The Regents of the University of California met on the above date at UCSF-Laurel Heights, San Francisco.


In attendance: Regents-designate Miura and Willmon, Faculty Representatives Mellichamp and Weiss, Secretary Trivette, General Counsel Holst, Treasurer Small, Provost King, Senior Vice President Kennedy, Vice Presidents Darling, Gomes, and Gurtner, Chancellors Berdahl, Carnesale, Debas, Dynes, Orbach, Vanderhoef, and Wilkening, and Recording Secretary Nietfeld

The meeting convened at 10:05 a.m. with Chairman del Junco presiding.

1. INTRODUCTION OF NEW REGENTS AND CHANCELLORS

Chairman del Junco welcomed Irene Miura, Secretary of the Alumni Associations, and David Willmon, Treasurer of the Alumni Associations, as Regents-designate, and Chancellors Berdahl, Carnesale, and Debas to their first meeting as chancellors. He also noted that Regents Levin, McClymond, and Soderquist would now sit as voting Regents. Finally, Chairman del Junco announced that the appointments of Regents Parsky and Preuss had been confirmed by the State Senate.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion of Regent Khachigian, duly seconded, the minutes of the meeting of June 20, 1997 were approved.

3. REPORT OF THE PRESIDENT

President Atkinson reported that Assistant Vice President Rose had resigned in order to accept the position of Group Executive Director for Public Affairs of the National Collegiate Athletic Association. In this position she will have full responsibility for the contracts between the NCAA and the television networks that air collegiate sports events. The President read the following statement of appreciation for Celeste E. Rose:

Your thirteen years of remarkable service have earned you the admiration of the UC community for the clarity, intelligence, skill, and commitment you have brought to any and every task, and the profound thanks of everyone who cares about the University of California.
A wise and valued counselor to three presidents and a passionate advocate on behalf of your alma mater, you have shaped and carried the University’s message to important constituencies along the length and breadth of California, demonstrating a deep dedication to academic values, a keen sense of the treasure the University possesses in its alumni, and a strategic grasp of UC’s challenges and complexities on the threshold of a new century.

This expression of appreciation brings with it the lasting gratitude and the warmest good wishes of the President, The Regents, and your friends and colleagues throughout the University of California for a rich and rewarding future.

President Atkinson reported that the University of California and Mexico’s National Council on Science and Technology (CONACYT) have entered into the most comprehensive research and education collaboration ever established between a U.S. university and Mexico. An agreement to be signed in Mexico City on July 25 will help both Mexico and California improve graduate education and advance the development of collaborative research for the benefit of scientific discovery and to address common issues. CONACYT, with an annual scholarship fund equivalent to $300 million, has funded more than 3,000 fellowships a year for graduate scholars from Mexico at premiere institutions throughout the world. The new partnership is intended to double the number of fellows at the University of California over the next five years.

The President presented the report concerning University activities and individuals. He then called upon Faculty Representative Mellichamp to present his farewell remarks. Professor Mellichamp explained that one action he took upon assuming the Chair of the Academic Council was to convert the position of the Vice Chair to a full-time one. He has thus been fortunate to have worked with Faculty Representative Weiss daily over the past year. Mr. Mellichamp expressed his appreciation to the Regents for the opportunity to discuss benefits for domestic partners. In his view, the public comments and the discussion which followed by the Committee on Finance were the high point in participatory governance in the two years that he has served as a faculty representative. He also recognized President Atkinson’s interest in and interaction with the faculty. Professor Mellichamp stated that he had some concerns to share with the Board, the first a concern about the erosion of the University’s tradition of having no tuition. He recalled that professional fees were introduced during a period of financial emergency. Since then, there has been no review of why the University continues to raise these fees and to add new ones. The faculty has requested that the President appoint a task force to review fees in this category and to come back with a set of principles to be used to decide how to proceed on something other than an ad hoc basis. He urged the Regents to give their attention to this issue also. He suggested that the fees raise an important public policy issue in that they may prevent eligible students from continuing on to professional school unless they are wealthy or they qualify for financial aid. Professor Mellichamp observed that while the University of California is an elite institution, it should not be elitist. He was concerned about the imposition of a differential fee for the business
schools which is scheduled to come before the Regents in October. He believed that this fee represented a further fragmentation of the University and asked that the Board pay close attention when this issue is presented.

Faculty Representative Mellichamp recalled that when he was a junior faculty member in the early 1970s, he did not understand why the senior faculty were opposed to the creation of the position of faculty Regent. He now believed that the choice to have a faculty representative was a wise one, as it gives the faculty an opportunity to interact with the Regents in a more effective manner.

Finally, Professor Mellichamp drew attention to two studies that were issued during his tenure as a faculty representative, the National Research Council report and the Graham-Diamond study on public and private research universities, both of which confirm the excellence of the University of California.

President Atkinson reported that Mr. Ron Kos was stepping down as Chair of the Council of UC Staff Assemblies (CUCSA) and called upon Mr. Kos for his farewell remarks. Mr. Kos explained that CUCSA is comprised of volunteer unrepresented employees who are elected to two-year terms of office. Its functional process provides for review and opinion on various issues and draft reports at the request of the Office of the President. During his four years as a member, CUCSA has provided input on topics which include the Human Resources Management Initiatives, the Business Officer Training and Certification Program, the catastrophic leave donation program, and domestic partner benefits. Over the past year, council projects have included the following:

- Recommendations to the President in support of a return to pride and value of employment with the University.
- A proposal for a faculty/staff partnership.
- A proposal for a staff delegate to The Regents.
- Participation of staff at the DOE laboratories in the staff council.

Mr. Kos explained that the members of CUCSA believe that the council has gained credibility based on a willingness to provide honest feedback that is balanced in perspective, respectful of the role of the administration, and results from an understanding that a process cannot be challenged without there being a positive recommendation for a course of action. Participation in CUCSA brings to its members new knowledge of the uniqueness of each University campus as well as intellectual participation in the University beyond their own job descriptions. Mr. Kos reported that over the past two years the council has begun the practice of inviting a Regent to its quarterly meetings. An important topic of conversation is staff involvement at Regents meetings, which is made difficult by the requirement that staff input be during the public comment period rather than at the time when an item is considered. Mr. Kos believed that the staff have demonstrated their ability to be judicious in choosing when to participate, and he encouraged the Board to consider the possibility of CUCSA’s
having an elected representative to The Regents. Mr. Kos then introduced Ms. Jani Quintero, the newly elected Chair of the council, and its Vice Chair, Ms. Darcy Bingham. Ms. Quintero stated that the council will continue its practice of inviting Regents to its quarterly meetings, which offers an opportunity for staff to gain from the presence of Regents as well as to share its perspectives. The council is formalizing its report and recommendations for a proposed employee relations program to improve employee relations at the University. Also of importance is the potential for a faculty-staff partnership task force. The staff council has drafted a mission statement and identified objectives; these will be delivered to faculty leadership for consideration. Another potential objective for the coming year will be to evaluate the incentive award program by doing a survey and determining best practices. There is also a proposal for a CUCSA web site. Mr. Kos concluded the presentation by noting that his participation in the council had been one of the highlights of his career. He urged the Regents to keep in mind what is best for the University, its faculty, staff, and students, and their responsibility to the people of California.

President Atkinson stated his hope to initiate a dialogue on the possibility of a staff delegate to The Regents.

Regent Connerly commended Regent del Junco for the innovations he had introduced with respect to input from the staff and also with regard to public comment. With respect to the President’s Report, he called attention to an item which discussed the research of two researchers at UC Irvine who studied self-esteem and how it operates for different segments of the population. He wondered whether this research would have an application to the subject of competitive admissibility. President Atkinson noted that this is the kind of research that might be pursued in the systemwide effort that was recommended by the Outreach Task Force.

Then, upon motion of Regent Nakashima, duly seconded, the President’s report was accepted, and it was directed that notes of thanks be sent to the donors of the gifts mentioned in the report, that congratulations be extended to those faculty and staff members who have been awarded honors, and that notes of sympathy and regret be sent to the families of those whose deaths were reported.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]
4. REPORT OF THE COMMITTEE ON FINANCE

A. Amendment of the Budget for Capital Improvements and the Capital Improvement Program

The Committee reported its concurrence with the recommendation of the Committee on Grounds and Buildings that the appropriate Budgets for Capital Improvements and Capital Improvement Programs be amended to include the following project:

From: Berkeley: K. Hearst Memorial Mining Building Seismic and Program Improvements -- study, preliminary plans, working drawings, construction, and equipment -- $54,832,000 total project cost to be funded from State funds ($34,442,000) and gifts ($20,390,000).

To: Berkeley: A. Hearst Memorial Mining Building Seismic and Program Improvements -- study, preliminary plans, working drawings, construction, and equipment -- $67,600,000 total project cost to be funded from State funds ($34,442,000) and gifts ($33,158,000).

B. Increase in Graduate Students Association Fee, San Francisco Campus

The Committee recommended that, effective with the fall quarter 1997, the membership fee of the Graduate Students Association at the San Francisco campus be increased from $6 per graduate student per quarter to $11 per graduate student per quarter.

C. Increase in Child Care Program Fee, Santa Cruz Campus

The Committee recommended that, effective with the fall quarter 1997, the Child Care Program Fee at the Santa Cruz campus be increased from $3 per student per quarter to $8 per student per quarter.

D. Authorization for Agreement with Corporation for Education Network Initiatives in California (CENIC)

The Committee recommended that the University join with other postsecondary educational institutions in California to form the Corporation for Education Network Initiatives in California (CENIC) as a California public benefit corporation.

E. Amendment of University of California Tax-Deferred 403(b) Plan--Changes in Loan Provisions
The Committee recommended that University of California Tax-Deferred 403(b) Plan (403(b) Plan or Plan) be amended as set forth in the Attachment to alter procedures relative to the administration of the 403(b) Plan Loan Program, as follows:

1. Deduct the 403(b) Plan loan processing fee directly from loan proceeds.

2. Reduce the loan incremental amount from $100 to $50.

3. Add clarifying language to the Plan document which will state that loan repayments may not be continued if an Active Participant separates from the University and elects a Lump Sum Cashout from the University of California Retirement Plan, as this is not considered a retirement option.

4. Change the name of the “non-refundable application fee” to “processing fee,” and change the name of the “administrative fee” to “servicing fee.”

F. **Approval of Joint Powers Agreement, Institute for Desert Agriculture County Service Area, Riverside Campus**

The Committee reported its concurrence with the recommendation of the Committee on Educational Policy that The Regents authorize the execution by the Secretary of a Joint Powers Agreement between The Regents of the University of California and the Institute for Desert Agriculture County Service Area, the purpose of which is to delineate the respective responsibilities of the Institute for Desert Agriculture County Service Area and the University pertaining to the funding and implementation of the Institute for Desert Agriculture.

Upon motion of Regent Johnson, duly seconded, the reports and recommendations of the Committee on Finance were approved.

5. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS**

A. **Amendment of the Budget for Capital Improvements and the Capital Improvement Program**

The Committee recommended, subject to the concurrence of the Committee on Finance, that the appropriate Budgets for Capital Improvements and the Capital Improvement Programs be amended to include the following project:

From: Berkeley K. Hearst Memorial Mining Building Seismic and Program Improvements -- study, preliminary plans, working drawings, construction, and equipment -- $54,832,000 total project cost
to be funded from State funds ($34,442,000) and gifts ($20,390,000).

To: Berkeley

A. Hearst Memorial Mining Building Seismic and Program Improvements -- study, preliminary plans, working drawings, construction, and equipment -- $67,600,000 total project cost to be funded from State funds ($34,442,000) and gifts ($33,158,000).

6. REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY

A. Approval of Outreach Task Force Recommendations

The Committee recommended that the report “New Directions for Outreach: Report of the University of California Outreach Task Force” be accepted and that the recommendations contained in the report be adopted.

[B. Approval of Joint Powers Agreement, Institute for Desert Agriculture County Service Area, Riverside Campus]
The Committee recommended, subject to the concurrence of the Committee on Finance, that The Regents authorize the execution by the Secretary of a Joint Powers Agreement between The Regents of the University of California and the Institute for Desert Agriculture County Service Area, the purpose of which is to delineate the respective responsibilities of the Institute for Desert Agriculture County Service Area and the University pertaining to the funding and implementation of the Institute for Desert Agriculture.

Upon motion of Regent Gonzales, duly seconded, the recommendations of the Committee on Educational Policy were approved.

7. REPORT OF THE SPECIAL COMMITTEE ON REGENTS’ PROCEDURES

A. Amendment of Policy on Appointment of Student Regent

The Committee recommended that the Policy on Appointment of Student Regent be amended as follows:

**deletions shown by strikeout, additions by shading**

That the appointment of student Regent be continued...

* * *

(3) For each campus, the student government, or other student body association having recognized membership on the Board of Directors of the University of California Student Association, shall appoint two students, an undergraduate and a graduate, as members of the student Regent nominating commission. There shall be one such nominating commission for the Berkeley, Davis, San Francisco and Santa Cruz campuses and one such nominating commission for the Irvine, Los Angeles, Riverside, San Diego and Santa Barbara campuses. The nominating commissions shall screen candidates and applicants and shall recommend five students from the southern campuses and four students from the northern campuses. The nine students so recommended shall be interviewed by the Board of Directors of the University of California Student Association which shall nominate three as a panel of names for submission to The Regents. The submission of the panel of names shall be at such time that the Special Committee may complete its deliberations and submit its recommendations to the Board of Regents no later than the February March meeting of the Board.

* * *
B. **Appointment of Special Committee on the Tenth Campus**

The Committee recommended that a Special Committee on the Tenth Campus be established, effective immediately, to provide oversight on issues related to the development of the tenth campus. The term of the Committee shall continue until action is taken by The Regents to discharge it.

Upon motion of Regent Connerly, duly seconded, the recommendations of the Special Committee on Regents’ Procedures were approved.

8. **REPORT OF PERSONNEL ACTION**

Secretary Trivette reported that, in accordance with Bylaw 14.7(b), the following personnel action was taken at the May 1997 meeting. There was no roll call vote on this action.

   Appointment of Safi U. Qureshey as Regents’ Professor, Graduate School of Management, Irvine campus, for the spring quarter of the 1997-98 academic year.

9. **REPORT OF COMMUNICATIONS**

Secretary Trivette reported summaries of communications received subsequent to the June 1997 meeting. The residency appeals were referred to General Counsel Holst, and the remaining communications were referred to President Atkinson for response as appropriate.

10. **REPORT OF THE PRESIDENT OF THE UNIVERSITY**

The President reported that on the dates indicated, the following informational reports were mailed to The Regents or to Committees:

   **To Members of the Committee on Finance**


   **To Members of the Committee on Health Services**


   **To The Regents of the University of California**

D. Annual summary of rents to be charged in the next fiscal year for all University-operated housing. June 26, 1997.


F. Copy of document from Richard Russell concerning the Outreach Task Force report. July 1, 1997


11. STATUS REPORT ON PLANNING FOR A TENTH UNIVERSITY OF CALIFORNIA CAMPUS

Chairman del Junco recognized former Regent Kolligian, who first brought to the Board’s attention the need for a tenth campus and worked diligently during his term as a Regent to see this idea realized. He invited Mr. Kolligian to join the Regents at the table. Chairman del Junco reported that Speaker Bustamante was not able to be present due to ongoing budget talks in the State capitol but that he would be represented by Assemblyman Dennis Cardoza from the 26th Assembly District, which covers Stanislaus, San Joaquin, and Merced counties. The Chairman introduced former Regent Ochoa, who has also worked hard to realize a tenth campus in the central valley.

President Atkinson called upon Vice Provost Tomlinson-Keasey for an update on the status of the academic plan and the physical plan for the tenth campus. Ms. Tomlinson-Keasey noted that the Board had already taken significant actions toward the planning of a tenth campus. During the 1980s, the Regents directed the administration to present a plan to meet the increased enrollments that were forecast for the twenty-first century. In early 1990, the search for a tenth campus site was narrowed to the central region of the State. In 1995, the Lake Yosemite site near Merced was selected, and the site selection environmental impact report was approved. The tenth campus will be located approximately six miles north of the city of Merced and about two miles from Lake Yosemite Regional Park in an unincorporated area of Merced County. The site consists of a ridge of gently rolling hills and a series of bowl-shaped areas, each separated by higher land. Facing east, the site offers dramatic views of the foothills and peaks of the Sierra Nevada. The property is owned by the Virginia Smith Trust, an educational trust which owns 7,000 acres and uses income from that land to fund college scholarships for high school graduates from the City of Merced. The University has the right to acquire an additional 2,000 contiguous acres at any time prior to June 30, 2007. The University Area is contiguous with the boundary of the 4,000 acre Cyril Smith Trust, which is also an educational trust.

Vice Provost Tomlinson-Keasey reported that in 1996 the County of Merced established a University Community Specific Urban Development Plan (SUDP) boundary to define the area reserved for future urban development. The 7,000 acres owned by the Virginia Smith Trust,
including the University Area, and the 4,000 acres owned by the Cyril Smith Trust are included within the SUDP boundary. The City of Merced has been an active partner in planning efforts. Recently it approved a General Plan which envisions major growth of the City to the north and towards the “University Area.” The Merced County Association of Governments has prepared a plan for major road and transit improvements in the Merced area. This plan envisions a “campus parkway” and an “eastern parkway” providing access for traffic coming from Highway 99. Portions of this parkway system and freeway interchanges would be funded by State funds which have already been identified; portions would be funded by local sources. A major portion could be funded from federal sources, as Congressman Gary Condit has requested $55 million for the access roads as part of the Intermodal Surface Transportation Efficiency Act (ISTEA) bill now pending before Congress.

The University, the Virginia Smith Trust, and the Cyril Smith Trust, working in collaboration with the County, the City, and the irrigation district, contemplate developing and implementing a University Community Plan for the 11,000 acres that the county has incorporated into the SUDP boundary. This plan will address land use, circulation, sensitive lands requiring mitigation, infrastructure, and public service. A University Community Plan will require, as an initial step, the preparation of detailed technical surveys including topographic, geological, hydrological, and biological surveys to identify physical constraints and development opportunities affecting the campus and the surrounding trust properties.

The Vice Provost then turned to the academic transition plans that are being developed concurrently, noting that the University of California has maintained academic programs in the valley since the late nineteenth century. The focus of these early programs was agriculture; while these important agricultural programs continue, they have been joined by well-regarded programs in veterinary medicine and in a variety of health areas. A recent addition to the University’s academic programming in the valley is a joint doctoral program in educational leadership with CSU Fresno. This unique program brings doctoral level education to the valley for the first time. Because the graduates of this program typically remain in the valley and work with other educational institutions, this single program is changing the face of education in the central valley.

With the help of a special allocation from the State, the University has expanded its outreach efforts in the Central Valley. Intersegmental efforts extend to all of the educational tiers in the valley, from K-12 where there are UC clubs in a variety of middle schools, to the community college in Merced, which has a UC outreach office.

The academic programs are spread widely up and down the valley. In an effort to focus the presence of the University of California in the central valley and to prepare the way for the tenth campus, some of these programs will be consolidated in a single building in Fresno. The renovated building will be technologically sophisticated and will house extension programs, certificate programs, and other post-baccalaureate study. The Fresno Center will sharpen UC’s presence in the valley and will help prepare the way for the tenth campus. Current plans
envision a tenth campus opening at the Lake Yosemite site in 2005 with an enrollment of 1,000, with enrollment growing to 5,000 students by 2010. In preparation for this date, the academic transition plan calls for strengthened research initiatives in the valley. Research projects will focus on social and public policy, human resources, and environmental concerns. In preparation for the opening of the tenth campus, additional attention will be directed toward professional and graduate education. As the tenth campus develops, it will provide professional and graduate education which will extend to the entire central valley area.

Ms. Tomlinson-Keasey reported that an academic transition plan has been initiated which will include an academic framework for the campus. Professor Simmons has for the last year chaired a faculty committee which is drafting an academic plan that will be available for review this fall and will be forwarded to pertinent committees of the Academic Senate. As part of the review process, it will be necessary to meet CPEC’s guidelines for review of a new campus. The Vice Provost anticipated that the President would present a recommendation in September to endorse formally the development of the tenth campus.

The academic transition document also deals with the hiring of the chancellor and the founding faculty and staff. In the fall of 2005, with 1,000 students in residence, approximately 100 faculty will be needed to teach them. Realistically, it will require three years to hire those faculty. There must be a chancellor and a skeletal administration in place as the hiring process begins.

Implementation of these building and academic plans must occur in sequence and within certain time constraints in order for the campus to be completed by fall 2005. Following technical studies, the community planning process with the two trusts and local governmental agencies will begin. This planning process could take two or more years, given the size of the area and the scope and complexity of development issues. The community planning would need to be completed during the 1999-2000 fiscal year. The community planning also must be completed before the University can begin preparation of a Long Range Development Plan for the campus site, which is the third phase of work related to site development. The LRDP needs to be completed by 2000 so that initial building and infrastructure projects can proceed.

Funding for the design of the first campus buildings and on-site infrastructure would likely be requested from the State for the fiscal year 2000-2001. This phase of the site development must be coordinated with the academic plan. Construction of the first site development projects should probably begin in 2001-2002, with new projects initiated in each of the subsequent years. Such a schedule would support the initial enrollment of students in 2005 and would allow occupancy of the first campus buildings during 2004. During this same period, significant development of the University Community and associated infrastructure required to support the campus would be expected. Academic planning is ongoing and will continue through 2005.
The President then invited Associate Vice President Hershman to discuss the University’s budget in the context of planning for the tenth campus. Mr. Hershman noted that budgetary planning for the tenth campus must be undertaken in the context of long-term planning for the financial health of the University as a whole, as emphasized by Regent Johnson at yesterday’s meeting. From a financial point of view, the University’s ability to build the tenth campus depends on the availability of adequate resources both to develop a new campus and to insure the continued financial health and enrollment expansion at existing campuses.

As discussed at the June meeting, the long-term State funding objectives for the University are encompassed in AB 1415, the Higher Education Partnership Act of 1999, sponsored by Speaker Bustamante. Mr. Hershman suggested that the University and the people of California owe the Speaker and Stephanie Halnan, his education advisor, a debt of gratitude for their work on this bill. AB 1415 has been passed by the full Assembly and by the Senate Education Committee. Funding would allow the University to maintain quality, accommodate enrollment growth, provide access, and keep student fees moderate and reasonable.

It is expected that the existing campuses will grow by about 40,000 students plus 5,000 students at a tenth campus by the year 2010. Using the funding levels at Santa Cruz as a basis, it is estimated that approximately $50 million would be required for a campus of 5,000 students. The $50 million includes three elements. The first element of the funding plan includes $35 million which would be generated by the funding agreement for State support of enrollment growth as included in AB 1415. The second element of the plan is approximately $5 million associated with the annual operation and maintenance costs of campus facilities and would be requested as new facilities are constructed and opened for operation.

The balance of $10 million is the difference between average costs per student and funding provided for new enrollment on a marginal cost basis. This $10 million is the core funding base required for the tenth campus. The $10 million is included in both the Senate and the Assembly versions of the budget, subject to negotiation. It is hoped that the Legislature and the Governor will support the $10 million for the tenth campus. It would be used to support academic planning, initial site studies, joint community planning, the initiation of new academic programs in the valley, and expenditures for start-up. As the opening of the campus draws near, a greater portion of the core funding base would be used to support the initial complement of faculty and staff.

With respect to capital outlay, some initial estimates have been made of the capital costs for a campus that can support 5,000 students in its initial phase. Approximately $400 million in State capital funding would be required, or an average of an additional $35 million in capital funding over the 12-year period 1998 to 2010, in addition to the capital funding required to maintain, upgrade, and expand existing campuses, estimated to be about $350 million a year. The $400 million does not include the capital cost of self-supporting enterprises, such as housing, parking, and student recreational facilities, for which The Regents normally approves external financing to be repaid from program revenues. Estimates of these costs are
To move ahead with development of the tenth campus, four funding actions will be required:

- Enactment of AB 1415 to provide funding for future enrollment growth and to stabilize funding for existing campuses.
- Approval of the core funding base to provide the difference between marginal and average student costs and to fund planning and start-up prior to 2005.
- Capital outlay funding, through bonds, for construction of buildings and infrastructure.
- Funding for off-site infrastructure to serve the campus, including funding for construction of access roads for which federal funding is currently being sought.

Mr. Hershman stressed that the University’s plan for the tenth campus is proceeding in a timely fashion and urged the Regents to continue to support the plan.

Assemblyman Cardoza expressed appreciation to Chairman del Junco for his leadership in focusing attention on the important balance between the development of the tenth campus and the long-term stability of the University’s budget, as well as for the establishment of the Special Committee on the Tenth Campus. As reported by Associate Vice President Hershman, the $10 million augmentation to the University’s budget for the tenth campus is still in the State budget; Speaker Bustamante will be protective of it in the budget negotiations. The $10 million is important not only for the future development of the tenth campus but also for the financial stability of the other nine campuses. Mr. Cardoza stated his intention that the $10 million be a permanent augmentation to the University’s budget in order to provide the initial base for ongoing administrative costs. He reported that those representing the University have worked in a valued partnership on this endeavor. Next week the Assembly Select Committee on the Development of the Tenth Campus will hold an informational hearing to learn more about the beneficial effects that joint development of the land surrounding the tenth campus site may have for the University. Assemblyman Cardoza observed that the tenth campus represents a unique opportunity to build the first research university for the twenty-first century and to plan and build an entire new community. At the hearing the committee members will learn also about the impacts on the Virginia and Cyril Smith Trusts and their ability to provide scholarships for students. It has been estimated that $35 million to $55 million will be added to the scholarship fund. Mr. Cardoza explained that he is working with Congressman Condit and Senators Boxer and Feinstein to obtain federal transportation funding. The State Legislature is moving forward in approving this request in order to have the authority to accept the funding from the federal government. A second Select Committee hearing will be held in Silicon Valley in order to pique interest in Merced
and the opportunities offered by the development of the tenth campus. Assemblyman Cardoza stressed the fact that the campus is a joint, nonpartisan effort by local, State, and regional representatives throughout the central valley. He pledged to work in partnership with the University to make the tenth campus become a reality.

Former Regent Kolligian recalled that when President Gardner presented demographic statistics to the Regents in 1988, the need for a tenth campus was obvious. Mr. Kolligian stated that in November 1988 he moved that the University build up to three new campuses, and his motion passed unanimously. It was subsequently decided that the tenth campus would be built in the central valley. Since that time, the project has gained the support of those legislators who represent the central valley, including Speaker Bustamante. Mr. Kolligian stressed that a campus is needed not only to accommodate future demand but also to balance the locations of the University’s campuses. Valley students attend a University campus at less than one-half of the statewide average rate. In addition, the valley is a region of extraordinary ethnic diversity. Mr. Kolligian noted that $250,000 had been granted to the University by the Legislature to extend outreach efforts in this region. By working closely with valley schools to improve K-12 preparation, the tenth campus can influence improvements in eligibility and participation of all valley students, including those from groups that are historically underrepresented at the University. He stated his pride in the fact that the University has significantly increased its public service presence in the valley over the past few years. Mr. Kolligian pointed out that the plans for the tenth campus envision a residential campus model which will be the hub for faculty, students, and staff. This hub will have the potential to provide educational programs throughout the valley. Much effort has also gone into the preparation of a University community plan, addressing transportation, infrastructure, and public services. Planning to identify funding strategies is also in place. Mr. Kolligian pointed out that it has taken nine years to implement the reality of the tenth campus. He urged the Regents to keep pushing until it is done.

Regent Johnson observed that the Regents are the custodians of the existing campuses. During the 1990s there was considerable retrenchment at each of the nine sites. At the Los Angeles campus, for example, several important public policy schools were eliminated. The University is recovering, but much yet remains to be done. She recalled Associate Vice President Hershman’s estimate that $350 million would be required in capital outlay for the tenth campus and wondered how deferred maintenance would fit into the picture. Regent Johnson stressed that while the tenth campus was needed, the Regents must ensure that the strength of the existing campuses comes first. She was also concerned that the voters would not support the bonds necessary to fund capital improvements.

Regent Bagley observed that the University would always need to weigh its priorities when allocating its resources. He believed that the need and ultimate benefit of a new campus outweighs the need for a new building on one of the nine campuses. He then referred to Vice Provost Tomlinson-Keasey’s remarks regarding the $55 million which has been requested from the federal government under the provisions of the ISTEA bill, noting that the
authorization for transportation projects comes up every three to four years. Assemblyman Cardoza explained that the $55 million is one of Congressman Condit’s highest priorities. If the funding is not authorized in this cycle, there will be another opportunity before 2005.

Regent Lee referred to the Assembly Select Committee hearing to be held in the Silicon Valley, noting that high-technology companies like to locate close to University of California campuses. They also prefer locations that do not impose bureaucratic restrictions upon their research and development. Assemblyman Cardoza welcomed Regent Lee’s participation in planning for the hearing, adding that Merced is very receptive to new development.

Regent Nakashima observed that while the Regents had approved the Lake Yosemite site, many of them had not visited it, and he asked that a date be set when the Board could go to Merced as a body and meet so that the people of the area would see that the Regents support the project. He suggested that the visit could take place in spring 1998. Regent Gonzales asked that former Regent Burgener be invited, as he had been a member of the Site Selection Task Force.

President Atkinson expressed his appreciation to the Speaker and Assemblyman Cardoza for their support of the tenth campus.

Chairman del Junco pointed out that the Board had approved the establishment of a Special Committee on the Tenth Campus, which he would expect to work actively with staff on a monthly basis.

(For speakers’ comments, see the minutes of the July 18, 1997 meeting of the Committee of the Whole.)

The meeting adjourned at 11:50 a.m.

Attest:

Secretary