

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

November 19, 2008

The Regents of the University of California met on the above date at the UCSF Mission Bay Community Center, San Francisco.

Members present: Regents Blum, Cole, De La Peña, Garamendi, Gould, Hopkinson, Hotchkis, Island, Johnson, Kozberg, Makarechian, Marcus, Pattiz, Ruiz, Schilling, Scorza, Shewmake, Varner, and Yudof

In attendance: Regents-designate Bernal, Nunn Gorman, and Stovitz, Faculty Representatives Croughan and Powell, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Interim Provost Grey, Executive Vice Presidents Darling and Lapp, Senior Vice President Stobo, Vice Presidents Beckwith, Dooley, Foley, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Drake, Fox, Kang, White and Yang, and Recording Secretary Lopes

The meeting convened at 8:55 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. The following persons addressed the Board concerning the items noted.

- A. Mr. William Gurtner, former Vice President for Clinical Services Development and current consultant to the Vice Chancellor at UC Irvine, speaking also on behalf of Mr. Jon Gilwee and Mr. Paul Takayama, spoke in support of the proposed affiliation between UC Irvine and Children's Hospital of Orange County. He commented that during this time of scarce resources, the affiliation would bring a regionalization of pediatric care to the Orange County Community. Because of the shortage in resources, subspecialty training is severely affected. He assured the Regents of support for the affiliation from numerous state and local elected officials.
- B. Ms. Amatullah Alaji-Sabrie, a representative of the Coalition of University Employees, explained that University employees come to the forum of Regents meetings to express their concerns over pension and wages. She suggested a reduction of University management wages.
- C. Mr. Khixaan Obioma-Sakhu, the statewide president of the Coalition of University Employees, spoke regarding the inflated wages of University

administrators. He advised that the Coalition will oppose benefit cuts to its members unless the cuts are offset by wage increases.

- D. Ms. Rita Evans, a librarian at UC Berkeley, spoke regarding her dissatisfaction with the treatment of libraries and librarians by the University. Developing collections, making the collective knowledge of mankind available and educating students, libraries are an integral part of the primary mission of great universities. Librarians at UC are paid less than the librarians at the California State University. Issues of retention and recruitment are critical.
- E. Ms. Eleanor Blume, a UC Berkeley student and member of Universities Allied for Essential Medicines, spoke regarding the commitment made by the University of California in 2007 when signing the Stanford “Nine Points to Consider in Licensing University Technology.” She read the key portions of those points.
- F. Mr. Charles Schwartz, Professor Emeritus, spoke regarding transparency. He noted that a budget item on current operations and state capital improvements mentioned a variety of funding sources. He questioned whether many of those funding sources should be categorized as restricted, and advised the Regents to use the funds as they saw fit.
- G. Ms. Minette Hull, a registered nurse from UC Irvine Medical Center, spoke regarding the pediatric intensive care population at the medical center. She expressed concern regarding the closure of the pediatric intensive care unit, leaving the most vulnerable patients in the county without necessary care.
- H. Ms. Beth Kean, a representative of the California Nurses Association, spoke in opposition to the closure of the UC Irvine pediatric intensive care unit, and in support of protecting the pensions of University employees. She opined that the plan to close the units in the middle of January, peak pediatric flu season, could create a public health crisis.
- I. Ms. Sharon Speck, a nurse at UC Irvine Medical Center in both the pediatric unit and the pediatric intensive care unit, emphasized that while her job is not threatened, it is her responsibility to advocate for her patients. She opined that UC Irvine is promoting the affiliation with Children’s Hospital of Orange County (CHOC) because of CHOC’s focus and dedication to pediatrics. UC Irvine will be compromising the care of the UC Irvine pediatric patients by caring for them in the adult intensive care unit.
- J. Mr. Hari Subramanian, speaking also on behalf of Ms. Terri Gallardo and Ms. Martha Nunn, spoke regarding the UC Irvine Medical Center affiliation with Children’s Hospital of Orange County. He asserted that the community has had no input regarding the proposed affiliation, and that the nursing schools of Orange County have written to UC Irvine warning of the detriment to nurses training in Orange County.

- K. Ms. Angie Carillo, a certified child life specialist at UC Irvine, related an incident with her grandson who had been admitted to Children's Hospital of Orange County the week before. The ten-day-old child waited five hours to be admitted, and was ultimately admitted to a room with a male teenager, contrary to applicable regulations, because of a lack of available space at CHOC. She expressed concern that with the current CHOC space constraints, the closure of UCI's pediatric unit does not bode well for pediatric patient care.
- L. Ms. Geri Jenkins, a registered nurse from the surgical intensive care trauma unit at UC San Diego and a representative of the California Nurses Association, cautioned that the completed UC San Diego and Children's Hospital of San Diego affiliation is not working. Pediatric patients are being shipped to a variety of facilities for care, putting them at great risk because of lack of continuity of care. The affiliation proposed with UC Irvine and Children's Hospital of Orange County will leave millions of southern California children to be cared for by only two facilities.
- M. Mr. Paul Brooks, a spectroscopist employed by UC Berkeley, expressed his concern regarding the management of the University of California Retirement Plan. He noted that from 1990 to 1999, the retirement plan made \$15 billion more than the California Public Employees Retirement System (CalPERS), but since 2000, the retirement plan has lost \$4 billion. He asserted that there should be no need for contributions from the employees or taxpayers.
- N. Ms. Tanya Smith, president of Local Patient Care Workers 9119, expressed concerns for the employees of the University and the people of California. She advised that the workers do not feel they are being treated fairly. She commented that redirection of the defined contribution pension funds into the University of California Retirement Plan fund is unfair, and the funds have been mismanaged.
- O. Dr. Murray Morgan, a former UC Davis employee, advised that corruption, cronyism and injustice ensue in the absence of freedom of speech. He welcomed President Yudof. With the election of President-elect Obama, his hope for justice from the University is renewed. He spoke of the repercussions of his arrest and imprisonment.
- P. Ms. Michelle Squitieri, an alumna of UC Berkeley and a union representative for lecturers and librarians, reiterated President Yudof's call for accountability and transparency. She expressed concern that President Yudof's salary is double that of his predecessor. She pointed out that libraries are essential to the mission of the University, and the need for librarians to be paid a competitive wage.
- Q. Mr. Adrian Drummond-Cole, alumnus of UC Santa Barbara, advised that terrorists had gained access to the site of special nuclear materials at Lawrence Livermore National Laboratory during a mock attack. He emphasized that there is an abundance of plutonium at the Livermore laboratory which could create

several hundred nuclear bombs. He highlighted the danger in consolidating hazardous materials.

- R. Mr. Kevin Rooney, a senior environmental health and safety technician at UC San Francisco and the University Professional and Technical Employees union chief negotiator for research and technical units, spoke regarding the responsibility for delays in finding cures to hundreds of diseases. He advised that researcher turnover is thirty percent per year because researchers leave to find better pay and benefits elsewhere. When a researcher leaves, it takes up to two years to train a replacement which wastes time and money.
- S. Mr. Victor Sanchez, a student at UC Santa Cruz and the undergraduate chair for the UC Student Association, spoke regarding the cost of education in the State of California. Student fees have increased 107 percent for undergraduates and 121 percent for graduate students since 2001. He observed that the students have carried the burden for the University's budget shortfall. He asked that there be no increase in student fees.
- T. Ms. Ahnika Kline, a medical and doctoral student at UCSF, pointed out that the cost of using the UCSF Mission Bay Community Center is prohibitive, in essence making it a private building on a public campus. She emphasized that the state and taxpayers must support the University, or the University will serve only the wealthy.
- U. Mr. Jason Ahmadi, an alumnus of UC Berkeley, spoke concerning the oak grove on the Berkeley campus. He also requested reduction of student fees.

2. **REMARKS OF THE CHAIRMAN OF THE BOARD**

Chairman Blum expressed his gratitude for the opportunity to be back at UC San Francisco. He discussed his appreciation and affection for Chancellor Bishop on the occasion of the Chancellor's upcoming retirement. He welcomed a new Regent, Hadi Makarechian, to the Board.

Chairman Blum briefly discussed the economies of both the state and the nation. He opined that the UC budget for 2009-10 may not improve, and indicated the need for a state tax increase. He noted that the University must seek ways to operate within the downward financial spiral.

Chairman Blum discussed a speech made by President Yudof at the Commonwealth Club which had presented an articulate vision for the University. He suggested that the Regents listen to a webcast of the speech, available on the website of the Commonwealth Club.

Chairman Blum stated that the University of California Retirement Plan, funded at 110 percent in July of 2007, is now below 80 percent funded. He observed that it is mandatory that contributions be restarted.

He pointed out that the voters showed their support for the University's health care mission by passing Proposition 3, which will provide needed funds for children's hospitals.

3. **REMARKS OF THE PRESIDENT OF THE UNIVERSITY**

President Yudof began by noting the devastating wild fires in southern California and announced that though they have not posed a direct threat to the University's campuses, the fires have had a direct impact on the members of the University community. Five members of the faculty at UC Santa Barbara lost their homes to the Montecito fire. He reported that the campus has actively worked with firefighters and other community resources.

President Yudof welcomed Dan Dooley as Interim Senior Vice President for External Relations. He advised that Mr. Dooley knows the State well, has all the skills necessary to be very successful as Interim Senior Vice President, and will continue in the position of Vice President for Natural Resources and Agriculture as well.

President Yudof reminded the Regents that in July, the Academic Senate presented a proposal for reforming freshman eligibility standards. Bringing an item for action to the Regents was delayed to allow a review of the latest California Postsecondary Education Commission data. In the intervening period, under the guidance of Regent Island, several briefings have occurred to explore the effects of the proposal. He indicated that the proposal will be before the Board for a vote in early 2009. While initially concerned about the proposal, he now supports the proposal and believes the reform will produce a freshman class just as qualified as in the past using traditional indicators of achievement and which is prepared to meet the rigors of a University of California education and the workforce needs of California.

President Yudof indicated that the proposal increases opportunity for high school students by expanding the number of applications to be reviewed by the UC campuses. The comprehensive review process will send a message to California high school students that if they complete a reasonable course of preparation for college and do well, their qualifications will be thoroughly evaluated by the University of California pursuant to a policy which looks to the whole student and his or her life experience. He believed that new process will be perceived as less mechanical and more just by students and parents. The proposal also eliminates the requirement for the SAT subject tests, a requirement rarely required by universities around the country, which excludes from consideration some otherwise high-achieving students.

President Yudof expressed the hope that the proposal will expand opportunity for traditionally underrepresented groups, though specific outcomes are difficult to predict. The campuses will use processes that comport with Proposition 209. President Yudof recommended that the Regents approve the faculty proposal, with an amendment to require a minimum weighted grade point average of 3.0, instead of an unweighted 2.8 grade point average, as originally proposed by the faculty. This recommended

amendment balances the different concerns very well, though there remains some concern regarding the lack of access to honors courses for some high school students. Though the Academic Senate proposal moves the admission guarantee from 12.5 percent of the statewide public high school graduating class to 10 percent, the number of students who will be considered for admission will be greatly expanded. President Yudof advised that the University needs to consult with Master Plan partners, the California State University, the community colleges and the State Superintendent of Public Instruction, regarding the proposal.

One-third of University of California graduates, he noted, began their college careers in the community colleges. The framers of the Master Plan saw a robust transfer function as key to both access and affordability for students. He stated that one of his highest priorities is to improve the transfer rates. President Yudof advised that he is in consultation with chancellors and others and will be making recommendations to the Regents to improve transfer rates.

President Yudof acknowledged that the budget is the dominant item on the agenda. He asked Interim Provost Grey and three chancellors to elucidate how the budget cuts will affect their campuses. The Regents must have a clear understanding of the impact of budget cuts on the academic program, student services and the quality of the University. He reiterated that the situation is serious, and difficult choices regarding enrollment and student fees lie ahead. Decisions must be made expeditiously to allow the students, their families and the campuses to prepare. Access and affordability need to be preserved while providing the highest quality of education. He observed, however, that the University cannot do more with fewer resources. California's per-student funding, adjusted for inflation and enrollment growth, has fallen 40 percent since 1990.

President Yudof advised that, just as he engaged in comprehensive budget reviews with each vice president, he is beginning the same process with each chancellor to review the overall budgetary plan for their campuses. He will report to the Regents the results of these meetings.

President Yudof concluded his remarks by noting that considerable effort is being made in Sacramento, and across the state, to advocate for investment in public higher education. California has been under-investing in human capital development, utilizing investments made 30 to 40 years ago. The model of higher education established by the University of California, and adopted worldwide, is fraying in California because of the under-investment in K-12 and higher education. Investment in human capital will restore a bright future to the state. He pointed out that this message must be brought to the people of California.

4. **REMARKS OF THE CHAIR OF THE ACADEMIC SENATE**

Faculty Representative Croughan observed that the University is facing difficult decisions. She pointed out that, as creative solutions are examined to address the fiscal crisis, the solutions should address the highest priorities. The Academic Senate's top

priorities are the faculty salary plan, graduate student support, and a healthy retirement program. The Academic Senate appreciates the increase in support for graduate students in the 2008-09 budget.

Professor Croughan expressed concern that though the Academic Senate, the Regents and the President have stated that faculty salaries are a top priority, the faculty and staff salary plans are not being implemented, dropping the University of California faculty salaries further behind comparator institutions. Faculty Representative Croughan respectfully asked that those members of the University who are receiving salary increases or bonuses this year forego their increases, thereby showing support and sharing the burden with their less fortunate UC colleagues.

Professor Croughan expressed gratitude on behalf of the Academic Senate for the support received for the freshman eligibility reform proposal. She offered to respond to any unanswered questions regarding the proposal. Ms. Croughan assured the Regents that the Academic Senate looks forward to the Regents taking action on the proposal at their next meeting, and to working with the Regents to address difficult issues while ensuring the maintenance of the highest standards and integrity of the University's core missions of research, teaching and service.

The meeting adjourned at 10:15 a.m.

Attest:

Secretary and Chief of Staff