

The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY

March 29, 2012

The Committee on Educational Policy met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Hallett, Island, Kieffer, Lozano, Mireles, Newsom, and Reiss; Ex officio members Gould, Lansing, and Yudof; Advisory members Powell, Rubenstein, and Stein; Staff Advisor Herbert

In attendance: Regents Blum, De La Peña, Makarechian, Pattiz, Pelliccioni, Ruiz, Schilling, Varner, and Wachter, Regent-designate Mendelson, Faculty Representative Anderson, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Pitts, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Beckwith, Darling, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Fox, Katehi, White, and Yang, and Recording Secretary McCarthy

The meeting convened at 10:15 a.m. with Committee Chair Reiss presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of January 18-19, 2012 were approved.

2. ANNUAL REPORT ON PRIVATE SUPPORT

[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 stated that UC's total fundraising in the fiscal year ending June 30, 2011, was \$1.6 billion from nearly 250,000 donors, an increase of \$250 million, or 20 percent, over the prior year, far exceeding the national average increase of eight percent among peer universities. Through December 31, 2011, fundraising is on a similar pace in the current fiscal year, with \$775 million dollars raised. Three UC campuses are in the top 20 in the nation in fundraising. UCLA was ranked first in the nation in the percentage of its increase in fundraising over the prior year.

Mr. Dooley stated that the uses for private fundraising proceeds are diverse, but only two percent, or about \$25 million, is unrestricted. As State funding lags, it becomes even more important to find non-State funding that is unrestricted and can be used to help support UC's operations. After a period of some slowing from 2008 to 2010, fundraising

has increased. Funding for endowed chairs has doubled in the past decade, and continues to be an area of growth for private philanthropy. In 2009, President Yudof announced Project You Can, a combined campus effort to generate \$1 billion in support for student aid; \$121 million was raised in the last fiscal year toward that goal. Through December 31, 2011, 40 percent of the goal had been reached.

Mr. Dooley stated that a business partnership program is being launched to generate giving for student aid. A director for the program has been hired, an executive committee is being formed, and meetings are currently being scheduled with leaders of California corporations. The program's goal is to raise \$50 million per year to help support student aid, particularly for middle-class students, offsetting some of the tuition increases of recent years. This program has been reviewed by the Regents' joint working group established by Chairman Lansing, with help from Regent Blum and others.

Mr. Dooley stated that most of the fundraising effort takes place on the campuses with the active engagement of the chancellors and deans. He cited examples of the breadth and variety of giving to UC, including the \$100 million donation from Marc and Lynne Benioff to support the new UCSF Benioff Children's Hospital. Other examples of major donors include Russell Rustici, a strong supporter of cooperative extension programs at UC Davis, who endowed chairs at UC Berkeley and UC Davis, and donated a large testamentary gift upon his passing. In the UC Santa Cruz community funds have been gathered in the name of Gabriel Zimmerman, a UCSC graduate who was killed in the Arizona shooting that wounded United States Representative Gabrielle Giffords. Recently deceased Warren Hellman and his family supported young faculty members on multiple UC campuses. Mr. Dooley commented that the increasing amount of donations is a reflection of the confidence that donors have in the University and the excellence of its programs.

Committee Chair Reiss acknowledged the efforts of President Yudof, Chairman Lansing, and the chancellors to increase fundraising, reflecting UC's continued commitment to excellence and its public mission. Committee Chair Reiss asked that the Regents be kept apprised of the level of fundraising accomplished by the campuses and the University as a whole, since the budget and tuition increases of the prior year had assumed an ambitious level of fundraising and it would be important to know whether the fundraising goals would be met.

Regent Newsom asked that the Regents be given a report on corporate contributions over the past few decades, including the trend in the amount of corporate contributions, the percentage of overall fundraising they represent, and the names of corporations making contributions. Mr. Dooley stated that he would supply this information, and added that in the fiscal year ending June 30, 2011, corporate fundraising was approximately \$220 million of the \$1.6 billion raised. Most corporate donations are designated for specific research programs, with little unrestricted funds. Mr. Dooley expressed his hope that corporate contributions would increase through the business partnership program with the goal of raising unrestricted funds that could be dedicated to student aid.

Regent Wachter asked about the 7.7 percent of philanthropic donations that go to student support. Assistant Vice President Geoff O'Neill stated that student support includes undergraduate scholarships and graduate fellowships; the 7.7 percent figure, roughly \$120 million, is the amount that was received in the fiscal year for both scholarships and fellowships. The majority of funds are received from individual donors, including alumni; the majority of corporate support goes to the graduate level.

Regent Mireles asked how much unrestricted giving has increased. Mr. O'Neill said that the trend was unchanged, at about two percent of giving, higher than most public universities. Regent Mireles asked if UC has a specific strategy for increasing unrestricted giving. Mr. O'Neill responded that the business partnership program would focus on increasing unrestricted giving.

Regent Blum expressed his view that developing corporate giving would be most beneficial. He noted that most higher education institutions have been using a model based on higher tuition and higher financial aid. He stated his view that, if asked, many California corporations would be willing to contribute to UC since they derive so many benefits from the University. He stated that many Silicon Valley companies could easily afford to give \$5 million to \$10 million a year. Mr. Dooley said that the business partnership program would be based on Regent Blum's suggestions and thanked him for his leadership in the program's development.

Chairman Lansing congratulated the team on their success in increasing donations during this difficult economic period. She stated that this is the first time the Board has actively tried to raise money for the University, an effort that should continue since there is much to be accomplished. Chairman Lansing asked the Regents to give Mr. Dooley names of any personal corporate or philanthropic contacts who could be potential donors to the University. She expressed agreement with Regent Blum that California corporations would be willing to donate to the University.

Regent Makarechian asked whether it would be possible to create a policy that a small percentage, such as one percent, of restricted donations would be used for student support. Mr. Dooley said he could look into that possibility, although he thought terms of donations would have to be negotiated with each donor. Mr. O'Neill commented that there are individual models in which a portion of the gifts, with the donor's consent, is used for student support, such as the Hewlett Challenge at UC Berkeley, under which one-quarter of the payout from the Hewlett faculty chairs supports graduate fellowships. Regent Makarechian stated his view that setting aside one percent of donations to student support by policy would not dissuade donors from contributing. Regent Schilling stated that many donors want all of their funds to go to a particular cause.

Regent Wachter asked whether the \$1.6 billion raised in the past fiscal year included the campus foundations' fundraising. Mr. Dooley answered in the affirmative. Regent Wachter asked to be provided with the amounts of fundraising by each campus foundation. Mr. Dooley said that he could provide those figures.

Committee Chair Reiss asked that a list of corporations that have contributed to UC be given to all Regents, so that they could see which other companies could be approached.

3. **REPORT ON 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 reported on UC's advocacy efforts over the past year and on plans for the upcoming year, although he noted that plans are flexible pending the outcome of funding negotiations with the State.

Mr. Dooley stated that his office has worked diligently to build its e-mail list; the number of electronic subscribers has doubled, from 300,000 to 600,000. The number of e-mails UC sent to State legislators has also doubled in the past year, from 40,000 to 80,000. Mr. Dooley anticipated similar increases in the current year. UC advocacy has increased in new media, including YouTube, Facebook, and Twitter. Regent Gould and Chairman Lansing made advocacy videos, which Mr. Dooley said were very effective.

Regarding personal, face-to-face advocacy, Mr. Dooley stated that his office has continued its efforts, including support for grass roots efforts to lobby legislators in Sacramento and in Washington, D.C., UC Day in Sacramento, a joint advocacy day with the California State University and the community colleges, a graduate student advocacy day, and many other focused advocacy efforts. The campuses have also held meeting days in Sacramento with their local representatives. These combined activities give UC a presence in Sacramento. Mr. Dooley stated that the degree of this engagement has increased dramatically in the past few years.

Mr. Dooley acknowledged the important contribution of the student community and student Regents in advocating for UC and for higher education in general. Many student-sponsored large events in Sacramento have garnered a good deal of attention and have increased the legislators' receptivity to UC's positions. Mr. Dooley stated that his office would continue to coordinate efforts with the students. He applauded the Regents' decision to hold their May meeting in Sacramento, since it would help increase visibility of UC's advocacy issues.

Advocacy efforts by UC to the federal government have also increased, including the first UC Day in Washington, D.C. the past June. Mr. Dooley stated that federal issues are more programmatic than budgetary, but all the programs have budgetary implications. An even larger group would participate in the second UC Day in May.

UC's general communications program has produced 24 videos and a major new campaign in the current year that will support both fundraising and advocacy efforts. Committee Chair Reiss asked that the excellent marketing campaign being developed be available for Regents to preview. Chairman Lansing agreed. Committee Chair Reiss

stated that some Regents might be able to suggest avenues for distribution for the new material.

Regent Ruiz thanked students for their very effective advocacy for UC and noted how such efforts assist UC's fundraising as well. He encouraged increased communication with students to support their advocacy efforts.

Regent Mireles stated that he would forward the Regents a web video made by a group of UC Irvine students advocating maintenance of funding for Cal Grants.

Staff Advisor Herbert commended staff grass roots advocacy efforts. For example, staff at UC Santa Cruz have made coloring cards of advocacy materials for grade school children. Mr. Dooley agreed that most advocacy work is done by UC colleagues on the campuses. His office intends to increase collaboration with campus staff going forward.

Regent-designate Stein thanked President Yudof and Chairman Lansing for their support of Speaker of the California Assembly John A. Pérez's Middle Class Scholarship Act, which would cut tuition by two-thirds for UC students whose families earn less than \$150,000 annually. He reported that students fully endorse this Act and hope to collaborate with supportive Regents.

The meeting adjourned at 10:55 a.m.

Attest:

Secretary and Chief of Staff