

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

July 18, 2007

The Regents of the University of California met on the above date at University Center, Santa Barbara campus.

Members present: Regents Allen, Blum, Brewer, Bugay, De La Peña, Dynes, Garamendi, Gould, Hopkinson, Island, Kozberg, Lansing, Lozano, Marcus, Moores, Parsky, Varner, and Wachter

In attendance: Regents-designate Cole and Shewmake, Faculty Representatives Brown and Oakley, Staff Advisors Brewer and Johansen, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Broome, Foley, and Sakaki, Assistant Vice President Casey representing Acting Vice President Standiford, Chancellors Birgeneau, Drake, Fox, Kang, Vanderhoef, and Yang, Acting Chancellors Abrams, Blumenthal, and Grey, and Recording Secretary Bryan

The meeting convened at 8:50 a.m. with Chairman Blum presiding.

1. **PUBLIC COMMENT**

Chairman Blum explained that the Board had been convened as a Committee of the Whole in order to permit members of the public an opportunity to address University-related matters. Due to the number of people wishing to speak, Chairman Blum extended the public comment period to 40 minutes. The following persons addressed the Board concerning the subjects noted.

Item RE89: Adoption of Policy Restricting University Acceptance of Funding from the Tobacco Industry

- A. Ms. Kim Homer, UCD alumna, pointed to a recent newspaper story that detailed how the tobacco industry believed that funding research at UC Davis conferred benefits on future cigarette sales and marketing efforts. She urged the adoption of RE89.
- B. Ms. Corina Begham, UCD student, spoke in support of RE89, pointing out that Philip Morris recently gave \$6 million to UCLA to study the addiction process in youth, the motive of which is suspect.

UC Employee Compensation and Benefits

- C. Mr. Michael Little, UCSB alumnus, stated that the UCSB Police Department is in a crisis with regards to the retention of experienced personnel due to their pay being far below that of other local agencies.
- D. Mr. Mike Durant, Vice President of the Peace Officers Research Association, spoke of the need to increase the salaries of UCSB police officers and benefits in order to be more competitive in the local market.
- E. Mr. Dieter Dammeier, speaking on behalf of the Federated University Police Officers Association, stated that the inability to retain officers at the UCSB Police Department affects public safety and is costly to the University in terms of continually training new officers.
- F. Mr. Robert Pinto, member of AFSCME, reminded Regents that current labor contracts will expire in the coming months and stated that, by law, UC must “sunshine” its initial labor contract proposals to the public for input.
- G. Ms. Jen Smith, President of the Coalition of University Employees, stated that UC has steadily cut into workers’ pension funds. She also spoke against student fee increases.
- H. Ms. Debra McBride, UCLA employee, requested that the University provide computers to employees at their worksites. She urged establishment of a joint governance board for the University of California retirement program to allow employee input into University decisions.
- I. Mr. Daniel Fernandez, UCLA employee, asserted that his pay and benefits are too low and asked for The Regents’ help in this matter.
- J. Ms. LaKeshia Harrison, President of AFSCME Local 3299, stated that workers’ pension plans have plummeted, proving the need for joint governance of the UC pension plan.
- K. Mr. Larry Chuck, UCLA employee, stated his expectation that UC will take care of his pension and health care costs and support its employees.
- L. Mr. Patrick Mitchell, UCLA employee, urged the University to cease creating poverty and to respect its workers and students.
- M. Mr. Victor Vincent, UC employee, reiterated that UC workers are suffering, need help, and want to be treated fairly.
- N. Mr. Francisco Garcia, UCSB employee, stated that joint governance of the pension fund is necessary due to UC’s lackadaisical policies and lack of transparency for the UC pension system.

- O. Ms. Linda Snook, UCSB employee, pointed out that her low salary is barely above the poverty level and that, in the 10 years she has worked for UC, she has never received a cost of living or merit increase in her salary.
- P. Ms. Joanne Murray, UC employee, spoke against The Regents making decisions on the retirement plan without input from faculty or employees.
- Q. Mr. David Hogland, representing UC unions, stated that UC's health care cost shifting has resulted in financial hardship for many UC employees. He spoke against the proposed two-tier health plan.

Study on University Diversity

- R. Mr. Kalwis Lo, UCSC student and member of UCSA, stated that UCSA feels strongly that faculty and staff directly affect the equality of a UC education. He asked that The Regents take UCSA's recommendations into account for the final Study on University Diversity report.
- S. Ms. Alicia Gamez, UCSD student, stated that high consideration of SAT scores for UC admission increases the gap between the socioeconomic classes entering college, and pointed out that SAT scores do not predict college success.
- T. Mr. Jesse Melgar, UCLA student, reiterated that SAT scores are not indicative of university performance and that the high standards for SAT scores disenfranchise people from lower socioeconomic backgrounds.
- U. Ms. Dorothy Young, Vice President of External Affairs at UCSD, spoke of the need to implement a policy to increase the annual yield of applicants from underrepresented populations.
- V. Ms. Solyman Sola-Negron, UCSC student and representative of UCSA, stated that students of color will not be represented at UC without the funding of academic preparation programs. She asked that the \$33 million for academic preparation be reinstated.
- W. Ms. Michelle Soto, UCSB student and representative of UCSA, explained that young people of color are discouraged from attending the University because of its lack of diversity.
- X. Mr. Justin Reyes, UCSB student, urged that the University make diversity a priority and include students in the process of implementing the diversity study findings. He asserted that ethnic and racial data collection categories need to be disaggregated, particularly Asian Americans and Pacific Islanders.

2. **REMARKS OF THE PRESIDENT**

President Dynes thanked the Regents for their travels to Sacramento in the past months on behalf of the University's budget and other issues, in particular Chairman Blum and Regents Gould, Lozano, Parsky, Pattiz, Schilling, and Wachter. President Dynes recognized Mr. Robert Grey, who has agreed to serve as Acting Chancellor at UC Riverside, and Mr. Bill Johansen, who is the 2007-09 Staff Advisor to The Regents.

In the area of climate change research and sustainability initiatives at the University of California, President Dynes reported that on June 26, 2007, the Department of Energy announced a \$125 million, five-year grant to UC Berkeley, UC Davis, and the Lawrence Berkeley National Laboratory, along with three other partners, to launch a new Bioenergy Research Center. He stated that, in addition to previous initiatives, this new joint bioenergy center will cement California's position as a global center for alternative energy innovation. The sixth annual joint UC, CSU, and CCC Sustainability Conference took place at UC Santa Barbara on June 24-27, 2007, and brought together 850 participants from the 10 UC campuses, 20 California State University campuses, 20 California community colleges, and 10 other universities from neighboring states.

Regarding the State budget, President Dynes reported that there is broad support for UC's basic operating budget, but final resolution is still unclear as to academic preparation programs, labor research programs, the California Institutes for Science and Innovation, and the Petascale initiative.

President Dynes reported progress in the negotiations with lower-paid workers. Negotiations with unions have closed regarding special salary increases for staff earning less than \$40,000 per year. The most recent agreement gave over \$1 million in raises to approximately 5000 research support and technical employees. This followed similar agreements for clerical and service employees and non-union employees. Taken together, these special salary increases amounted to approximately \$14 million for more than 35,000 employees, and represent an important step forward in giving additional financial support to lower paid staff.

President Dynes concluded his comments by giving tribute to athletes who won intercollegiate championships and new UC alumni. On June 18, 2007, five UC sports teams – UCLA men's volleyball, UCB men's water polo, UCLA women's water polo, UCSB men's soccer, and UCB women's crew – took part in the annual White House NCAA Champions Day and posed for ceremonial pictures with the President. Also in June 2007, the University conferred an estimated 42,000 degrees, the bulk of the 55,000 degrees conferred each academic year. President Dynes observed that the University's greatest impact on society is made by the outstanding young adults who learn to be leaders at the University of California.

3. REMARKS OF THE CHAIR OF THE ACADEMIC SENATE

Faculty Representative Oakley reported, on behalf of the Academic Senate, that at the beginning of the academic year the Senate identified the one overarching priority of maintaining UC's continuing institutional excellence. In his view, by working together in the tradition of shared governance, The Regents, the President and his office, the chancellors and their campuses, and the Senate have maintained and advanced UC's excellence for the past academic year. The Academic Senate maintains that four supporting priorities are crucial to UC's excellence – faculty salaries, graduate student support, the diversity of UC, and the financial resources of the UC retirement plan.

As to faculty salaries, Mr. Oakley reported that UC is moving much closer to systematic parity with UC's elite competitors, and thanked the President for his support. As to graduate students and the mitigation of the effects of non-resident tuition on graduate academic students, The Regents responded to a memorial proposed by the Academic Senate on non-resident tuition for graduate academic students, and made progress in creating a more competitive support package for these students. Regarding diversity, the Study Group on University Diversity, co-chaired by Regent Parsky and Provost Hume, has raised the profile of the issue and highlighted the deep challenges UC faces. Mr. Oakley pointed out that this issue is far from resolved, but that diversity at UC has become a complementary value to excellence at the University. With regards to the UC Retirement Plan (UCRP), Mr. Oakley stated that The Regents have shown strong leadership in the prudent management of UCRP. While the need to reinstate contributions has been eased temporarily, he urged The Regents to continue their prudent concern that the UCRP has the assets needed to meet its liabilities. He cautioned that when contributions resume, it must be ensured that total compensation to those employees not decrease. Mr. Oakley pointed out that the Senate has provided new insights into and revisions of The Regents total compensation methodology, and he urged The Regents to use the information provided.

4. REMARKS OF THE CHAIR

Chairman Blum reported that he is in the process of compiling a report for The Regents regarding a strategic plan for the University, which should be available by the September meeting. Chairman Blum noted that the arrival of Executive Vice President Lapp and the work of Provost Hume to solicit plans from each of the campuses' deans are important steps in determining the needs of the University; it is crucial to know what every dean requires and how those needs will be funded. He recalled that there has not been a thorough review of the University from a bottom up perspective in over 40 years.

Chairman Blum stressed that an opportunity exists to save hundreds of millions of dollars using a private developer approach to building facilities. Several factors contribute to the need for the University to build faster and at a lower cost,

including the rise of construction costs, bureaucratic delays, the fact that money is relatively inexpensive, and the realization of a large debt capacity available to the University.

Chairman Blum stated that overall the University needs to be strategically dynamic given the State budget environment and UC's priorities.

5. **REMARKS AND REPORT OF THE COUNCIL OF UC STAFF ASSEMBLIES**

Staff Advisor Johansen, who is also former President of the Council of UC Staff Assemblies (CUCSA), presented the Council's year-end report. He stated that the purpose of CUCSA is to support UC by maintaining and enhancing communication within the University community on staff issues, specifically those matters not within the scope of collective bargaining. This mission is accomplished by providing a forum where University staff can discuss University-related issues with other staff across the system, as well as with the administration and The Regents. CUCSA is seen as an increasingly valuable resource to the University through its leadership on issues ranging from diversity to the pending retirement bubble. CUCSA was invited to be a founding participant in the new UC Staff Diversity Council created by President Dynes in fall of 2006. CUCSA was also invited to participate in the UC Leadership Institute in October 2006 to present its 2006 Workforce Evolution Work Group's report on knowledge transfer. In relation to other work groups, this year CUCSA created a Diversity Work Group and reinstated the Communication Work Group. CUCSA also spent time this year establishing and maintaining partnerships with various segments of the University community by creating ongoing relationships that span multiple topics.

Mr. Johansen emphasized that UC staff care about the University and all aspects of its education, research, and service mission. He stated the importance growing leadership from within existing staff through training and promotional opportunities that are widely open to staff and encouraged at all levels.

The new CUCSA officers, who assumed their roles on July 1, 2007, are Chair Kathy Mendonca from UCOP, Vice Chair Joel Gonzales from UCSF, and Secretary Shelley Brown from UCLA.

The meeting adjourned at 10:15 a.m.

Attest:

Secretary and Chief of Staff