 32,917
Allowance for uncollectible amounts	(1,130)	(1,142)	(2,272)
Notes receivable, net	$ 2,476	$ 28,169	$ 30,646

Inventories—Inventories, consisting primarily of supplies and merchandise for resale, are valued at cost, typically determined using the weighted average method, which is not in excess of net realizable value.

Fixed assets—Land, infrastructure, buildings and improvements, equipment, Libraries, and special collections are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Capital leases are recorded at the present value of future minimal lease payments. Significant additions, replacements, major repairs, and renovations are generally capitalized if the cost exceeds $35,000 and if they have a useful life of more than one year. Minor renovations are charged to operations. Equipment with a cost in excess of $4,999 and a useful life of more than one year is capitalized.

Interest on borrowings to finance facilities is capitalized during construction, net of any investment income earned during the temporary investment of project related borrowings.

Depreciation is calculated using the straight-line method over the estimated economic life of the asset.

Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are capitalized and depreciated. Inexhaustible capital assets such as land or special collections that are protected, preserved, and held for public exhibition, education, or research, including art, museum, scientific, and rare book collections, are not depreciated.

Debt—Long-term financing includes bonds, certificates of participation, loans and other borrowings, and capital lease obligations. Some loans, bonds, and certificates of participation provide financing for projects on more than one campus and are accounted for centrally at UCOP. For financial statement presentation, selected statements have been adjusted to include long-term debt recorded at UCOP. In the statement of net assets, the totals for long-term debt, including the current portion of long-term debt, and the total for invested in capital assets, net of related debt totals, have been adjusted to reflect the UCOP-held debt. Similarly, the transfers total in the statement of revenues, expenses, and changes in net assets for 2010 has been adjusted by $228.59 million, the change in UCOP-held debt from $1.12 billion in 2009 to $1.39 billion in 2010. The statement of cash flows has not been adjusted.

Student tuition and fees—Substantially all of the student tuition and fees provide for current operations of the university. A small portion of the student fees, reported as capital gifts and grants, is required for debt service associated with the student union and recreational centers. Certain waivers of student tuition and fees considered to be scholarship allowances are recorded as an offset to revenue.

State appropriations—The state of California provides appropriations to the university on an annual basis. State educational appropriations are recognized as nonoperating revenue; however, the related expenses are incurred to support either educational operations or other specific operating purposes. State financing appropriations provide for principal and interest payments associated with lease-purchase agreements with the State Public Works Board and are also reported as nonoperating revenue. State appropriations for capital projects are recorded as revenue under other changes in net assets when the related expenditures are incurred. Special state appropriations for AIDS, tobacco, and breast cancer research are reported as grant operating revenue.

Commitments and contingencies—Substantial amounts are received and expended by the university, including its Medical Center, under federal and state programs, and are subject to audit by cognizant governmental agencies. This funding relates to research, student aid, Medical Center operations, and other programs. University management believes that any liabilities arising from such audits will not have a material effect on the university's financial position.

Retiree health plans—The university administers single-employer health plans to provide health and welfare benefits, primarily medical, dental and vision benefits, to eligible retirees of the University of California and its affiliates. The Board of Regents has the authority to establish and amend the benefit plans.

The contribution requirements of the eligible retirees and the participating university locations, such as the University of California,

San Diego, are established and may be amended by the university. Membership in the University of California Retirement Program (UCRP) is required to become eligible for retiree health benefits. Contributions toward benefits are shared with the retiree. The university determines the employer's contribution. Retirees are required to pay the difference between the employer's contribution and the full cost of the health insurance. Retirees employed by the campus prior to 1990 are eligible for the maximum employer contribution if they retire before age fifty-five and have at least ten years of service, or if they retire at age fifty-five or later and have at least five years of service. Retirees employed by the campus after 1989 and not rehired after that date are subject to graduated eligibility provisions that generally require ten years of service before becoming eligible for 50 percent of the maximum employer contribution, increasing to 100 percent after twenty years of service.

Participating university locations, such as the UC San Diego campus, are required to contribute at a rate assessed each year by the University of California Retiree Health Benefit Trust. The contribution requirements are based upon projected pay-as-you-go financing requirements. The assessment rates were $3.12 and $3.09 per $100 of UCRP covered payroll, resulting in campus contributions of $9.1 million and $.1 million for the years ended June 30, 2010, and 2009, respectively.

The actuarial value of UCRHBT assets and the actuarial accrued liability associated with the university's campuses and medical centers using the entry-age normal cost method as of July 1, 2009, the date of the latest actuarial valuation, were $76.9 million and $14.5 billion, respectively. The net assets held in trust for pension benefits on the UCRHBT's Statement of Plan Fiduciary Net Assets were $69.4 million at June 30, 2010. For the years ended June 30, 2010, and 2009, combined contributions from the university's campuses and medical centers were $283.5 million and $278.5 million, respectively, including an implicit subsidy of $49.5 million and $44.1 million, respectively. The university's annual retiree health benefit expense for its campuses and medical centers was $1.6 billion and $1.5 billion for the years ended June 30, 2010, and 2009, respectively. As a result of contributions that were less than the retiree health benefit expense, the university's obligation for retiree health benefits attributable to its campuses and medical centers totaling $3.7 billion at June 30, 2010, increased by $1.4 billion and $1.2 billion for the years ended June 30, 2010, and 2009, respectively.

Information related to plan assets and liabilities as they relate to individual campuses and medical centers is not readily available. Additional information on the retiree health plans can be obtained from the 2009–10 annual reports of the University of California and the University of California Health and Welfare Program.

Retirement plans—Substantially all full-time employees of UC San Diego participate in the University of California Retirement System (UCRS) that is administered by the university. UCRS consists of the University of California Retirement Plan (UCRP), a single employer defined benefit plan, and the University of California Retirement Savings Program (UCRSP) that includes four defined contribution plans with several investment portfolios generally funded with employee nonelective and elective contributions. The Board of Regents has the authority to establish and amend the benefit plans.

UCRP provides lifetime retirement income, disability protection, and survivor benefits to eligible employees. Benefits are based on the average of the highest three years of compensation, age, and years of service and are subject to limited cost-of-living increases.

Contributions to UCRP may be made by the campus and the employees. The rates for contributions as a percentage of payroll are determined annually pursuant to the regents' funding policy and based upon recommendations of the consulting actuary. The regents determine the portion of the total contribution to be made by the campus and by the employees. Employee contributions by represented employees are subject to collective bargaining agreements. As a result of the funded status of UCRP, during the year ended June 30, 2009, there were no required campus or employee contributions other than for service credit buybacks.

The actuarial value of UCRP assets and the actuarial accrued liability associated with the university's campuses and medical centers using the entry age normal cost method as of July 1, 2009, the date of the latest actuarial valuation, were $34.8 billion and $36.8 billion, respectively, resulting in a funded ratio of 94.8 percent. The net assets held in trust for pension benefits attributable to the campuses and medical centers included in the UCRP Statement of Plan's Fiduciary Net Assets were $34.6 billion and $32.3 billion at June 30, 2010, and June 30, 2009, respectively.

For the years ended June 30, 2010, and 2009, the university's campuses and medical centers contributed a combined $64.8 million and $0.4 million, respectively. The university's annual UCRP benefits expense for its campuses and medical centers was $1.6 billion for the year ended June 30, 2010. As a result of contributions that were less than the UCRP benefits expense, the university's obligation for UCRP benefits attributable to its campuses and medical centers increased by $1.5 billion for the year ended June 30, 2010.

The UCRSP plans—DC Plan, Supplemental DC Plan, 403(b) Plan, and 457(b) Plan—provide savings incentives and additional retirement security for all eligible employees. The DC Plan accepts both pretax and aftertax employee contributions. The Supplemental DC Plan accepts employer contributions on behalf of certain qualifying employees. The 403(b) and 457(b) plans accept pretax employee contributions and the campus may also make contributions on behalf of certain members of management. Benefits from the plans are based on participants' mandatory and voluntary contributions plus earnings, and are immediately vested.

Information related to plan assets and liabilities as they relate to campus employees is not readily available. Additional information on the retirement plans can be obtained from the 2009–10 annual reports of the University of California Retirement Plan, the University of California Retirement Savings Plan, and the University of California PERS–VERIP.

Compensated absences—The university accrues annual leave for employees at rates based upon length of service and job classification and compensatory time based upon job classification and hours worked.

Tax exemption—The Board of Regents of the University of California is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). Because the university is a state institution, related income received by the university is also exempt from federal tax under IRC Section 115(a). In addition, the university is exempt from state income taxes imposed under the California Revenue and Taxation Code.

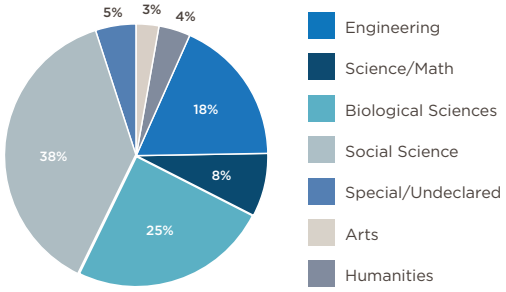
FACTS ABOUT UC SAN DIEGO

The University of California, San Diego, one of the nation's most accomplished research universities, is widely acknowledged for its local impact, national influence, and global reach. With a majestic view of the Pacific Ocean, this distinctively beautiful campus is both a magnet and a catalyst for acclaimed institutes and Nobel laureates. Renowned for its collaborative, diverse, and cross-disciplinary ethos that transcends traditional boundaries in science, arts, and the humanities, the university attracts exceptional faculty, stellar students, and outstanding staff.

▶ REVENUES AND EXPENDITURES

FISCAL YEAR 2009–10

▶ UNDERGRADUATE FIELDS OF STUDY



▶ STUDENT STATISTICS

AS OF FALL 2009

TOTAL NUMBER OF STUDENTS	29,110
AVERAGE HIGH SCHOOL GPA	3.96
AVERAGE SAT SCORE	1257

FISCAL YEAR 2009–10

Revenues	$ 2,950,742,000
Expenditures	$ 2,755,915,000

GRANTS AND CONTRACTS

Health Sciences	$ 597,427,000
General Campus	$ 303,889,000
Scripps Institution of Oceanography	$ 158,010,000

PRIVATE SUPPORT 2009–10

Total Amount Raised in FY 2009–10	$ 147,404,823
UC San Diego Foundation, Total Net Assets MARKET VALUE AS OF 6/30/10	$ 455,015,000
Number of Endowed Chairs	155

EMPLOYEES

Total, Full- and Part-time	27,406
Academic	8,588
Staff	18,818
Average Monthly Payroll SALARIES ONLY	$ 116,800,945

STUDENT STATISTICS

AS OF FALL QUARTER 2009

Total Number of Students	29,110
Total Undergraduate Students	23,143
Women (52%)	12,004
Men (48%)	11,139
Average High School GPA 2009 Freshmen	3.96
Average SAT Score 2009 Freshmen	1257
Total Advanced Degree Enrollment	5,967
Graduate Students at General Campus and Scripps Institution of Oceanography	4,231
School of Medicine	1,476
Skaggs School of Pharmacy and Pharmaceutical Sciences	260

UNDERGRADUATE FIELDS OF STUDY

Arts (3%)	779
Humanities (4%)	831
Engineering (18%)	4,083
Science/Math (8%)	1,778
Biological Sciences (25%)	5,768
Social Science (38%)	8,725
Special/Undeclared (5%)	1,179
TOTAL	23,143

STUDENT FEES AND TUITION

AS OF FALL QUARTER 2009

Mandatory Resident Fees	
Undergraduate	$ 9,638
Graduate	$ 10,934
Nonresident Tuition	
Undergraduate	$ 32,309
Graduate	$ 25,970
Professional Mandatory Resident Fees	
Rady School of Management	$ 29,462
School of Medicine	$ 26,516
Skaggs School of Pharmacy and Pharmaceutical Sciences	$ 25,316
Professional Nonresident Tuition	
Rady School of Management	$ 38,357
School of Medicine	$ 38,762
Skaggs School of Pharmacy and Pharmaceutical Sciences	$ 37,562

UNDERGRADUATE FINANCIAL AID AND SCHOLARSHIPS

RECEIVED BY STUDENTS FROM ALL SOURCES (2009–10)

Grants	$ 188,673,000
Loans	$ 86,415,000
Scholarships	$ 18,215,000
Work-Study	$ 3,059,000

REGENTS AND OFFICERS

REGENTS EX-OFFICIO

GOVERNOR OF CALIFORNIA AND PRESIDENT OF THE BOARD OF REGENTS
Arnold Schwarzenegger

PRESIDENT OF THE UNIVERSITY OF CALIFORNIA
Mark G. Yudof

LIEUTENANT GOVERNOR
Abel Maldonado

SPEAKER OF THE ASSEMBLY
John Pérez

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
Jack O'Connell

PRESIDENT OF THE ALUMNI ASSOCIATIONS OF THE UNIVERSITY OF CALIFORNIA
Rex Hime

VICE PRESIDENT OF THE ALUMNI ASSOCIATIONS OF THE UNIVERSITY OF CALIFORNIA
Darek DeFreece

APPOINTED REGENTS

Jesse Cheng (2011)
Richard C. Blum (2014)
William De La Peña (2018)
Russell S. Gould (2017)
Eddie Island (2017)
Odessa P. Johnson (2012)
George Kieffer (2021)
Sherry L. Lansing (2022)
Monica C. Lozano (2013)
Hadi Makarechian (2020)
George M. Marcus (2012)
Norman J. Pattiz (2014)
Bonnie Reiss (2020)
Frederick Ruiz (2016)
Leslie Tang Schilling (2013)
Bruce D. Varner (2018)
Paul D. Wachter (2016)
Charlene Zettel (2021)

ALUMNI REGENTS DESIGNATE (NONVOTING)
Bruce Hallett (2011)
Lori Pelliccioni (2011)

STUDENT REGENT DESIGNATE (NONVOTING)
Alfredo Mireles, Jr. (2012)

FACULTY REPRESENTATIVES (NONVOTING)
Robert Anderson
Dan Simmons

STAFF ADVISOR TO THE REGENTS
Juliann Martinez (2011)

STAFF ADVISOR–DESIGNATE
Penny Herbert (2012)

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Mark G. Yudof

PROVOST AND EXECUTIVE VICE PRESIDENT — ACADEMIC AFFAIRS
Lawrence Pitts

EXECUTIVE VICE PRESIDENT
Bruce B. Darling

EXECUTIVE VICE PRESIDENT — BUSINESS OPERATIONS
Nathan Brostrom

EXECUTIVE VICE PRESIDENT — CHIEF FINANCIAL OFFICER
Peter J. Taylor

SENIOR VICE PRESIDENT — EXTERNAL RELATIONS
Daniel M. Dooley

SENIOR VICE PRESIDENT/ CHIEF COMPLIANCE OFFICER AND AUDIT OFFICER
Sheryl Vacca

VICE PRESIDENT — INVESTMENTS AND CHIEF INVESTMENT OFFICER
Marie N. Berggren

SENIOR VICE PRESIDENT— HEALTH SCIENCES AND SERVICES
John D. Stobo

VICE PRESIDENT — LEGAL AFFAIRS AND GENERAL COUNSEL OF THE REGENTS
Charles F. Robinson

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CHANCELLOR
Marye Anne Fox

ACTING SENIOR VICE CHANCELLOR FOR ACADEMIC AFFAIRS
Suresh Subramani

VICE CHANCELLOR FOR EXTERNAL AND BUSINESS AFFAIRS
Steven W. Relyea

VICE CHANCELLOR FOR HEALTH SCIENCES AND DEAN, SCHOOL OF MEDICINE
David A. Brenner

VICE CHANCELLOR FOR MARINE SCIENCES; DIRECTOR, SCRIPPS INSTITUTION OF OCEANOGRAPHY; AND DEAN, GRADUATE SCHOOL OF MARINE SCIENCES
Tony Haymet

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