

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

February 5, 2009

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

Present: Regents Blum, De La Peña, Gould, Hopkinson, Island, Johnson, Kozberg, Lozano, Makarechian, Marcus, O’Connell, Pattiz, Reiss, Ruiz, Schilling, Scorza, Shewmake, Varner, Wachter, and Yudof

In attendance: Regents-designate Bernal and Stovitz, Faculty Representatives Croughan and Powell, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Executive Vice Presidents Darling and Lapp, Vice Presidents Broome, Dooley, Foley, Lenz, and Sakaki, Chancellors Block, Blumenthal, Fox, Kang, Vanderhoef, White, and Yang, Recording Secretary Johns

The meeting convened at 9:20 a.m. with Chairman Blum presiding.

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.

1. Mr. Steven Stormoen, a UC alumnus and son of a UC staff member, criticized what he deemed the privatization and declining quality of education at the University and stated that the Regents were not fulfilling their fiduciary responsibilities. He urged the University to be more aggressive in pursuing State and federal funding.
2. Ms. Molley Fluet, a UC Davis student, expressed concern about student fee increases and insufficient funding for the University and advocated a salary reduction for the Regents. Chairman Blum explained that the Regents serve on the Board of Regents without compensation.
3. Mr. Paul Harms, student body treasurer at UC Davis, pointed out that student fees are increasing by more than 9.3 percent as more campus-based fees are passed on to students. He urged the Regents to approve the Blue and Gold Opportunity Plan, a new financial aid initiative, and to show a greater commitment to keeping fees low.
4. Ms. Christina Oatfield, a UC Berkeley student, asked the Regents to consider a responsible investment policy for the University’s systemwide endowment. She reported that she and other students have developed such a policy for the UC Berkeley endowment.

5. Ms. Leticia Avila, a UC Berkeley student, asked the Regents to adopt socially responsible investment criteria to ensure that the University will never be associated with corporate wrongdoing. She stated that such criteria would provide long-term societal benefits and not jeopardize the return on the University's endowment. She cited the example of a permanent advisory committee on investments at Columbia University which includes faculty, students, and alumni.
6. Ms. Christina David, a UC Berkeley student, advocated socially responsible investment policies for the University. She reported that in 2005, Dartmouth College's socially responsible investment portfolio outperformed its total investment portfolio by ten percent. She suggested that the creation of a social choice fund would encourage younger alumni to donate to their school.
7. Mr. David Corson-Knowles discussed financial management transparency and stated that the University should publish an annual report, detailing its votes in all social issue proxy voting. Without such disclosure, students, faculty, alumni, and the public can only assume that no action is being taken on sustainability and non-discrimination policies at the companies in which the University invests.
8. Ms. Rachel Horn, a UC Berkeley student, stated that socially responsible investing was important to the financial health of the University. She reported that the Haas Socially Responsible Investment Fund at UCB has been outperforming the market average since its inception. She expressed student concerns about strong returns on UC investments as well as about reputational risk for the institution.
9. Ms. Whitney Ramos, a UC Berkeley student, noted that the University's current guidelines for proxy voting were well developed regarding corporate governance and compensation issues; the category of social issues should be expanded and developed as thoughtfully as these first two. The social issues policy should reflect UC's values and its fundamental missions of education, research, and public service. She urged the University to make use of its proxy voting rights to extend its leadership and vision to the companies it invests in.
10. Mr. Matthew Blair, a UC Davis student, urged the Regents to approve the Blue and Gold Opportunity Plan. He emphasized the difficult financial situation faced by many students and noted that the State has made significant cuts to Cal Grant awards. Approval of the Plan would help those students who most need assistance and would reflect well on the University.
11. Ms. Homaira Hosseini, a UCLA student, suggested that there be a question-and-answer session for students and Regents. This would give students an opportunity to discuss issues with the Regents, rather than only addressing them, as during the public comment period.

12. Mr. Alexander Lenc, a UC Berkeley student, discussed the value of community investment by the University. As an example he noted that some universities, located in neighborhoods where crime and poverty have resulted in high safety and security costs, have found it cost-effective to invest in modest but socially responsible projects such as community land trusts.
13. Ms. Patricia Pelfrey, a representative of the UC Office of the President and Regents Retirees' Association, urged the Regents to approve the reinstatement of contributions to the UC Retirement Plan. She emphasized the importance of a stable and fiscally sound retirement plan and expressed confidence that outstanding governance and management issues would be discussed and resolved.
14. Ms. Cynthia Servetnick, director of Save the Laguna Street Campus, urged protection of this site, the former UC Berkeley Extension campus in San Francisco. She reported that since 2003, when the University decided to ground lease the site to a developer for construction of housing units, the developer has defaulted on a \$26 million construction loan. She advocated use of the site as a clean technology job training and conference center, and submitted a letter and informational materials.
15. Ms. Janine Carmona, a UC alumna and representative of Tri-Valley Communities Against a Radioactive Environment, an organization which monitors Lawrence Livermore National Laboratory (LLNL) and its effects on the health and safety of the Livermore community, noted that the Environmental Protection Agency has announced penalties for the Department of Energy due to LLNL's failure to operate groundwater and soil vapor treatment facilities. This oversight has resulted in a larger volume of contaminated groundwater beneath the city of Livermore. Ms. Carmona urged the Regents to take responsibility for the necessary clean-up.
16. Mr. Tinbete Ermyas, a representative of the Greenlining Institute, expressed concern that limits on enrollment would have a disproportionate impact on students of color. He expressed the hope that the University could lower fees and increase the number of students. He stated that the Greenlining Institute would be publishing a report on the Regents.
17. Mr. Jason Ahmadi praised Regent Garamendi for his stand against plutonium pit production. He expressed appreciation for the Blue and Gold Opportunity Plan. He stated that the University should receive more public input and do more to lobby the State government for student support.

Chairman Blum observed that the reason for the many cuts now being experienced at the University was that the State has not funded its commitment to the University by over \$200 million. He stated that President Yudof has made cuts worth tens of millions of dollars while sustaining the academic mission of the University.

The meeting adjourned at 9:50 a.m.

Attest:

Secretary and Chief of Staff