

The Regents of the University of California

COMMITTEE ON FINANCE

January 19, 2011

The Committee on Finance met on the above date at Price Center, San Diego campus.

Members present: Regents Blum, Cheng, DeFreece, Island, Lozano, Makarechian, Schilling, and Varner; Ex officio members Gould and Yudof; Advisory members Mireles, Pelliccioni, and Simmons; Staff Advisors Herbert and Martinez

In attendance: Regents De La Peña, Hime, Johnson, Kieffer, Lansing, Marcus, Newsom, Pattiz, Ruiz, Torlakson, and Zettel, Regent-designate Hallett, Faculty Representative Anderson, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice Presidents Brostrom and Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary Johns

The meeting convened at 11:30 a.m. with Committee Chair Lozano presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of November 17-18 and the joint meeting of the Committees on Finance and Compensation of November 18, 2010 were approved.

2. UPDATE ON THE PROPOSED 2010-11 MID-YEAR BUDGET RECOMMENDATIONS AND 2011-12 BUDGET

Committee Chair Lozano expressed her view that a budget is a financial articulation of values, reflecting priorities and the measures taken to fund priorities. She recalled the significant reductions the University absorbed over the previous two years. Due to the anticipated reduction in the current year, for the first time, the State contribution to UC would be less than revenue from student fees. The University was faced with difficult choices. The Regents wished to maintain access, affordability, and quality at UC. She asked the Regents to consider the current issues in the context of a longer-term budget cycle, beyond a single year, in order to address structural problems. She observed that few short-term measures were practicable at this time.

Vice President Lenz began his presentation by observing that the State budget shortfall of \$25.4 billion had grown by an additional \$1 billion due to the Governor's January budget assumption of rebuilding the budget reserve by that amount. The Governor's proposed budget solutions include \$12.5 billion in expenditure reductions, an assumption of

\$12 billion in additional revenue, and about \$1.9 billion in fund transfers to address the \$26.4 billion budget gap.

The proposed budget includes dramatic changes to funding for some State agencies. The largest proposed cut, to the Health and Human Services Agency, was 21.5 percent. Mr. Lenz emphasized that this figure indicates a year-to-year change. While the proposed reduction for the K-12 system was only 0.4 percent, funding reductions for K-12 have been significant over a period of several years. An increase in funding for the Business, Transportation and Housing Agency reflected voter approval of Proposition 22.

Expressed in dollar amounts, some of the major 2011-12 proposed State budget reductions were a \$1.7 billion reduction to the Medi-Cal program, a \$1.5 billion cut to the Welfare-to-Work program, and a combined reduction of \$1 billion to UC and the California State University (CSU). A \$750 million cut was proposed for the Department of Developmental Services. There were anticipated savings of \$580 million due to reductions in State operations and changes in compensation for State employees who do not have collective bargaining agreements. A proposed reduction of \$400 million to the California Community Colleges was accompanied by a proposed \$10 per unit student fee increase.

Mr. Lenz observed that there may be a perception by some individuals that, because the University fared relatively well in the 2010-11 State budget, it should be able to absorb the magnitude of the reduction proposed in 2011-12. He presented a chart showing the levels of the State's General Fund investment in various State programs over a 20-year period. During this period, funding for the Department of Corrections and Rehabilitation increased by 244 percent, while funding for the K-12 system increased by 154 percent. Higher education funding increased by only 68 percent; the University's share of this funding was an 18 percent increase. By contrast, funding for the Health and Human Services Agency increased by 58 percent during the same period.

In order to determine whether the University can absorb the proposed reduction, one must consider this past history of State investment. From a highpoint of \$3.2 billion in State investment in UC in 2007-08, the reduction to the level being proposed for 2011-12 would be \$733 million, or more than 20 percent of the State General Fund budget allocated for UC.

The Governor's administration is also considering a realignment of \$10 billion in services. This would include a \$5.9 billion transfer of programs from the State to the County level, funded by maintaining a one percent sales tax and 0.5 percent vehicle license fee.

Other revenue proposals include an extension of current tax rates for five years, subject to voter approval, a change in methodology for corporate taxes, and the elimination of tax benefits for enterprise zones. If voters do not approve this additional revenue, the State may be faced with annual budget deficits of approximately \$20 billion.

The Governor has requested a budget framework by March 1. Full State Senate and Assembly budget committee hearings have already begun. On February 7, the leaders of the three California higher education segments would appear before the Assembly budget committee to discuss the impact of proposed budget reductions on their systems. An accelerated timeline for the State budget process reflects an effort to have the budget subcommittees conclude their deliberations by mid-February, followed by a conference committee to resolve the differences in approach of the two Houses and the adoption of budget trailer bills, statutory vehicles necessary to implement changes called for in the Governor's budget proposal. Mr. Lenz anticipated that the budget itself would not be adopted by March 1.

The 2011-12 proposed budget for UC includes a restoration of \$106 million in State funds, which had been replaced by one-time federal American Recovery and Reinvestment Act (ARRA) funds. The University would receive an additional \$7.1 million for annuitant health benefits, but would not receive any funding for the State's General Fund obligation to the UC Retirement Plan (UCRP). By contrast, the State would provide CSU with \$75 million for its retirement plan. The University would receive an undesignated reduction of \$500 million, leaving a net impact of \$494.6 million.

The present moment was an unfortunate historical turning point, when State General Fund investment in the University amounted to less than student fee revenue. Mr. Lenz presented a chart which displayed expenditures per student by funding source over a 20-year period. Since 1990-91, State funding per UC student has decreased by 57 percent.

The current State funding level for UC is equivalent to that of 1998-99; however, the University's programs have expanded significantly since that time. UC enrollment has increased by 73,000 students; a new campus has been opened; UC has begun new programs to increase the number of doctors, nurses, and science and math teachers to meet California's workforce needs; and there has been a growth in State priorities in research and public service, reflected at the University by the California Institutes for Science and Innovation (Cal-ISIs) and UC outreach programs. The University has also experienced significant inflation and cost increases since 1998-99. Faculty salaries at competitor institutions have risen by more than 49 percent; health benefit costs have risen by 250 percent; UCRP employer contributions have risen to seven percent of payroll; and the costs of instructional equipment, library materials, and utilities have risen.

Mr. Lenz presented a list of items equivalent to the proposed \$500 million reduction in State funding: a 16.4 percent reduction in State support from 2010-11; the total State support for the Los Angeles campus; the combined State support for the San Francisco, Santa Barbara, and Santa Cruz campuses; one-third of core-funded academic salaries; nearly half of UC financial aid; nearly 80 percent of student services funding; supplemental tuition from 22,000 additional nonresident students; or cost avoidance by reducing the enrollment of California resident students by 50,000.

Mr. Lenz then considered smaller increments of the proposed reduction. The University could save \$100 million by laying off 1,000 employees; deferring 775 faculty hires indefinitely; reducing UC fee-funded financial aid by 12 percent; reducing enrollment by 10,000 California residents; replacing 4,400 California resident students with nonresidents; eliminating research and public service earmarks and augmentations, including UC outreach programs; increasing student fees by an additional 6.25 percent, adjusted for financial aid; or by restructuring debt service on a one-time basis.

Executive Vice President Brostrom discussed the Working Smarter initiative, which includes efforts at the campus, regional, and systemwide levels to redirect \$500 million in administrative savings to the academic enterprise. He anticipated that the University would realize significant savings in the coming year. As one example, the University now requires that campuses place at least 20 percent of their short-term assets in the Total Return Investment Pool (TRIP). The TRIP has outperformed the Short Term Investment Pool by five percent since its inception. Most Working Smarter efforts are focused on the long term. The payroll system replacement project is expected to produce savings in two years. The broader vision of a common administrative framework for all UC campuses may be six, seven, or eight years away. The University has developed a communications strategy to maintain the momentum of the Working Smarter initiative. A steering committee including UCR Chancellor White, UCI Executive Vice Chancellor Gottfredson, and UCSF Senior Vice Chancellor Plotts will help drive this effort, both in its day-to-day aspects and in its focus on long-term phasing for the common administrative framework.

Mr. Lenz continued his presentation with a discussion of enrollment funding. He noted that UC has about 16,500 students enrolled for whom it receives no State funding. In the current-year State budget, the University received \$51.3 million to fund about 5,000 students. This issue has not been addressed in the Governor's budget proposal. This is a critical matter at a time when there are more UC-eligible high school graduates than ever before and more UC-eligible high school graduates from underrepresented groups than ever before. Mr. Lenz recalled that the Regents had approved the first year of a four-year plan which would reduce enrollment to State-funded levels. However, with a possible \$500 million reduction in State funding, it is not clear what that funded level might be.

Mr. Lenz briefly reviewed the 2010-11 UC budget costs and how those costs were met. At the November 2010 meeting, the University's budget analysis included a scenario under which State funding remained at the status quo. Under this scenario, the campuses would have to absorb \$237 million in reductions in the current year and a shortfall of about \$335 million in 2011-12. In spite of some adjustments based on the Governor's January budget proposal and the availability of \$115 million in student fee revenue as a result of the 2011-12 fee increase, the University still faces \$237 million in reductions for the current year, and the shortfall for 2011-12 has grown to almost \$700 million.

In its capital budget request to the State, the University sought \$786.6 million for seismic and life-safety improvements, infrastructure, and building renewal. Among program

needs, the most pressing is the need for an academic building at UC Merced. The Governor's proposal consists of \$54.6 million to complete existing capital projects and to fund the Business Unit II building at UC Irvine. The University would continue its discussions with the California Department of Finance and, with CSU, work to pursue additional funding for capital facilities. Mr. Lenz recalled that the previous year at this time there had been no State funding for capital projects; at the end of the budget process, the University succeeded in securing \$353 million in funding. He observed that there is an economic benefit to the State in pursuing capital construction projects at a time when the construction industry is experiencing greater than 12 percent unemployment.

Mr. Lenz outlined overall budget issues of importance to the University. The protection of the K-12 system and higher education would depend to some degree on the success of the Governor's tax extension initiative. Advocacy efforts and negotiations in Sacramento would be essential and would have to occur within a shorter time frame. He emphasized the importance of developing a long-term plan for UC's fiscal stability, a plan that would recognize that the State might not provide funding in future years for certain needs. The University would seek to reduce administration and address the increasing cost of instruction. The Regents would have to consider enrollment, student fees, and financial aid. Other issues of concern are UCRP contributions, other mandatory costs, and State-funded capital facilities projects.

The campuses, the Office of the President, and the Division of Agriculture and Natural Resources have been asked by the President to identify specific solutions to address a \$500 million budget reduction. All programs and activities would be subject to review. Mr. Lenz emphasized that this decision-making process would be challenging but that the University would be guided by its key principles: the preservation of its core mission, a balance among access, affordability, and quality, and maintaining its status as a public institution. While the University plans to submit a comprehensive proposal to the Regents at the March meeting, it recognizes that the State budget process is a long one. Mr. Lenz anticipated that important developments might occur in budget deliberations between March and the completion of the budget, possibly in June. A number of conditions for the UC budget depend on the passage of the Governor's tax extension initiative on the June ballot. Given the uncertain outcome of the budget process, Mr. Lenz urged the University to keep its options open and to remain flexible in developing a comprehensive response to reductions in State funding.

Regent Varner stated that there was a need to focus on the economic impact of the University, apart from its contribution through education and research. Legislators must be made aware of the economic return California receives from its investment in the University, including taxes paid by UC employees and UC purchasing in its communities. The University could do a better job of educating legislators about this contribution. Mr. Brostrom responded that the University has commissioned a new report examining the economic impact of UC. A report of this kind was produced in 2003, but it is now outdated. Many UC enterprises have grown since that time, especially federal contracts and grants and the medical centers. Mr. Brostrom anticipated that the University would be able to make use of this new report in its lobbying efforts.

Regent Island asked that the Regents be presented with options and alternatives, among which they could choose, to address the budget shortfall. He requested that the University's analysis include data on the option of maintaining enrollment at currently approved levels and the option of maintaining enrollment at currently approved levels with no increase in student fees for the next several years. He asked that the Board be provided alternatives and an analysis of the consequences of those options. Mr. Lenz responded that such a menu of options would be the best approach.

Regent Makarechian requested a list of actions students, faculty, and other concerned citizens could take to persuade the new Governor to not make the significant reductions to the University that have been proposed. He decried the increases in State spending on the prison system and the cuts to the University, on which California and the nation depend.

Regent-designate Mireles asked about the specific reductions each campus and the Office of the President would have to make. Mr. Lenz responded that the University was now working to determine those amounts.

Regent-designate Mireles asked that students be made aware of the specific reductions being made at their campuses when these figures become available. While the amount of a systemwide reduction might not be meaningful to many students, knowledge of the local problem on their own campuses might galvanize students to work with faculty and administrators toward a solution.

Regent Torlakson emphasized the need to build a coalition across the education communities in California. Underfunding at the K-12 level leads to hundreds of millions of dollars in costs for remedial education at UC and CSU. Regent Torlakson echoed Regent Varner's concern about the economic development impact of cuts to education. The education coalition would need to make its voice heard in the California debate on priorities. He noted that, as State Superintendent of Public Instruction, he has declared a state of financial emergency for California K-12 schools. Eighteen billion dollars have been cut from K-12 education in the last three State budgets, which has resulted in fewer teachers, a shorter school year, and crowded classrooms. The Governor's current proposed budget does not spare the K-12 system. It includes a deferral of \$1.7 billion which was to be paid back for the current fiscal year as well as an additional \$2 billion in deferrals, or about a \$4 billion reduction to be absorbed this year. Some school districts may be able to borrow money to bridge these deferrals, others may not. Deferrals for K-12 now total \$9 billion, and there are about \$11 billion in maintenance factor funds due to K-12 as well. Regent Torlakson stressed the importance of sending an effective message to voters, including information about improved efficiency and efforts to save money in California schools and universities. He expressed the hope that partnerships between the K-12 system and the universities would produce positive results.

Regent Ruiz expressed disappointment that, in his opinion, the Governor was positioning UC as a pawn in the State budget process. He stated that the Regents should assume that

UC would not receive the \$500 million, in order to proceed realistically with reductions that would be necessary and to keep faculty, students, and staff informed about the real risks involved. Affordability, access, and quality would all be affected by a \$500 million budget reduction. The citizens of California must know about this situation and prepare for it. Regent Ruiz stated that the University would survive the current fiscal environment but anticipated that it would be weakened.

Regent Hime expressed dismay about the effect on the news media and on public perception of threats made by 36 high-paid executives to sue UC on pension issues. The University is a huge economic engine in the state, but not a priority for voters, and has not effectively communicated its message. Regent Hime observed that almost \$5 billion in taxes could be collected annually in California through taxes on internet sales. This would provide significant funding for education. The Regents must seek alternative solutions to prevent the weakening or crippling of the UC system.

Regent Newsom underscored the need to fight for funding for UC and to hold the Governor and Legislature accountable. He asked if the University has a formal portal for faculty, students, and others to submit ideas directly on savings and reforms; if there is, he asked how it is managed and if it has achieved any real outcomes. Mr. Brostrom responded that there have been such vehicles for comment. One was the year-long work just completed by the UC Commission on the Future, which had an open portal for students, faculty, staff, and the general public to submit comments. The University received about 1,000 submissions. The Working Smarter initiative has a portal for submissions; many effective ideas have come from campus staff. Among other measures, the University is considering the elimination of certain reports to the Legislature which have become outdated.

Regent Newsom emphasized that these avenues for submissions by University stakeholders must be robust, targeted, and demonstrate early successes in order to be taken seriously and to function effectively. He offered to share best practices in this and other areas from his experience as Mayor of San Francisco.

Regent Blum expressed his belief that the University had not been singled out by the Governor for a budget reduction, and that the Governor wished to avoid proposing a budget which could not be realized. The State has been an unreliable partner for many years. Rather than finding fault with one or another Governor, the State, or the federal government, the Regents should seek another way of funding the University that would substantially reduce its dependence on the State. He cautioned that the University would lose its quality if it could not offer competitive faculty salaries.

Regent Cheng emphasized the importance of student consultation on the campuses in discussions of budget reductions and efficiencies. He asked that the Regents receive a framework of budget options without student fee increases and without reduced enrollment. While it may be fiscally prudent to consider increasing fees and reducing enrollment, he asked for scenarios under which these options would not be considered.

Regent Pattiz stated that the University should assume that the proposed reductions in State funding would be made. He stressed that the Regents could not delay decisive action. The University must make it clear to the Legislature and the Governor that UC is an essential resource to California, particularly with its medical centers, its management of the National Laboratories, and its research. The University would have to make sacrifices to maintain itself.

Chairman Gould stated that the time had come for the University to address core issues and to make decisions on what to sustain and what to abandon. He suggested that UC should consider how to reduce expenditures by \$1 billion rather than only \$500 million. He asked that campuses develop plans for permanent changes to their funding level and manner of operation. He observed that the Governor's budget process was moving quickly. The University should make clear to California voters and legislators the implications of additional reductions to UC. Strong public advocacy was required, with a focus not only on the measures taken by the University to reduce its expenses, but on how reductions to the University would affect the future of California. Chairman Gould cautioned that there would be a fierce competition for resources in Sacramento this year; the University needed to be well prepared.

Regent Marcus urged the University to rely more on its alumni than on the State. He cited the example of fundraising by private universities. The University needed to be better organized in alumni fundraising and to state its case more effectively.

Committee Chair Lozano expressed agreement with Chairman Gould that the University needed to prepare for a fierce competition for resources in Sacramento. There was a need to understand contingencies; reductions might total more than \$500 million. It was up to the University to demand that it be a priority for the State.

3. **UPDATE ON EXTERNAL COMMUNICATIONS AND ADVOCACY**

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

Senior Vice President Dooley recalled that the External Relations division had taken its current form at the Office of the President two years previously and had been fully staffed 18 months ago.

Mr. Dooley began his presentation by discussing the importance of personal advocacy. In the current fiscal climate, it was critical to maintain and cultivate relationships with individuals in the State government. Visits by key UC administrators to Sacramento reinforce the messages about the University that legislators receive from their constituents.

March 1 would be UC Day in Sacramento. One of the events planned for that day would be the public presentation of plans developed by the campuses and the Office of the President to respond to reductions in State funding and UC plans for the next four to five

years. The University would also communicate its needs to the Governor and Legislature. UC Day is co-sponsored by the Alumni Associations of UC.

On April 5, the University would participate in the second annual higher education joint advocacy day in Sacramento. Mr. Dooley noted that this had been an effective event the previous year, including representatives from UC, the California State University, and the California Community Colleges. Regents, administrators, chancellors, students, faculty, and alumni communicated a comprehensive and diverse message about higher education. UC publications distributed to legislators were effective.

The Office of State Governmental Relations coordinates these and other events throughout the year. Many different UC stakeholder groups visit Sacramento; individual campuses have advocacy days as well. The University seeks to engage the support of its allies, such as the Silicon Valley Leadership Group and the California Healthcare Institute. The Alumni Affairs office at the Office of the President has been restructured; it is now the Alumni and Constituent Affairs office. Its purpose is not only to carry on traditional alumni activities, but to engage allied organizations to support the University's messages at the State and federal levels. Mr. Dooley expressed his conviction regarding the importance of third-party advocates for the University.

Campuses have an important role to play in advocacy. They communicate with their local legislative delegates and are strategic in their approach. The Cal Aggie Alumni Association at UC Davis has created an advocacy committee made up of alumni who live in and around Sacramento. Both at the campuses and systemwide, the University is seeking to deepen its relationships with its most active advocates. In addition, chancellors, alumni, and business leaders are active on the University's behalf at the federal level.

Mr. Dooley discussed the active and growing role of e-advocacy. The previous year more than 40,000 email messages were sent to legislators in Sacramento by UC e-advocates. The External Relations division helped to develop these messages. He stated that these messages were having an effect and helping, in a modest way, to increase the relative priority of higher education in Sacramento.

These online activities are enhanced by campus-based activities. The Los Angeles campus has launched the IOUCLA website, which includes video testimonials by graduates about the value of their UCLA education. At UC Riverside the previous spring, Chancellor White distributed postcards at all commencement ceremonies, encouraging attendees to send them to Sacramento in support of UCR. At UC Irvine, Chancellor Drake and the Associated Students have held two candidate write-in events, where students write to elected officials and candidates, urging their support for higher education. UC Santa Cruz Chancellor Blumenthal and twenty Silicon Valley CEOs jointly wrote to the Governor and the Legislature, urging support for higher education.

Public outreach is challenging for the University, due to the size of the state and the cost of media access. UC has targeted communications strategies for educating the general

public about the value of UC. Included in its message will be an update of the 2003 report mentioned in the previous discussion by Executive Vice President Brostrom, an analysis of the University's economic impact on California. The scope of the new report will be expanded, with district-specific information for State Assembly members.

In the fall, External Relations launched a series of visits by President Yudof to communities around the state to convey the message that UC remains an accessible and affordable institution committed to its public mission and to highlight UC's direct impact on the economy. President Yudof has visited local high schools and attended assemblies with students, parents, dignitaries, and community leaders. These events have been effective in communicating with potential students about the opportunity to attend UC. The University will continue to organize these kinds of events around the state. There is significant local media attention when President Yudof visits high schools.

Mr. Dooley recalled that a freshman volunteer day at UCLA received national media attention and he suggested that the University, systemwide and at the campuses, should continue to organize community service activities, which publicly demonstrate UC's benefit to the community.

The University has devoted considerable work to revising its internet and social networking media presence. There has been substantial growth in the numbers of followers of UC news feeds on Facebook and Twitter. The Santa Barbara and Santa Cruz campuses have taken a new approach to their internet presence during the past year. UC Berkeley has initiated a blog site with faculty expert submissions. A recent posting by professor of public policy Michael O'Hare received 80,000 visits, more than any story ever published by the UC Berkeley Office of Public Affairs. The UC San Diego and UC Santa Cruz alumni associations have developed iPhone applications to facilitate alumni communication.

The University has been adapting its communications strategy in the context of a dramatically changing media landscape. Mr. Dooley presented examples from a series of advertisements developed by UC San Diego to increase awareness of its 50th anniversary. In order to raise its public profile, UC Riverside engaged in a series of activities including advertisements in the *New York Times*, *Washington Post*, and *Chronicle of Higher Education*. There has been significant advertising to publicize revisions to the Blue and Gold Opportunity Plan.

The University acts in advance to frame important issues, including in its own internal communications, where there has been robust communication about issues concerning post-employment benefits. There have regularly been press briefings in advance of Regents meetings to discuss issues of significance to be considered by the Board. A press briefing before the May 2010 meeting focused on UC's new efficiency initiatives; an article was published in the *Wall Street Journal* and provided a context for subsequent media coverage of this topic. President Yudof's recent "Open Letter to California" regarding State budget circumstances was posted on the University's website and has been viewed by more than 75,000 readers.

With the assistance of external professionals, the University has been reconsidering its imagery, internet presence, and brand. It is developing language, templates, and images based on public opinion research and message testing with focus groups throughout the state. Mr. Dooley presented some examples of new graphic design for the University and the redesigned, more interactive admissions website. Since October 1, 2010, when the latest admissions cycle began, the new website has received 2.5 million visits. Nine pages in the admissions website are nine of the ten most visited pages in UC websites. Development of a contemporary, more interactive internet presence will better engage viewers to participate and learn more about UC.

Mr. Dooley concluded that all the approaches discussed in his presentation were necessary to communicate the University's message and that they must be coordinated and managed in an integrated fashion. External Relations would take an aggressive position to communicate the value of UC to the Legislature and would work with the Legislature and the Governor on long-term solutions that would provide reliability and stability in the University's relationship with the State, unlike the earlier Compact with the Governor. The University would rely on its advocates and friends to ensure that such an agreement was honored.

Committee Chair Lozano asked that the Regents be provided with key advocacy messages. Mr. Dooley responded that he would be able to do this.

Regent Hime praised this effort and the multiplicity of projects under way. He expressed his opinion that for most organizations or major businesses, any one of the several initiatives discussed in the presentation would be a major project requiring a year of work.

Regent Blum observed that UCSF has advertised effectively in its community, on local television. He suggested that other campuses could advertise in local television markets to remind the public why UC matters. He recalled his own offer to match the contributions of an entire graduating class at UC Berkeley, up to a certain amount. This is a tool that could be used at other campuses. He suggested that the University could do more to engage its alumni. Mr. Dooley responded that the University has increased its engagement with the alumni associations on the campuses, in particular to increase their involvement in advocacy efforts. The task of fundraising from alumni has generally been left to the campuses. The University relies on the networks of the alumni associations to expand its advocacy efforts and will continue to foster strong relationships with alumni groups.

Regent Marcus urged the University to undertake a "Save UC" campaign, and asked Regents Hime and DeFreece to assist in this effort. He offered to make the first contribution to a "Save UC" fund.

Regent Pattiz praised the volume and quality of the work discussed in the presentation. He suggested that the University could aggregate its current audience from all locations and leverage that combined audience for sale or for trade with media outlets for UC

advertising. He expressed interest in information on how much the University spends on advertising, campus by campus and at the Office of the President, so that the University can maximize that amount.

4. **REPORT OF NEW LITIGATION**

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

General Counsel Robinson presented his **Report of New Litigation**, shown in Attachment 1. By this reference the report is made part of the official record of the meeting.

The meeting adjourned at 1:00 p.m.

Attest:

Secretary and Chief of Staff

NEW LITIGATION AND ARBITRATION PROCEEDINGS*Report Period: 10/9/10 – 12/1/10**Regents Meeting**January 2011*

<u>Plaintiff</u>	<u>Location</u>	<u>Nature of Dispute Alleged by Plaintiff</u>	<u>Forum</u>
<u>Employment Cases</u>			
Antoine, Jill, M.D.	UCSF	Discrimination, wrongful termination in violation of public policy	San Francisco County Superior Court
Doe, Jane	UCLA	Sexual harassment, wrongful termination	Los Angeles County Superior Court
Gheorghe, Florica	UCIMC	Wrongful termination	Orange County Superior Court
Jaffa, Wendy Nishikawa	UCLA	Discrimination, retaliation	Los Angeles County Superior Court
Peterson, Marilyn	UCDMC	Violation of due process rights, harassment, retaliation	Sacramento County Superior Court
Plata, Pablo Arellano	UCIMC	Discrimination	Orange County Superior Court
Rinkovsky, Charles	UCI	Discrimination, retaliation	Orange County Superior Court
Smith, Yvonne	UCDMC	Wrongful termination, retaliation	Sacramento County Superior Court
<u>Professional Liability Cases</u>			
Agarunov, Olga	UCLAMC	Medical malpractice	Los Angeles County Superior Court
Bornyek, George	UCSDMC	Medical malpractice	San Diego County Superior Court
Gerard, Andrew L.	UCLAMC	Medical malpractice	Los Angeles County Superior Court
Goldberg, Franklin (decedent); Juana Goldberg	UCSFMC	Medical malpractice	San Francisco County Superior Court

Hernandez, Makayla	UCSD	Medical malpractice	Madera County Superior Court
Houston, Doris (decedent)	UCLAMC	Medical malpractice, wrongful death	Los Angeles County Superior Court
Interian, Ermilo	UCSFMC	Dental malpractice	San Francisco County Superior Court
Lau, Athena	UCSD	Medical malpractice	San Diego County Superior Court
Montrose, Ann E.	UCLAMC	Medical malpractice, wrongful death	Los Angeles County Superior Court
Robinson, James	UCSD	Medical malpractice	San Diego County Superior Court
Schimpf, Cynthia	UCSD	Medical malpractice	San Diego County Superior Court
Taggart, Michael	UCSFMC	Medical malpractice	San Francisco County Superior Court

Other Cases

Barker, Lenette	UCLAMC	Discrimination (disability access)	Los Angeles County Superior Court - Santa Monica
CO Architects	UCLAMC	Declaratory relief, temporary restraining order and preliminary injunction	Los Angeles County Superior Court
Cowan, Fred	UCLA	Premises liability	Los Angeles County Superior Court - Santa Monica
Langer, Elizama G., et al.	UCI	Premises liability - asbestos	Los Angeles County Superior Court
Morris, Leslie and Dennis Garret	UCB	Premises liability - asbestos	San Francisco County Superior Court
Nelson, David E. and Barbara J. Nelson	UCB	Premises liability - asbestos	Alameda County Superior Court
Regents v. Kappos	UCB	U.S. Patent and Trademark Office - adverse action in patent reexamination	U. S. District Court, District of Columbia

Rhumblin Companies, LLC d/b/a Rhumblin Applied D	UCOP	Breach of contract	Los Angeles County Superior Court
Rodrigues, Gerard A., and Aquatic Management Servi	UCLA	Breach of contract	Los Angeles County Superior Court
Ross, Michael S.	UCLA	Unlawful citation, breach of contract	Los Angeles County Superior Court

Public Employment Relations Board (“PERB”)
Unfair Practices Alleged by Charging Party

UPTE (University Professional and Technical Employees) LA-CE-1122-H	UCLAMC	Interference with statutory rights	PERB
University Council-AFT (American Federation of Teachers) LA-CE-1123-H	UCLA	Unilateral change	PERB
CUE (Coalition of University Employees) SF-CE-962-H	UCSB	Discrimination/retaliation	PERB
CUE SF-CE-963-H	UCSB	Unilateral change	PERB
UAW (United Auto Workers) SF-CE-964-H	Systemwide	Interference with statutory rights	PERB
CUE SF-CE-965-H	LBNL	Bad faith bargaining	PERB

CUE
SF-CE-966-H

UCSD Unilateral change

PERB

CUE
SA-CE-279-H

Systemwide Bad faith bargaining

PERB