

The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY

July 19, 2007

The Committee on Educational Policy met on the above date at University Center, Santa Barbara campus.

Members present: Regents Allen, Blum, Dynes, Garamendi, Island, Lansing, Lozano, Marcus, Parsky, and Varner; Advisory members Cole and Brown

In attendance: Regents Brewer, Bugay, De La Peña, Gould, Hopkinson, Moores, and Wachter, Regents-designate Scorza and Shewmake, Faculty Representative 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 President 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 11:40 a.m. with Committee Chair Marcus presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of May 16, 2007 were approved.

2. SCHOOL OF LAW, IRVINE CAMPUS: CONSIDERATION OF THE CALIFORNIA POSTSECONDARY EDUCATION COMMISSION REPORT

The President recommended that The Regents formally note the issues that could not be resolved between the University and the California Postsecondary Education Commission related to the Irvine campus law school proposal.

It was recalled that at the November 2006 Regents meeting, the Board voted to establish a School of Law at the Irvine campus. At that time the law school proposal was still under review by the California Postsecondary Education Commission (CPEC). The Regents stipulated that any outstanding issues from that review that could not be resolved would be brought to the Board for consideration and appropriate action.

On March 20, 2007, the Commission voted 8 to 3 not to concur with the establishment of the School of Law. Specifically, CPEC staff stated that the law

school proposal met criteria related to student demand, appropriateness to institutional and segmental mission, maintenance and improvement of quality, and advancement of knowledge, but did not meet some components related to societal need, non-duplication of existing programs, and total cost.

Both University representatives and some commissioners raised a number of concerns with the CPEC staff report and its conclusions. Provost Hume appeared at the March CPEC meeting and described these concerns and the University's considered views on why establishment of a new school of law at Irvine met all guidelines with which CPEC is charged to evaluate proposed programs. Furthermore, Mr. Hume reaffirmed how a law school at Irvine would contribute greatly to the University, its students, and California.

In a letter dated April 3, 2007, President Dynes conveyed the CPEC opinion to the Regents, to ensure that they were briefed on the report before their May 20, 2007 meeting. At that meeting, the Regents discussed and approved the salary and slotting for the Dean of the School of Law.

Mr. Hume acknowledged that Ms. Jones from CPEC was available to answer questions from the Regents.

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

3. **UNIVERSITY OF CALIFORNIA UNDERGRADUATE EXPERIENCE SURVEY (UCUES) UPDATE**

Provost Hume stated that the UC Undergraduate Experience Survey (UCUES) is key to the University's understanding of the effectiveness of its academic programs and the value it provides to students. Vice President Sakaki explained that the undergraduate survey is a unique and valuable analytical tool that allows the University to gather important information about undergraduate students. The survey has been administered to students periodically since 2003, and in 2006 over 58,000 students on UC's nine undergraduate campuses completed the survey.

Ms. Sakaki reported that the content of the survey covers most aspects of students' academic and cocurricular experiences, including instruction, advising, student services, study habits, use of time, attitudes, self-perceptions, goals, and demographic information not available from other sources. UCUES is used by groups across the system to improve students' undergraduate experience, including the Long Range Guidance Team, the Student Mental Health Committee, and the Study Group on Diversity. Many campuses also use UCUES in their academic program and accreditation reviews.

Highlights of the summary findings, which are available also on the UCUES website, include the following:

- A majority of UC students were either born outside the U.S. or have at least one parent born outside the U.S., which mirrors demographic trends in California.
- Seniors reported substantial gains in key academic skill areas, such as critical thinking, reading, and writing. Students made most improvement in their understanding of their field of study.
- 77 percent of students do research in their coursework, and 78 percent of upper-division students are motivated to continue their research training through graduate study. While a slight majority of students feel that the emphasis on research at UC detracts from teaching at their campus, 82 percent agree that attending a University with world-class researchers is important.
- 4 out of 5 students reported intellectual curiosity as a reason for choosing their major, and 86 percent identified career preparation as a goal for their UC experience. 3 out of 4 students believe that an individual can change society.
- 59 percent of students are involved in student clubs and organizations, and 44 percent participated in community service. 56 percent of students are employed and work an average of 14.6 hours per week.
- On a weekly basis, students spend 13.1 hours outside the classroom on coursework, 11.1 hours on the internet for non-academic purposes, and 5.7 hours watching television. 55 percent reported using the internet as their primary news information source.
- Most students feel they belong on their campus, and would enroll again if given the choice. The majority of students feel campuses are tolerant places, where students are respected regardless of differences in beliefs or backgrounds.
- 71 percent of students are satisfied with the value of their UC education relative to cost, and 75 percent or more are satisfied with their academic and social experiences. While a large majority of students reported being satisfied with the quality of faculty instruction, fewer students are satisfied with the availability of smaller classes.

Regent Moores stated that, based on comments he has received from UC students and their parents, many students feel that they do not often have access to tenured faculty. He asked if the survey included questions on this topic and how UC compares with peer institutions in this regard. Mr. Hume concurred that this is a valid concern, noting that Nobel Prize winners, for example, tend to teach large classes and are therefore less accessible. He pointed out that UC strives to offer a variety of small-sized courses, for example through freshman seminars, in order to provide opportunities for close contact with faculty.

Faculty Representative Brown commented that UCUES does provide information on how and to what extent students are engaging with professors. He pointed out that the survey may not have included questions regarding the availability of faculty based on tenure-status.

In response to a question from Regent Allen regarding the number of hours that students work per week, Ms. Sakaki stated that there has been a slight increase from 13.1 hours in 2004 to 14.6 hours in 2006. A report will be produced in 2008 on working students and how employment affects academic performance, satisfaction with the UC experience, and involvement with campus activities. In response to another question posed by Regent Allen regarding survey responses in relation to student demographics, Ms. Sakaki noted that this information is provided on the survey web site on a systemwide basis. She stated that the survey is very representative of the student population, although some demographic groups were not as represented as others. The Study Group on Diversity is analyzing these findings and mostly likely will include the analysis in their September report. Regent Allen emphasized the value of UCUES, and pointed out that UC Berkeley has decided to conduct the survey annually.

4. **FALL 2007 UNDERGRADUATE ADMISSIONS UPDATE**

It was recalled that in January, April, and June of 2007, The Regents received copies of preliminary data on undergraduate applications, admissions, and statements of intent to register for the fall 2007 term. Vice President Sakaki provided a briefing to the Board on preliminary enrollment outcomes for fall 2007, including trends in the composition of the student body.

Ms. Sakaki presented data documenting UC's continued progress toward achieving The Regents' goal, set forth in the 1988 Policy on Undergraduate Admissions, of enrolling a student body that "demonstrates high academic achievement ... and encompasses the broad diversity of ... backgrounds characteristic of California." On average, the members of UC's incoming freshman class completed over 23 year-long, UC-approved college preparatory courses and achieved a GPA of 3.78 in those courses; transfer entrants achieved an average GPA of 3.35 in their transferable college courses. In terms of test scores, students averaged 1763 on the SAT and 24.8 on the ACT. Regarding diversity, Ms. Sakaki reported that over 40 percent of UC's incoming freshmen and roughly 50 percent of incoming transfers come from families where neither parent had completed a bachelor's degree. More than 35 percent of incoming freshman and 40 percent of transfer students come from families classified as low-income, which translates to approximately \$43,000 per year or less for a family of four. Over one-fifth graduated from high schools ranked among the bottom 40 percent of California high schools. More than 21 percent of new freshmen and transfers are from underrepresented minority groups, and underrepresented students increased as a percentage of new freshmen on every UC campus. Ms. Sakaki noted that persistence rates to graduation are among the

highest for any public institution in the country, standing at above 91 percent for both new freshman and transfer students, and that graduation rates for both groups are above 80 percent.

Ms. Sakaki reported that roughly 74,000 freshman applications were received from California residents and 65,000 were admitted. Over 37,000 new California resident freshmen have accepted their offers to attend UC. From a pool of roughly 20,000 community college transfer applicants, 16,000 were admitted, roughly 12,000 transfer students have accepted their offers, and this number is expected to increase. These 2007 figures are identical to those for 2006. While such statistics do not substitute for a formal eligibility rate, they do provide some indication of the proportion of high school graduates who are UC-eligible and the year-to-year changes in that proportion.

Ms. Sakaki reported that, under the California Master Plan for Higher Education, formal determination of eligibility rates for both UC and California State University (CSU) is the statutory responsibility of the California Postsecondary Education Commission (CPEC). CPEC's eligibility study from 2004 revealed that 14.4 percent of graduates met UC's minimum requirements. The entering freshman class of fall 2007 is the first class admitted under new eligibility requirements adopted by The Regents in September 2004 and implemented in two stages, for fall 2005 and fall 2007 applicants. The minimum GPA requirement for 2007 was raised from 2.8 to 3.0, which, in conjunction with changes implemented in 2005, was projected to lower eligibility rates to 12.8 percent, slightly above the 12.5 percent Master Plan target. UC and CSU are currently working with CPEC on its 2007 eligibility study, the results of which are expected in 2008. Ms. Sakaki presented preliminary data showing the estimated proportion of California's 2007 high school graduating class admitted to UC. She stated that a higher proportion of graduates are choosing to apply to UC and are able to meet the standards set, even as the standards are increased. At the request of Regent Moores, Ms. Sakaki presented a chart that showed the number of UC-eligible public high school graduates admitted to UC with particular combinations of GPA and SAT scores. Admitted students present a range of academic profiles across the different measures.

Ms. Sakaki discussed the development of "Admissions Data on the Web," a web-based source for admissions data whereby anyone can find detailed information about UC admissions. Phase one of the project will be launched in October 2007.

Regent Hopkinson asked about the extent to which accommodation is made for students who attend schools that do not offer A-G courses. Mr. Hume responded that UC makes efforts, through its on-line UC College Preparatory courses, to prepare students who may come from schools that do not offer A-G courses. Faculty Representative Brown explained the difficulty of this situation given that no data is available on which schools offer approved A-G courses and make them available to students on a regular basis. He pointed out that campuses have the

option to make an exception in admitting students who have not taken these courses, but this option is rarely used.

Regent Hopkinson commented that the statistic that there was an increase in students who were the first in their family to receive a college education carries little meaning without putting it in the context of the State's changing demographics. Mr. Hume agreed that such a baseline understanding is important, and that attempts will be made to obtain this information.

Regent Lansing noted that there is no doubt that many schools do not offer A-G courses, including basic math courses. She stated that this is one of the greatest problems that UC faces in fulfilling its mission and suspected that it greatly affects diversity at UC. Regent Lansing emphasized the need for UC to start addressing other ways to meet the UC goals of access and diversity, in addition to its current outreach programs.

Regent Lozano noted that Los Angeles Unified School District, the second largest school district in the country, at one point did not require A-G courses to be taught in its high schools. The school district was persuaded to pass a resolution that would require all high schools in the district to implement A-G courses over time. She suggested that the Regents can play a role in advocating for similar initiatives across the State, such as pending legislation, to address the inequity where large numbers of high school students do not have access to required UC coursework.

President Dynes reminded the Regents of his earlier findings that many California high schools did not have qualified, credentialed science and math teachers. He explained that this finding prompted UC and CSU to commit to the Governor and the Legislature that, by the year 2010, a total of 2500 science and math teachers would be produced per year for K-12.

Regent Island expressed his concern about data indicating that 70 percent of schools where minority students make up the majority of the student body do not offer A-G courses. He stressed that SAT scores and A-G coursework are not the sole definitions of merit and the potential to contribute to society, and questioned whether UC should retain the A-G course requirement as a minimum standard.

In response to a question from Regent Allen regarding the drop in transfer student applications, Ms. Sakaki stated that there is concern over the numbers of community college students who are applying to and entering the University, and noted that this situation is being analyzed in conjunction with UC's community college partners.

Regent Moores pointed out that the presentation showed that UC has been exceeding the Master Plan target for admissions on a regular basis. He stated that there is no plan currently in place to return to 12.5 percent or to revise the Master

Plan targets, but that it is important to address the costs involved in accepting a higher percentage of students than prescribed by the Master Plan.

Regent Marcus asked Mr. Hume to ensure that action is taken on the appropriate matters, including a methodology by which, if it is The Regents' goal, to approach the Master Plan's target of 12.5 percent.

Faculty Representative Oakley reminded the Regents that under their existing standing orders, primary responsibility for making recommendations about changes to admissions processes has been delegated to the Academic Senate. He questioned the equity of requiring students to use the internet to apply to UC given that they may not have access to it, which is similar to requiring courses that may not be offered at many students' high schools. The Academic Senate is reanalyzing UC's eligibility construct, and the Regents can expect counsel on this matter in the near future.

Faculty Representative Brown observed that under the current operating standard, if the top 12.5 percent of students graduating from California high schools are deemed eligible, the University is obligated to admit them. The University can, however, admit more than 12.5 percent because its enrollment capacity exceeds that amount.

5. **AUTHORIZATION TO ENTER INTO AN AFFILIATION TO ESTABLISH AND OPERATE A MODEL CHARTER HIGH SCHOOL, DAVIS CAMPUS**

The President recommended that:

- A. The Davis campus be authorized to enter into an affiliation with the Washington Unified School District (WUSD) and the Los Rios Community College District (LRCCD) to operate a public early college charter high school in the City of West Sacramento, contingent upon:
 - (1) WUSD's providing sufficient operating funds, as determined by the President, from State funding of charter schools, to enable the Early College High School (ECHS) to achieve its educational mission.
 - (2) The formation of a nonprofit public benefit corporation with the University, WUSD, and LRCCD as directors on terms and conditions satisfactory to the President, such nonprofit corporation to oversee and govern ECHS.
 - (3) After consultation with the Office of General Counsel, execution of an agreement by the University, WUSD, and LRCCD on terms and conditions satisfactory to the President, that defines the rights,

responsibilities, obligations, and benefits of each party concerning the operation and governance of ECHS.

- B. The President, or designee, after consultation with the Office of General Counsel, be authorized to approve and execute all documents which are necessary with respect to the foregoing, and any amendments thereto which do not materially increase the obligations of The Regents.

It was proposed that The Regents authorize participation in a nonprofit public benefit corporation with LRCCD and WUSD to create and oversee a public early college charter high school in the City of West Sacramento. The school, West Sacramento Early College Preparatory (WSECP), will provide an exceptional opportunity for historically underserved students in WUSD to achieve the promise of a post-secondary degree, and further the campus' long-standing commitment to, and engagement in, public education. WSECP will also afford an opportunity to create and research the learning conditions that have to be promoted in secondary schools and their local communities to assure educational engagement and attainment for all students. WSECP will serve as a model that will work to assist educators and schools not only in the entire WUSD, but in California and the nation as well.

It was recalled that, despite progress, California is still confronted by significant disparities in educational outcomes based on race, ethnicity, and income level. A 2006 study by The Education Trust, for example, shows that California consistently ranks near the bottom of all states in the breadth of the achievement gap for both 4th and 8th grade Latino and low income students on the reading and mathematics portions of the National Assessment of Educational Progress test. Another recent study by The Civil Rights Project has shown that California's African-American and Latino students are three times more likely than white students to attend a high school where graduation is not the norm (i.e., where student attrition is 40 percent or more). The consequences of these disparities in graduation rates inevitably also affect the college-going rates of these populations.

In 2002, The Regents approved the creation of the School of Education at the Davis campus. Davis has long been engaged in addressing the educational disparities and college-going rates of students in the region it serves. The School of Education was established to further this agenda by working to understand, and affect, the conditions necessary for all of California's public school students to succeed academically, thus helping them prepare for post-secondary education, the world of work, and engaged citizenship. The School provides direct services to teachers, schools, and communities; conducts wide-ranging research on teaching and learning, as well as on the barriers to successful academic achievement; collaborates with government leaders on policy applications of this research; uses its academic and professional programs to help create the leaders for tomorrow's classrooms and schools; and engages in ongoing dialogue with the P-12 and community college communities to understand better and align its

programs and initiatives with pressing needs in today's schools and community colleges.

WSECP is an outgrowth of the Davis campus' commitment to public education, partnerships with local K-12 school districts, and responsibilities of its School of Education, which include research that matters, teaching that prepares student teachers for the complexities of today's schools, and public service that meaningfully and credibly engages with professionals within the California school system.

Mission

UC Davis, WUSD, and Sacramento City College (SCC) share a common vision to establish an early college preparatory high school in West Sacramento. It will contribute in significant ways to addressing some of the serious challenges facing K-12 schools in the region, and will use the expertise and resources of WUSD, SCC, and the UC Davis School of Education and campus more generally.

At full build-out, the school will serve up to 630 students in grades 6 through 12. Beginning in August, 2007, the school will enroll 120 students (60 in grade 6; 60 in grade 7), with the addition of one grade per year. The students who will be recruited to WSECP are students will have some or all of the following characteristics:

- Come from economically disadvantaged backgrounds
- Are the first generation of their family to attend college
- Do not speak English as their first language
- Are currently enrolled in 1 – 5 decile schools as measured by the California Academic Performance Index

WSECP will focus on engaging intellectual work and encourage high school completion and college attainment. Advancing to college requires not just the accumulation of credit hours, but also engagement in learning activities. For that to happen, students will gain insights from various disciplines as well as ways of knowing and strong habits of mind.

The School will feature inquiry-based learning focused on community-centered problems, developed with the philosophy of teaching how real practitioners (scientists, historians, physicians, legal experts, etc.) think and “do” their craft. UC Davis and SCC faculty will work with teachers at the school to develop this cutting-edge curriculum and evaluate its effectiveness. The school will also feature a higher-than-average ratio of adults to children by engaging students from UC Davis and SCC as tutors and mentors to enhance further academic engagement and achievement.

In addition, the school will have a clear and explicit focus on college-going by offering the following:

- Visits to college campuses annually
- The opportunity to enroll in up to eight college-level courses
- Coursework that meets the requirements for admission to the University of California and the California State University systems
- The opportunity to take courses that are co-developed and/or co-taught by UC Davis professors, SCC professors, and high school faculty

Contributions of the Davis Campus and School of Education

School of Education faculty and staff will contribute expertise to WSECP in areas of teaching and learning, language assessment, and academic literacy for diverse populations, as well as learning and pedagogy in the disciplines. The School, through its Teacher Education Program, prepares high quality and effective new K-12 teachers and, through its Cooperative Research and Extension Services for Schools (CRESS) Center, serves current teachers' professional development needs. School of Education faculty, together with a committee of College of Letters and Science colleagues, will not only participate on the planning team but also will also develop WSECP curriculum, develop assessment tools and evaluation methods, and conduct ongoing research on basic issues of teaching and learning.

Teacher Education faculty and CRESS staff will provide critical support to the planning team in preparing a culturally competent college preparatory curriculum as well as ongoing professional training for WSECP teachers. In addition, several School of Education staff members will work with WSECP to support the planning needs of the project related to budgeting, policy, fundraising, and community relations.

These faculty and administrators have recently met to discuss their interests for developing a school and in working collaboratively with future WSECP teachers, families, and community members to realize the mission and purposes of the school. Some will also help craft a college-going curriculum and the related pedagogical principles to accompany specific subject matter content. In addition, faculty members will endeavor to learn, through active research at WSECP, what has to be understood and enacted in classrooms for students to learn and succeed at the school and in their later postsecondary educational experiences.

Benefits to the Davis Campus

In 2005, The Regents approved a policy "Affirming Engagement in the Preschool through Postsecondary Education System, as Fundamental to the University of California Mission as a Land Grant Institution." WSECP is one additional way that the Davis campus will carry out this fundamental mission; in particular, as

stated in the Regental policy, promoting “the academic achievement and success of all students, including students who, because they are educationally disadvantaged and underrepresented, therefore need additional assistance.” This will be accomplished in collaboration with SCC and WUSC, which also share these concerns.

WSECP will permit deep and prolonged research on the conditions that affect school success and student achievement with students who, historically, are the most underserved in the State. It also will allow a field site to place novice teachers in a school environment where they can both test their craft and make contributions to the field of pedagogy. Finally, WSECP is one further venue where the various student academic preparation and educational partnership programs can be field tested, studied, and honed for use with students in other schools within the Davis service area. The effort will include UC San Diego, UC Berkeley, and UCLA, which have experience operating charter schools.

Operating Costs

WSECP is a public school under California law and will receive normal funding from the State. The operations of the school will be self-supporting and will not require financial support from the University. The Davis School of Education received a grant in the amount of \$400,000 to support the work of faculty and teachers in developing a cutting-edge, college-going curriculum. The partnership will seek additional financial resources through research grants and philanthropy to support the research mission and overall success of WSECP.

Advantages of a Nonprofit Corporation

Three different UC campuses are currently engaged in public school initiatives: San Diego’s Preuss School, Los Angeles’ University Elementary School, and Berkeley’s Cal Prep. At UC San Diego, the charter is held by the school district, but the school is “wholly operated as a UC entity with an agreement with the district” for pass through of State public education funding. At Berkeley, the charter is held, and the school is operated by, a school management company, Aspire, and UC Berkeley participates through a memorandum of understanding. The school at UCLA is a laboratory school wholly operated by UC. After considering the organizational and legal arrangements for these schools, the Davis campus proposes a nonprofit public benefit corporation as the best way to realize its objectives.

Establishing the charter school as a nonprofit public benefit corporation, with the University of California as a founding member, represents engagement by UC Davis beyond that of simply performing research, developing curriculum, and teaching strategies to inform student attainment and educational excellence. The partnership, not a third-party agency, will be accountable for student outcomes, which will require that the Davis campus bring its considerable research expertise

and commitments to outreach and engagement to bear in order to develop and implement evidence-based research on curriculum and pedagogy that must have tangible benefits for West Sacramento students. In addition, locating the charter school in West Sacramento permits (1) the development of a school that is genuinely tied to its community, and (2) a series of specific studies on teaching and learning that are situated within a larger set of issues of race, ethnicity, poverty, and other factors that inevitably shape what transpires in the classroom. It also permits the development of a model of school excellence that more closely resembles the conditions of similarly underserved schools and communities throughout the State. Finally, it allows the University to be part of the school reform strategy within the entire WUSD and represents the integration of research and practice in education, a defining principle of the UC Davis School of Education.

The strength of the affiliation of the partners in the charter school will make it a dynamic and engaged institution, both in terms of defining the educational agenda and responding to the complexity that is public education today for those students who have not been successful in traditional contexts.

Organizational Structure

Pursuant to California Education Code §47604, charter schools may elect to operate as, or be operated by, a nonprofit public benefit corporation formed and organized pursuant to the Nonprofit Public Benefit Corporation Law. For purposes of protecting the organizers of the Early College High School (ECHS) from liabilities which may arise from within the school, the parties intend to use Education Code §47604, together with appropriate provisions of the Nonprofit Public Benefit Corporation Law, to create a nonprofit public benefit corporation from which the school will be overseen, managed, and operated. This corporate structure complies with Regents' Standing Order 100.4 (dd)(9), which prohibits University assumption of liability for conduct of persons other than University officers, agents, employees, students, invitees, and guests.

Also, the parties propose entering into an affiliation agreement among themselves, the purpose of which is to set forth in detail the rights and responsibilities of the parties to one another and to ECHS. Such rights and responsibilities shall include, but not be limited to:

- Each party's contributions to ECHS (monetary and in-kind)
- Oversight obligations through the corporation's board of directors
- Allocation of liability among the parties for liability arising from their own conduct
- Such other functions relating to the operation of ECHS beyond the parties' roles as the school's organizers or overseers (i.e., directors). For example, the University may seek to conduct research involving ECHS. Such University specific functions would be proposed and conducted in

accordance with University policies and procedures that apply to all such University functions, including contract/grant review and liability analysis.

Business Plan

The California Charter Schools Association has extensive experience developing and operating charter schools and has designed a comprehensive funding template to support financial planning. ECHS will be funded in the same manner as other public schools, based on Average Daily Attendance and eligibility for specific additional funding initiatives.

Funding

Funding sources include a Charter School categorical block grant, No Child Left Behind funding based on students eligible for free and reduced lunch, general purpose enrollment funding, and various other initiatives, some of which are based on students eligible for free and reduced lunch and students who are English language learners.

Enrollment

Beginning with 120 students, 60 in 6th grade and 60 in 7th grade, and escalating one grade level each year, enrollment is projected to grow to 630 students. The budget model projects financial status through year five of build-out. The first year of operation will require 4.5 certificated staff, growing to 13 in year five.

Salaries and Benefits

ECHS will maintain a salary structure competitive with local districts in order to attract candidates with the necessary skills and experience. Periodic review of local district salary scales will be conducted by the Principal. Annual cost-of-living adjustments will be made when school funding allows. Full time employees will be offered a health, vision, and dental benefit package. Employees of this Charter will participate in State Teachers' Retirement System (STRS), Public Employees Retirement System (PERS), and/or social security depending upon each individual's eligibility.

Administrative Services

ECHS will provide business/administrative services (including, personnel transactions, accounting, and payroll) through a contract with WUSD at a mutually agreed upon cost. Such services may include: payroll, facility maintenance, food service, transportation, special education, human resources, fingerprint checks, Beginning Teacher Support and Assessment, health and

welfare benefits, technology support, student records maintenance, workers compensation, and STRS/PERS.

Facility

ECHS will operate initially at the Evergreen Elementary School in West Sacramento. Space provided will include:

- 7 standard classrooms (960 square feet or larger)
- 1 office space that includes an area for a principal's office and secretarial space
- 1 teacher workroom
- 1 resource room
- 1 computer lab
- Storage space for instructional materials and office supplies
- Adequate parking, with at least 12 dedicated spaces for next year
- Boys' and girls' restrooms, staff restrooms
- An outdoor hardcourt area and large grass area for physical education
- A conference/meeting room

The space will be leased to the charter school by WUSD.

Budget

The proposed first-year operating budget includes startup costs, reasonable estimates of all anticipated revenues, and expenditures necessary to operate the school, including special education and budget notes that clearly describe assumptions or revenue estimates, including, but not limited to, the basis for average daily attendance estimates and staffing level. Cash flow and financial projections for the first three years of operation, including establishment of a reserve equivalent to that required by law for a school district of comparable size, have also been considered.

Due to the timing of receipt of funding for charter schools, there will be a need for a loan of \$300,000 for startup costs including reserves. WUSD has committed to fund the loan amount. For years one and two, the charter school will operate at a small deficit but with sufficient cash balance and reserves to remain a positive position and carry reserves into the next year. By year three, operations will support an excess of revenues over expenditures and reserves.

Financial Oversight

ECHS will work with WUSD personnel to plan and manage its budget for all applicable State and federal categorical funds, available lottery funds, discretionary funds, ADA funds, grants, donations, fundraisers, and gifts. The Corporation Board will form an audit committee each fiscal year to oversee the

preparation and completion of an annual audit of the school's financial affairs. Such an audit will at a minimum verify the accuracy of the school's financial statements, revenue-related data collection, and reporting practices, and it will examine ECHS's internal controls. To the extent required under applicable federal law, the audit scope will be expanded to include items and processes specified in applicable Office of Management and Budget Circulars and the State Controller's Office requirements. The audit committee will review any audit exceptions or deficiencies and report to the Board of Directors with recommendations. The Board of Directors will submit a report to the District and County describing how the exceptions and deficiencies have been or will be resolved.

ECHS will resolve any audit exceptions and deficiencies, if any, to the satisfaction of WUSD by the end of the fiscal year following the audit.

Regent Moores observed that Regent Preuss has been the inspirational figure for charter schools associated with UC.

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

6. **CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE: TRAINING, RESEARCH, AND FACILITIES GRANTS UPDATE**

Provost Hume stated that this informational item can be presented via a mailing, and The Regents agreed to receive the details of the item in that way.

7. **APPROVAL OF CONFORMING AMENDMENTS TO POLICY ON FEES FOR SELECTED PROFESSIONAL SCHOOL STUDENTS**

The President recommended that The Regents adopt the following Policy on Fees for Professional School Students, as revised below:

- (1) A Fee for Selected Professional School Students be assessed to students enrolled in ~~the first~~ graduate professional degree programs in ~~dentistry (D.D.S.), veterinary medicine (D.V.M.), business/management (M.B.A), law (J.D.), and medicine (M.D.),~~ as determined by The Regents, to sustain and enhance the quality of the professional schools' academic programs and services.
- (2) Revenue from professional school fees will remain with the campuses and will not be used to offset reductions in State support. The Fee for Selected Professional School Students be phased in over time so that the total fees charge to students enrolled in each of the five professional programs be similar to the average fee charged for that program by comparable, high-quality institutions across the nation.

- (3) Fees for professional school students will be approved by The Regents, within the context of a multi-year plan that is subject to annual reconsideration.
- (4) The Provost is responsible for ensuring that the leadership of each campus designs a multi-year plan of fee increases for each professional degree program in a manner that effectively advances the program's mission and strategic academic plan.
- (5) In developing a program's multi-year plan, ~~taking into consideration~~ the following factors are among those to be taken into consideration: the amount of resources required to sustain academic quality at, and enrollments in, the particular professional degree program; the ability of the program ~~University~~ to remain competitive with other institutions of similar quality; the cost of education for each specific degree program; the ~~average~~ resident and nonresident tuition and fees charged by comparable public and private institutions for each specific program; ~~overall State General Fund support for the University~~; and other market-based factors (such as scholarship and grant support) that permit ~~University~~ the degree program to compete successfully for students. Within this context, different fee levels may be set for professional programs in the same discipline at different campuses.
- ~~(3)~~ (6) Financial aid targeted for students enrolled in professional degree programs is necessary to ensure access to the degree program, and to minimize financial barriers to the pursuit of careers in public service. The Provost is responsible for ensuring that each campus complements its proposed multi-year plans for professional degree programs with financial aid measures, including scholarships, grants and loan repayment assistance programs, to adequately meet these goals. An amount of funding equivalent to at least one third of the total fee revenue should be used to provide supplemental existing financial aid including loan forgiveness programs, to help maintain the affordability of a professional school education, and the remaining revenue be retained by the professional school and be used to sustain and enhance the quality of the professional schools' academic programs and student services and to fund the costs related to instruction. Financial aid sources should be supplemented by an amount equivalent to at least 33 percent of new professional school fee revenue or by an amount necessary to ensure that financial aid sources are equivalent to at least 33 percent of all professional school fee revenue. Campuses will regularly evaluate and report on the effectiveness of these financial aid measures.

It was recalled that in January 1994, The Regents approved a Fee Policy for Selected Professional School Students, authorizing fees for students in selected

professional degree programs that are required in addition to mandatory systemwide fees, miscellaneous campus-based fees, and, when appropriate, nonresident tuition. In approving the fee policy, the University reaffirmed its commitment to maintain academic quality and enrollment in the professional school programs, and recognized that earning a degree in these programs benefits the individual financially as well as the State.

Since the initial implementation of professional school fees, professional schools have been largely supported by a combination of revenue sources, including State general funds, educational fee revenue, and professional school fee revenue. Because fee increases have been used to offset budget cuts and have generated little or no additional revenue for the schools, professional schools have fallen behind further in their ability to offer competitive salaries to their faculty and staff. The financial circumstances of the schools are severely strained and will require a sustained effort over time to recover. It is within this context that the University has engaged in longer-term planning to address the needs of professional degree programs.

At the March Regents meeting, the Board adopted five principles to provide more specific guidance for implementation of the policy on fees for professional school students. These principles:

- Recognize the need for multi-year plans of fee increases, subject to annual reconsideration, to provide a more stable planning environment for the campuses.
- Clearly articulate that revenue from professional school fees will not be used to offset reductions in State support.
- Permit different fee levels for professional programs in the same discipline at different campuses, while confirming that variability in fees among campuses and disciplines does not apply to mandatory systemwide fees assessed to undergraduate students and graduate academic students.
- Assign the Provost with responsibility for ensuring that each campus designs its multi-year plan of fee increases for each professional degree program in a manner that effectively advances the program's mission and strategic academic plan.
- Reaffirm that financial aid targeted for students enrolled in professional degree programs is necessary to ensure access to the degree program and to minimize financial barriers to the pursuit of careers in public service.

The Policy, as amended, would reflect the principles approved at the March meeting. In addition, the amended Policy would provide campuses with options in terms of how they set aside funds for financial aid. The 1994 Fee Policy for Selected Professional School Students required campuses to set aside an amount equivalent to at least one-third of total professional degree fee revenue for financial aid purposes. Many professional degree programs not only met but also exceeded that requirement prior to 2004-05. However, consistent with the

Governor's 2004-05 budget proposal, the fee increases approved to offset budget cuts did not provide any return-to-aid. Fee increases approved for 2005-06 provided a 25 percent return-to-aid from new fee revenue. There were no fee increases, and therefore no return-to-aid requirement, in 2006-07. As the schools have developed their multi-year plans and have refined the goals and objectives of their financial aid programs, some schools have begun to reexamine whether a return-to-aid that exceeds the minimum requirements should be sustained. Finally, while the fee increases approved for 2007-08 require a 33 percent return-to-aid from new fee revenue, the changes in practice over time have led to confusion and a lack of consistency in the proportion of funds set aside for financial aid. The amended Policy would require a 33 percent return-to-aid on new professional degree fee revenue. However, the Policy would allow flexibility for programs that have a history of providing more than 33 percent return to aid on their new professional degree fee revenue. Under the proposed revision to the policy, those programs would be permitted to set aside a lower percentage of new professional degree fee revenue as long as they maintain funding for financial aid that is equivalent to at least 33 percent of total professional degree fee revenue (as opposed to new fee revenue alone).

Finally, technical changes to the Policy would delete reference to the five degree programs which originally were approved to charge a professional degree and to phased implementation of professional degree fee increases.

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

8. **MULTI-YEAR PROFESSIONAL DEGREE PROGRAM FEES**

It was recalled that at the March 2007 meeting, The Regents adopted the principle that fees for professional degree students will be approved by The Regents according to a multi-year plan that is subject to annual reconsideration. At that time, the Provost agreed to present information at the July 2007 meeting on the professional degree program multi-year plans submitted by the campuses. A summary of the campus proposals is provided below.

A multi-year plan with regard to fees for professional degree students is a vital and fiscally prudent strategy, providing a more stable planning environment for the professional schools. It allows the schools to consider and act on long-term investment needs such as new faculty positions, facility needs, and financial aid program development. In addition, a multi-year plan provides each degree program with the opportunity carefully and comprehensively to analyze their program needs, the costs to address those needs, and the revenue available to support those needs. Finally, multi-year planning allows each program to examine its competitiveness with other institutions on a number of measures, including the "sticker price" of attendance, its financial aid program and its impact on the net cost to students, and other indicia of national competitiveness of

the program. At the same time, a multi-year strategy will help inform decision-making by clearly identifying each degree program's goals and objectives and the steps that are needed to achieve them.

Planning Process

Following the March 2007 Regents meeting, the Office of the President requested each professional degree program to prepare and submit a three-year fee plan. Campuses were asked to provide the following information for each professional degree program using a standardized template:

- Articulate their goals and objectives through 2010-11.
- Analyze the various revenue streams available to them and the estimated costs necessary to fund those goals and objectives.
- Demonstrate, to the extent possible, how the fee levels and financial aid measures anticipated would compare with those of their competitor or comparison institutions, and to identify other relevant market factors.
- Provide information on various indicators related to affordability, including cumulative debt at graduation, student enrollment trends, expected earnings by graduates, and public career choice.
- Within this context, propose professional degree fee levels for 2008-09 through 2010-11.

To assist the campuses in these efforts, a number of planning assumptions were identified. These included:

- Core academic support needs, including instructional equipment, instructional technology, libraries, and on-going building maintenance will be funded by the State.
- Faculty and other salaries and benefits will increase by at least 5 percent annually. (Since the assumptions were first sent to the campuses, the University began exploring a plan to expedite closing the faculty salary gap within four years. Even if that plan is implemented, and salary increases for faculty are 6 percent per year on average, it is expected that campuses will be able to fund the faculty salary increases from within planned resources.)
- Non-salary price increases will be 2.25 percent annually.
- The University will seek funding from the State for employee retirement contributions to begin in 2008-09; however, if the State is unable to fund employee retirement contributions, additional increases in student fees will be necessary.
- No increases in nonresident tuition for graduate professional students for the 3-year period.
- Fee increases in mandatory systemwide fees and professional school fees of 7 percent per year are assumed to cover normal cost increases for

salaries, employee health benefits, non-salary price increases, and financial aid.

- An amount equivalent to at least 33 percent of all new fee revenue is to be set aside for financial aid purposes.

The campus submitted multi-year fee proposals for 35 professional degree programs, providing a wealth of information to review. From an initial review of the proposals, the President has reservations regarding some of the proposed fee increases. Accordingly, the proposals will be carefully reviewed and analyzed to determine the final multi-year fee proposal recommendations that will be presented for approval in September, taking into account advice from Regents. Each proposal will be assessed within the context of its stated goals and objectives and its placement within its market. In addition, the assessments will take into account the effect of the fee increases on students and their ability to pay and the steps that the program intends to take to mitigate the impact of the proposed increases.

Campus Proposals

The majority of the degree programs determined that, within their current marketplace, increases in the professional degree fee of 7 percent were sufficient to meet their program goals and objectives for the period 2008-09 through 2010-11. These include:

Law:	Irvine (new program beginning in 2009-10)
Business:	Irvine
Medicine:	Davis, Irvine, Los Angeles, Riverside, San Diego, and San Francisco
Dentistry:	Los Angeles and San Francisco
Nursing:	San Francisco and Irvine (new program beginning in 2009-10)
Veterinary Medicine:	Davis
Optometry:	Berkeley
Theater, Film, & TV:	Los Angeles
Public Health:	Davis, Los Angeles, and Irvine (new program beginning in 2008-09)
Public Policy:	Los Angeles and Irvine (new program beginning in 2008-09)

However, several degree programs requested fee increases other than 7 percent annually. Two programs requested annual professional degree fee increases for resident students below 7 percent, which would mean they would not generate sufficient revenue to cover their normal cost increases over the three-year period. These programs were the MBA program at Davis, which requested an annual increase of 5 percent in the professional degree fee, and the Joint MD/PhD program at Berkeley, which proposed that the professional degree fee not increase

at all over the three-year period. A number of programs requested increases in the professional degree fee above 7 percent. These are described below.

Law

The proposed increases varied significantly among the campuses, reflecting the differences in the campuses' identified needs and the markets within which they compete. The Berkeley campus requested increases in the professional degree fee of about 23 percent annually that would result in increases in total fees of 18 percent annually. The Los Angeles campus requested an increase in the professional degree fee of 19.4 percent in the first year and increases above 15 percent in the remaining two years that would result in total fee increases of 15.5 percent in the first year and 13 percent for the remaining two years. The Davis campus requested increases in the professional degree fee of 13 percent annually that would result in increases in total fees of approximately 11 percent annually. The Irvine campus is proposing to implement a professional degree fee of \$18,682, beginning in 2009-10, when the school is expected to open with a 7 percent increase in 2010-11, the final year of this multi-year plan.

Business

As with law, the proposed increases in the professional school fee for MBA programs varied significantly, reflecting the differences in the campuses' identified needs and the markets within which they compete. Berkeley requested increases in the professional degree fee for resident students of approximately 22.5 percent annually that would result in an increase in total fees of about 18 percent in each of the first two years and an increase of nearly 14 percent in the final year of the plan. Los Angeles requested annual increases in the professional degree fee of about 14 percent that would result in increases in total fees of 12 percent annually. Finally, San Diego requested annual increases in the professional degree fee of 10 percent that would result in increases in total fees of about 9 percent annually.

Pharmacy

The two pharmacy schools at San Diego and San Francisco requested increases in the professional degree fee of approximately 26 percent in the first year only of their three-year plans that would result in an increase in total fees in 2008-09 of about 18 percent for San Diego and about 20 percent for San Francisco. Both campuses proposed increases in the professional degree fee of 7 percent in the final two years of their plans.

Nursing

The Los Angeles campus requested increases of 10 percent annually in the professional degree fee that would result in an increase in total fees of nearly 9 percent annually.

Public Health

The Berkeley campus requested an increase in the professional degree fee of 7 percent in the first year and increases of nearly 14 percent and 19 percent respectively in the final two years of this multi-year plan.

Public Policy/International Relations and Pacific Studies

The Berkeley campus requested increases in the professional degree fee for Public Policy of about 14 percent in the first year and 7 percent annually for the final two years of this multi-year plan. The San Diego campus requested increases of 8 percent annually in the professional degree fee for students enrolled in the International Relations and Pacific Studies program.

Finally, the Riverside campus requested an extension of time to submit a proposal for its business program.

Regent Hopkinson expressed concern over fee increases in nursing programs, given the shortage of nurses in the State, and cited the need to subsidize these programs further given the significant issue in the State. In reference to the proposals for law and business schools, Regent Hopkinson asked that detailed discussions occur with campuses proposing fee increases, similar to the one presented for the Berkeley law school, particularly with regard to how lower income students will be subsidized with the additional fees.

The Committee recessed at 12:55 p.m.

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The Committee reconvened at 1:00 p.m. with Committee Chair Marcus presiding.

Members present: Regents Allen, Blum, Dynes, Garamendi, Island, Lansing, Lozano, Marcus, Parsky, and Varner; Advisory members Cole and Brown

In attendance: Regents Brewer, Bugay, De La Peña, Gould, Hopkinson, Moores, and Wachter, Regents-designate Scorza and Shewmake, Faculty Representative 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

President 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

Chairman Blum asked for accompanying data regarding what percentage of the fee increase will be covered by financial aid for each of the schools requesting substantial fee increases.

Regent Parsky asked that the deans from the law and business schools at Berkeley and UCLA come before the Regents to articulate why the schools are advocating fee increases and how the increases will be dedicated to financial support. He also expressed the importance of ensuring that the Regents understand how the Office of the President will decide which of these schools will increase their fees and at what level, and requested a detailed recitation of how the policy will be implemented. Regent Parsky stated that the University needs to weigh its priorities, for example between professional schools maintaining a high national ranking and retaining uniform fees across professional schools.

Faculty Representative Brown urged the need for implementation guidelines, particularly given the possibility that these proposals may be implemented differentially by campus. He also asked for discussion regarding the short- and long-term implications of this policy on State support and diversity. Faculty Representative Brown suggested that the policy could be implemented on an experimental basis, in order for it to be evaluated for effects before full implementation.

Regent Bugay requested that, at a future meeting, comparative statistics be provided for other universities regarding their fees.

Regent Island expressed his concern about the concept of differential fees, particularly high fees for graduate and professional programs that are already lacking in diversity. He stressed that such fee increases will be another barrier faced by low-income students to attend the University.

Regent Garamendi stated his opinion that such a policy is the wrong way to proceed, asserting that high fees prevent low-income students from even considering attending the University.

Regent Ruiz urged that the Regents consider ways to mitigate the implementation of fee increases by finding alternatives, reducing costs, or raising efficiencies. He also stated his belief that fee increases should occur on an annual basis, and did not support the Regents' approving a multi-year fee increase.

Faculty Representative Oakley presented the view of the Academic Senate that the proposed differential fees work against the notion of a cohesive University

system. He urged that the Regents discuss at length the implications of differential fees, particularly the future possibility of instituting differential fees at the undergraduate level.

Regent Allen stated that this policy sends the wrong message to Sacramento, and expressed his concern that the Legislature may be less willing to increase funds to the University if it continues to raise student fees.

Regent Brewer expressed the importance of considering the effects of fee increases on the diversity of UC's professional schools, and asked for more innovation in ensuring diversity at these schools.

Regent Marcus emphasized that professional schools provide a different level of education and opportunity, and pointed out that the deans of professional schools have expressed concern about maintaining quality. He stressed that the Regents' highest priority should be to maintain quality.

9. **HIGHER EDUCATION BOND MEASURES: INFORMATION AND ADVOCACY IMPLEMENTATION PLAN**

This item was withdrawn.

10. **QUARTERLY REPORT ON PRIVATE SUPPORT, THIRD QUARTER, JANUARY 1 – MARCH 31, 2007**

The **Quarterly Report on Private Support** for the period of January 1, 2007, through March 31, 2007, was submitted for information.

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

Executive Vice President Darling reported that \$902 million in private support has been received for the first three quarters of the year, putting the University on track to exceed, for the seventh year in a row, \$1 billion in private philanthropy. The year began with a major deficit compared to prior years, but Mr. Darling estimated that the University will be very close to reaching last years' record total of \$1.29 billion.

The meeting adjourned at 1:30 p.m.

Attest:

Secretary and Chief of Staff