

The Regents of the University of California

**COMMITTEE ON EDUCATIONAL POLICY**

July 17, 2002

The Committee on Educational Policy met on the above date at UCSF-Laurel Heights, San Francisco.

Members present: Regents Atkinson, Bustamante, Johnson, Kozberg, Lansing, Lozano, Marcus, Moores, Sainick, Sayles, and Terrazas

In attendance: Regents Blum, Davies, Hopkinson, Lee, Ligot-Gordon, Montoya, Parsky, and Preuss, Regents-designate Bodine and Seigler, Faculty Representatives Binion and Viswanathan, Associate Secretary Shaw, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome and Hershman, Chancellors Berdahl, Cicerone, Dynes, Tomlinson-Keasey, and Vanderhoef, Executive Vice Chancellor Kelly representing Chancellor Bishop, Vice Chancellor Michaels representing Chancellor Greenwood, Laboratory Director Anastasio, and Recording Secretary Nietfeld

The meeting convened at 10:35 a.m. with Committee Chair Kozberg presiding.

1. **REPORT ON THE REVIEW OF THE MASTER PLAN**

Provost King recalled that when the Master Plan for Higher Education was adopted in 1960, it was with the understanding that it would be reviewed every five to ten years. Major reviews were conducted by the Legislature in the 1970s and 1980s. In 1999, the Legislature created a Joint Committee to Develop a Master Plan for Education—Kindergarten through University. This committee, chaired by Senator Alpert, began with a public hearing in August 1999 featuring former UC President Clark Kerr. The distinctive feature of this review is the integration of all segments of California education.

Provost King reported that, parallel to the deliberations of the joint committee, he had established the UC Master Plan Advisory Group, chaired by Chancellor Vanderhoef, which included representatives of the campuses and various academic and administrative divisions of the University. The advisory group developed a position paper, “A Perspective on Developing a New Master Plan,” which was forwarded to Senator Alpert and members of the joint committee by President Atkinson. The major points of this position paper are the following:

- Collaboration with K-12 is an essential part of the University’s mission, given its land-grant origins.
- The University should be a partner in K-12 educational improvement in ways that are consistent with its missions and strengths. This partnership should focus on

educational leadership, teacher training, professional development, admissions policy, college preparatory curricula, research on effective educational practices, and supplemental programs that encourage enrollment in college.

- The paper reaffirms the goals and fundamental tenets of the original Master Plan and suggests higher education issues that could be addressed in a new Master Plan.

Provost King then called upon Vice Provost Zelmanowitz to present an overview of the draft California Master Plan for Education, which was released by the joint committee on May 7, 2002. Vice Provost Zelmanowitz reported that the joint committee had appointed seven work groups that met throughout the state during 2001. A number of Regents, faculty, and senior administrators served on those work groups. The work group reports contained recommendations that were consistent with University positions. However, some of the issues that the University administration believed had been resolved in the work groups have reemerged in the draft report, and some new issues that were not considered by the work groups have been included as recommendations. Between the issuance of the draft report in May and today there have been public hearings in Sacramento and around the state at which representatives of the University testified or were present as observers. President Atkinson testified at the final hearing on July 2, 2002, and his remarks were included in the materials that were mailed to the Regents in advance of the meeting.

Vice Provost Zelmanowitz emphasized that his comments would address areas where the University is requesting that the draft Master Plan be modified. He noted that the University shares the principal goals of the joint committee and supports many of the key recommendations in the draft. The purpose of the review is to learn from the success of the original Master Plan, which has made California's public higher-education systems the envy of the world, to create a student-centered blueprint for restoring K-12 education to the leadership position it once held. The University's concern is to ensure that, in this process, no harm is done to the guiding principles and practices that have served the state well for over forty years. UC will work with the drafters of the Master Plan in identifying modifications that could strengthen further the functioning of higher education.

President Atkinson's letter of July 2 and his testimony highlighted four issues of concern with the draft Master Plan, as follows:

- Guaranteeing access for all students in the top 12.5 percent of the high school graduating class. The report implies that the University should select from among the top one-eighth of high school graduates rather than continuing to admit all eligible students. During President Atkinson's testimony, Senator Alpert committed to supporting the guarantee.
- Stabilizing funding for higher education while maintaining the current model, which supports each segment of higher education appropriately for its mission. The Partnership Agreement, which provides increases for enrollment growth while

holding the University to a set of accountability measures, is working well for the University and the State. The draft Master Plan suggests that the State allocate funding to support lower division instruction at roughly comparable levels in all three public sectors of postsecondary education. The University opposes funding higher education by level rather than mission. Such an approach would be inappropriate given the structure of the 1960 Master Plan, which limits the number of research-based campuses in order to reduce costs. This differentiation of function among the systems allows California to focus its limited State resources on a smaller number of research-oriented campuses and to expand the number of CSU and community college campuses. The University supports the goal of stabilized funding through the Partnership Agreement.

- Language in the report suggests that the University is resistant to engaging in applied research that is responsive to State priorities and recommends “earmarking” a percentage of current State-supported research for areas of public priority. At present, nearly all of UC’s State-funded research is directed toward key State priorities.
- The report recommends that the California Postsecondary Education Committee (CPEC) be expanded to cover K-12 as well as higher education. Higher education issues could become lost in a commission that includes K-12, whose issues and budget dwarf those of colleges and universities.

Vice Provost Zelmanowitz reported that one potential Master Plan issue had been resolved prior to the completion of the draft. Under President Atkinson’s leadership, an agreement was concluded with CSU to develop joint Ed.D.s. All UC campuses are involved in planning for the degree, and the first students will be admitted for the 2003-04 academic year.

There are instances in the draft plan where a K-12 solution was extended to higher education without consideration of the differences in operations and cultures between the two spheres. Examples in this category include the following:

- The requirement that public colleges and universities receive their capital funding from the State Allocation Board.
- The recommendations on assessment imply that the University should implement the equivalent of high school exit exams at the bachelor’s-degree level. UC has over 700 undergraduate degree programs, each of which has different major subject requirements. The general education program, which exists in some form on all campuses, is built on the attainment of specific competencies.

Other issues are too prescriptive to be included in a master plan. They include recommendations on giving teaching equal weight in tenure review. Another example is

establishing policies and reporting on temporary and part-time faculty. The draft Master Plan also recommends eliminating extra weight for honors and Advanced Placement courses.

The draft Master Plan includes the following additional recommendations:

- That there be established a gubernatorially appointed Chief State Schools Officer to run the California Department of Education. The elected State Superintendent of Public Instruction would be responsible for accountability in K-12 education.
- That the California Community College Board of Governors would be reconstituted as a public trust with authority similar to that of the Board of Regents.
- That there be established a transfer Associate's degree that would guarantee transfer to any CSU or UC campus.

Vice Provost Zelmanowitz reported that legislative staff are revising the draft Master Plan based on the input received, and the next draft is expected next week. This will be followed with a final draft to be completed in August. The members of the joint committee will be asked to sign off on that document. Implementing legislation would be presented in the next session.

Regent Ligot-Gordon asked about the University's position on the recommendation that a rigorous high school curriculum be available to all students. Vice Provost Zelmanowitz explained that originally the proposal had required that all high school students take (a)-(g) courses. This proposal generated opposition from vocational educators and other interest groups and resulted in the proposal that the curriculum be available to all students. During testimony given by representatives of the University, it was pointed out that a student needs to take approximately 14 courses to satisfy the (a)-(g) requirements. A student in a career-preparation track will typically take ten of these courses in order to graduate.

Regent Ligot-Gordon pointed out that the University's Master Plan Advisory Group did not have any student members. He believed that students should be involved with the decisions that affect their education. Vice Provost Zelmanowitz stated his intention to work with Regent Ligot-Gordon on this issue.

Regent Terrazas was concerned that a student would have the ability to opt out of rigorous course work. He believed that there should be a mechanism whereby students and their parents would be informed of the potential consequences of such a decision. He requested further information about the recommendation that extra credit for honors and Advanced Placement courses be eliminated. Provost King recalled that The Regents had referred the issue of giving extra credit for these courses to the Board on Admissions and Relations with Schools for further study.

Regent Davies urged the President to continue to seek changes in the draft proposal in order to preserve the intentions of the original Master Plan. He was concerned that the integration of K-12 into the Master Plan could be harmful to the quality of California higher education.

Provost King observed that there was value in dealing with the interface between K-12 and higher education. The very size of K-12, however, could pose a risk to higher education if the systems become more integrated.

Regent Davies suggested that a more intense focus on the problems of K-12 could result in less focus on the University's primary missions of research, teaching, and public service.

Senior Vice President Darling commented that the University will be well served if the quality of education in the state's K-12 schools improves.

Chancellor Tomlinson-Keasey drew the Committee's attention to the recommendation in the draft report which would eliminate the California Postsecondary Education Commission in favor of a commission that would serve all of education. This new commission would approve postsecondary education programs.

In response to a comment by Regent Davies concerning the recommended transfer Associate degree, President Atkinson reported his understanding that Senator Alpert did not intend that this program would guarantee transfer to any UC campus. The University will need to ensure that this issue is addressed adequately.

Regent Hopkinson urged the Office of the President to continue to pay a great deal of attention to the recommendations that are contained in the report, some of which were not endorsed by the work groups.

The Committee discussed the various grade point averages that are required to transfer from a community college to the University of California and the California State University. Committee Chair Kozberg requested that a brief paper on this subject be prepared.

Regent Lozano emphasized the problems which would arise if CPEC were replaced by an education commission consisting of lay representatives appointed equally by the Governor and the leaders of the Assembly and the Senate. She urged the administration to come up with a recommendation that would eliminate the need to create this new entity.

Regent Kozberg commented that the proposal did not come out of the work group on governance.

Regent Marcus believed that The Regents should adopt a formal position on behalf of the University in response to the recommendations in the draft Master Plan. Vice Provost Zelmanowitz responded that the University had gone through a public process with the work groups. The work will move into a less public arena, where the University's administration

will continue to pursue its best interests. He observed that very few of the principles which flow from the original Master Plan are statutory. Regent Marcus asked that the administration prepare a brief memorandum for the Regents describing those points in the Master Plan that would effect the University in its governance or its quality. Regent Kozberg observed that the appropriate time for such a report would be after the latest draft has been released. Regent Terrazas asked that the report include information on what changes had been made from the May draft.

Regent Kozberg spoke to the recommendation that the State Allocation Board have oversight for the spending of bond funds. She believed that the University had a well-thought-out method for managing its bond funds both at the campuses and the Office of the President. Vice President Hershman concurred, noting that the process in place involves extensive review by the State government.

Regent Montoya noted her understanding that, due to the constitutional status of The Regents, the University would have the ability not to implement certain elements of the new plan.

## 2. **PROPOSED ESTABLISHMENT OF THE SCHOOL OF EDUCATION, DAVIS CAMPUS**

The President recommended that the School of Education be established on the Davis campus, effective immediately, and that Section 14(a) of The Regents' provisions as covered under Standing Order 110.1—Academic Units and Functions, Affiliated Institutions, and Related Activities of the University, be amended as follows:

### **additions shown by underlining**

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#### 14. Professional Schools

- (a) There are established the following schools, with curricula based on two or more years of undergraduate work:

\* \* \*

School of Education, at Davis, with curricula leading to the Degrees of Master of Arts, Master of Arts in Teaching, Master of Education, Doctor of Education, and Doctor of Philosophy.

\* \* \*

The Committee was informed that the establishment of a professional School of Education at UC Davis will supplant the campus' existing Division of Education and allow the campus

to fulfill its mission of providing a wide range of academic programs that produce teachers and administrators for California's K-12 schools and the California Community Colleges, and scholars whose research will lead to improvements in learning and teaching. This step and the campus' commitment of resources to support the growth and enhancement of the School's programs respond to the State's call for an increased commitment on the part of the University to research, training, and service on behalf of all of California's learners. The School will provide leadership for campuswide involvement in K-12 education, allow the campus to participate more effectively in the University's effort to double the number of teaching credentials it awards each year and the number of doctoral-level leaders it produces for public education, and expand offerings of Master's degree programs to teacher leaders.

### **Educational Programs**

Degree and Credential Programs. The School will retain all of the degree and credential programs offered by the existing Division. In addition, the School will develop a Master's degree for practicing teachers and an expanded roster of subject matter tracks for single-subject credential teachers. Discussions are under way with CSU Sacramento and Sonoma State University to offer a joint Ed.D. in administrative leadership. Establishment of the School will also enable the addition of Ph.D. strands and an increase in the number of Ph.D. students.

Undergraduate Education. Although the School of Education will not offer an undergraduate major, its faculty will participate in undergraduate education. The School will continue to offer the Division's existing undergraduate general education courses and an undergraduate minor.

### **Research Programs**

A primary structure of the School will be Research and Practice Institutes that are organized around broad school- or learner-based themes. These organizations will combine the talents of UC Davis faculty, practicing educators, other non-University professionals, and students. Potential topics for investigation within this framework include Technology in Mathematics and Science Learning and Teaching; Education Policy, Law, and Government; Neurodevelopmental Disorders and Educational Processes; Learners in School and Community Contexts; and Language and Literacy.

The School of Education, along with the University of California Educational Research Center in Fresno and collaborative programs with CSU Sacramento and CSU Fresno, will be vehicles for bringing the research and teaching power of UC to bear on the concerns of the Central Valley of California.

The Center for Cooperative Research and Extension Services for Schools will continue to play a major role with a broad-ranging network of K-12 educators. These professionals work with university faculty, education extension specialists, graduate students, and K-12

educators in cooperatively designing and conducting educational research, developing curriculum, and providing professional development programs.

### **Public Service**

The research, teaching, professional accreditation responsibility, and service missions of the School will be closely aligned with the needs of public education. The School will maintain close ties to campus outreach activities in K-12 classrooms, with special attention to the School/University Partnership schools. The office of the Dean of the School will serve the campus and the general public as a central source of information on all campus outreach activities in the partnership schools.

### **Need for the School**

It was recalled that there is a substantial unmet need for qualified teachers in California. All credentialed teachers from UC Davis are immediately and fully employable. Those with Master's degrees in addition to the credential are prepared by the Davis faculty to be the teacher-leaders in their schools and districts. The Ed.D. and Ph.D. programs prepare graduates who contribute to educational leadership, research, and policy-making, and who join the faculties of other research universities and teacher preparation institutions. In addition, new financial investment in and scrutiny of public education from California's elected officials will result in new needs for doctoral-level educational leaders in a variety of programmatic areas. These include program planning and review, instructional leadership, accountability and assessment and professional development, among others.

Schools and colleges of education are the norm among UC Davis' peer institutions statewide and nationally. The establishment of the School will immediately raise the visibility of education at UC Davis and will thereby provide fundraising and development opportunities not possible with a Division. A School of Education will better enable the campus to reach out to and draw in public education officials and practitioners. This collaboration will extend to the training of students, expanded programs of professional development for K-12 educators, the development of new research and policy initiatives, and the creation of new models of professional outreach and assistance. A School can also become a magnet, both locally and throughout the state, for faculty to become involved from their own disciplinary bases in addressing the real problems of California schools and classrooms. A School will also more effectively draw in K-12 teachers to engage in classroom research that addresses curricular and instructional issues. Finally, a School will afford additional opportunities to partner with CSU campuses in the creation of articulated or joint doctoral programs. All CSU campuses with which UC Davis may engage in joint programs are organized as schools of education. It is critical that UC Davis faculty negotiate with them from an organizational basis of equal status.

### **Academic and Long Range Development Plans**



Establishment of the School of Education is consistent with the campus academic plan and Long Range Development Plan.

Complementary research, teaching, and outreach efforts are accomplished by a number of campus disciplinary departments, including Human and Community Development, Linguistics, Mathematics, Psychology, and Spanish. Faculty in these departments, as well as in American Studies, Anthropology, Chemistry, Geology, Native American Studies, and Physics, already participate with Education faculty in the campuswide Graduate Group in Education. The relationship between these departments and Education will be strengthened by the new School. Plans are under way to create tracks within the undergraduate majors in Human Development and Psychology that will prepare students better for teaching careers. Mathematics and Education have created a blended degree program that will confer both the B.A. in mathematics and a secondary teaching credential within a four-year course of study.

### **Reviews and Approvals**

The School of Education has been approved by the Davis Division of the Academic Senate and endorsed by the University of California Academic Council. The California Postsecondary Education Commission has reviewed the proposal and agrees that a School of Education would enhance the visibility and prominence of the University's credentialing and Ed.D. and Ph.D. programs.

### **Resources**

Appropriate support funding will be provided consistent with standard University budget practices. There will be no changes in the current fee structure for credential and graduate degree programs. The three major funding sources are State funding, educational and registration fees, and gifts. Long-term space requirements will be addressed through the campus planning effort associated with accommodating enrollment growth.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

### **3. PROPOSED ESTABLISHMENT OF SIXTH COLLEGE, SAN DIEGO CAMPUS**

The President recommended that Sixth College be established on the San Diego campus, effective immediately, and that Section 10 of The Regents' provisions as covered under Standing Order 110.1 - Academic Units and Functions, Affiliated Institutions, and Related Activities of the University, be amended as follows:

**additions shown by underlining**

## 10. Academic Colleges at San Diego

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- (g) There is established at San Diego the Sixth College with undergraduate curricula leading to the degrees of Bachelor of Arts and Bachelor of Science.

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It was recalled that the UC San Diego college system is designed to give a small college experience to undergraduates at a large public research university. The San Diego campus houses five undergraduate colleges: Revelle, John Muir, Thurgood Marshall, Earl Warren, and Eleanor Roosevelt. Sixth College is the first new college since 1988. Each college has a distinct educational philosophy and its own set of general education requirements, and every general campus faculty member is affiliated with one of the colleges in addition to an academic department. While all undergraduate majors and most courses are offered through the academic departments and interdisciplinary programs, each College has its own writing program and offers at least one interdisciplinary course or sequence of courses unique to the College curriculum. Although they share the central student service resources of the campus, each College has separate residential and dining facilities and administrative structures.

In fall 2001, UCSD's five colleges accommodated an undergraduate population of 17,505 students, with an average enrollment of 3,501 students per college. Campus experience has shown that an undergraduate college size of 3,000 students is optimal. To maintain the colleges at this optimal size, in 1998 the campus began planning for the opening of Sixth College in fall 2002, when undergraduate enrollment is expected to total 18,180. The establishment of Sixth College will have the near-term effect of lowering the student populations in the other colleges and helping to preserve the small campus atmosphere during increased undergraduate enrollment.

### **Educational Programs**

Sixth College and its freshman core sequence will be based around an academic theme of culture, art, and technology. This focus will be unique among the Colleges. The general education curriculum will use interdisciplinary and intercultural approaches to provide a framework for a contemporary liberal arts education. The general education requirements will include a one-year freshman core course sequence based on culture, art, and technology and an upper-division practicum, with an adjunct written and oral communication class.

### **Academic and Long Range Development Plan**

The establishment of Sixth College is consistent with the campus academic plan and, consistent with the 1989 UCSD Long Range Development Plan, it will be housed in a

campus neighborhood designated as a college site. The physical plan for the neighborhood includes the development of a new college residence hall and a dining facility in the future.

### **Reviews and Approvals**

The proposal to establish the Sixth College has been endorsed by the San Diego Division of the Academic Senate and by the University of California Academic Council.

### **Resources**

The Sixth College will receive staffing and operational funding comparable to the other five undergraduate Colleges. The College's operational resources will grow over time in proportion to its student population.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

4. **REVISION OF STANDING ORDER 105.1 – ORGANIZATION OF THE ACADEMIC SENATE CONCERNING SENATE MEMBERSHIP FOR LECTURERS AND SENIOR LECTURERS WITH POTENTIAL FOR SECURITY OF EMPLOYMENT**

The President recommended that:

- (1) Service of notice be waived.
- (2) Standing Order 105.1 be amended as shown below to grant Academic Senate membership to full-time Lecturers with Potential for Security of Employment and full-time Senior Lecturers with Potential for Security of Employment, effective immediately.

**deletions shown by strikeout; additions by underlining**

Standing Order 105.

ACADEMIC SENATE

105.1 Organization of the Academic Senate

- (a) The Academic Senate shall consist of the President, Vice Presidents, Chancellors, Vice Chancellors, Deans, Provosts, Directors of academic

programs, the chief admissions officer on each campus and in the Office of the President, registrars, the University Librarian on each campus of the University, ~~each lecturer who has full-time teaching responsibilities in any curriculum under the control of the Academic Senate and whose academic title is Senior Lecturer with Security of Employment or Lecturer with Security of Employment~~, and each person giving instruction in any curriculum under the control of the Academic Senate whose academic title is Instructor, Instructor in Residence; Assistant Professor, Assistant Professor in Residence, Assistant Professor of Clinical (e.g., Medicine); Associate Professor, Associate Professor in Residence, Associate Professor of Clinical (e.g., Medicine), Acting Associate Professor; Professor, Professor in Residence, Professor of Clinical (e.g., Medicine), or Acting Professor; full-time Lecturer with Potential for Security of Employment, full-time Senior Lecturer with Potential for Security of Employment, full-time Lecturer with Security of Employment, or full-time Senior Lecturer with Security of Employment; however, Instructors and Instructors in Residence of less than two years' service shall not be entitled to vote. Members of the faculties of professional schools offering courses at the graduate level only shall be members also of the Academic Senate, but, in the discretion of the Academic Senate, may be excluded from participation in activities of the Senate that relate to curricula of other schools and colleges of the University. Membership in the Senate shall not lapse because of leave of absence or by virtue of transference to emeritus status.

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The Committee was informed that Lecturers with Potential for Security of Employment (PSOE) and Senior Lecturers PSOE, whose responsibilities are primarily teaching, are on track toward security of employment in a manner similar to that of Assistant Professors who are on track to tenure. Security of employment, as defined in Standing Order 103.10, is equivalent to tenure.

Full-time Lecturers PSOE constitute a very small group within the University. As of fall 2001, there were seven such faculty. There are no Senior Lecturers PSOE in the system. Lecturers PSOE teach and perform University and public service, but research is not a criterion for their appointment or advancement. They are hired to meet long-term instructional needs that cannot best be met by hiring faculty within the Professorial series. Lecturers PSOE are often hired for specialized purposes, such as the head of the foreign language program or the director of the writing program, where the emphasis is on the long-term core instructional needs of the program. Appointments are also made in the creative arts, where the appointment of a novelist or poet with an international reputation has a focus on instruction. Granting Senate membership to Lecturers PSOE and Senior Lecturers PSOE would make the University's academic personnel policies more internally

consistent because all full-time members of the series would be members of the Academic Senate, which would aid departments that seek to recruit long-term Lecturers.

At present, Lecturers PSOE and Senior Lecturers PSOE are members of the Non-Senate instructional bargaining unit, while full-time Lecturers SOE and Senior Lecturers SOE are members of the Academic Senate. Full-time Lecturers PSOE and Senior Lecturers PSOE who are promoted to Lecturer SOE or Senior Lecturer SOE are automatically granted Senate membership and leave the bargaining unit. These are the only titles in which individuals move in and out of a bargaining unit.

At its June 2001 meeting, the Academic Council supported a motion calling for full-time faculty with these titles to be granted Senate membership. The American Federation of Teachers has agreed to the removal of these full-time appointees from the bargaining unit if Senate membership is granted, as the Higher Education Employer-Employee Relations Act provides for separate bargaining units for members of the Academic Senate. On May 29, 2002, the Academic Assembly voted to recommend that full-time faculty in these titles be members of the Academic Senate.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

5. **AUTHORIZATION TO ESTABLISH FOREIGN NONPROFIT ORGANIZATIONS TO BENEFIT THE UNIVERSITY**

The President recommended that he be authorized to approve the establishment of foreign, nonprofit, University-affiliated corporations, foundations, associations, and/or trusts, the exclusive purpose of which would be to support the teaching, research, and public service mission of the University's activities throughout the world and in the respective countries of the entities created, each such entity to be operated pursuant to terms and conditions approved by the President which are appropriate for the jurisdiction in which these entities operate. The assets of these entities would, to the maximum extent permitted by the laws of the countries in which they are established and operate, be irrevocably dedicated to the University, and the governing board of these entities would at all times be comprised of a majority of University personnel or persons legally bound to act on behalf of the University. The President shall issue any necessary guidelines respecting the establishment and operation of such entities.

The Committee was informed that the President will report annually to The Regents on the number and status of each foreign entity that is established to support the University's mission. For a number of years, the Education Abroad Program (EAP) has established nonprofit organizations in foreign countries in order lawfully to hire and pay staff in the country in which they operate and to obtain certain tax advantages that would not otherwise be available. These entities are administered by University personnel. One of each such entity exists in Japan, Italy, Hungary, and the United Kingdom, and two exist in France.

Another organization is in the formative stages in Mexico, while a third French organization is planned for Paris.

In 1999, the University established the UC Trust (UK) for those purposes and, in addition, to provide a vehicle that would assist friends of the University in the United Kingdom to support the University's UK and California-based programs. Through the trust, British taxpayers may make gifts to UC activities in Britain or to any campus or program of the University, as well as to joint programs between UC and British institutions. The trust has been established under British law and is administered by University personnel housed in California House in London. It is governed by a management board, a majority of the members of which are University personnel. It is anticipated that the University will establish a nonprofit entity in Mexico in connection with the proposed California House in Mexico City and another nonprofit entity for the new EAP program in Paris, France.

All foreign nonprofit entities created would be administered by University personnel working in the host countries in conjunction with EAP and other University personnel. The entities will be operated pursuant to guidelines issued by the President under terms and conditions appropriate to the jurisdiction in which they are located. Among other things, the guidelines will require that the entities operate in accordance with financial controls acceptable to the Senior Vice President–Business and Finance and that all assets be irrevocably dedicated to the University. They will permit the President (or his designee, including the University Auditor) to inspect and audit all books and records of all such entities on request, including all banking account or other financial records. The guidelines will also require each entity to file with the President copies of all reports and returns filed with any foreign governmental agencies; annual financial statements in such form as the President may require; a list of all persons serving on any bodies having governance powers; its annual operating budget; and an annual report summarizing its activities for the prior year in such form as the President may require.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

## 6. **QUARTERLY REPORT ON PRIVATE SUPPORT**

In accordance with the Schedule of Reports, the **Quarterly Report on Private Support** for the period January 1 through March 31, 2002 was submitted for information.

Senior Vice President Darling stated the expectation that the University will for the third year exceed \$1 billion in private giving for 2001-02. Because private giving to higher education typically mirrors the U.S. economy, this success points to donors' understanding of the value of the University and its ability to transform society.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

Lieutenant Governor Bustamante requested that the issue of the Racial Privacy Initiative be placed on a future agenda. He believed that the Regents have a fiduciary responsibility to determine how passage of the initiative would affect faculty research as well as other University activities. President Atkinson suggested that Regent Bustamante may wish to confer with the General Counsel and the Chair of the Academic Council to determine the optimal time when the issue should be considered by the Board, given that the measure will be on the March 2004 ballot.

Regents Blum and Ligot-Gordon concurred with the request.

The Committee went into Closed Session at 11:35 a.m.

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The meeting adjourned at 11:40 a.m.

Attest:

Associate Secretary