

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

January 16, 2013

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

Members present: Regents De La Peña, Gould, Island, Kieffer, Lansing, Lozano, Makarechian, Mendelson, Pattiz, Reiss, Rubenstein, Ruiz, Schilling, Stein, Varner, Yudof, and Zettel

In attendance: Regents-designate Feingold, Flores, and Schultz, Faculty Representatives Jacob and Powell, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Beckwith, Lenz, Mara, and Sakaki, Chancellors Block, Blumenthal, Katehi, Khosla, Leland, and Yang, Acting Chancellor Conoley, and Recording Secretary Johns

The meeting convened at 8:35 a.m. with Chairman Lansing presiding.

1. REMARKS OF THE CHAIRMAN OF THE BOARD

Chairman Lansing recalled that one of the most significant steps forward for California's educational institutions in the past year had been the passage of Proposition 30 in November. She thanked Governor Brown, students, and voters for their efforts in bringing about the passage of Proposition 30 and for demonstrating the strength of California's dedication to public higher education. She hailed the 2013-14 State budget proposal introduced by Governor Brown the previous week, which included an increase in funding for UC and represented a significant reinvestment in higher education. Chairman Lansing underscored the University's commitment to keeping education affordable for students. This increase in funding would not resolve all the University's problems, however. It was imperative for UC to continue to explore alternative sources of revenue.

Online education would be the subject of a comprehensive discussion by the Committee on Educational Policy later that morning, to explore how UC's existing online efforts could be expanded to break new ground in this potential academic arena. This was one of a number of in-depth discussions the Regents would have in the coming months on new or enhanced revenue streams. The University is exploring an overall relationship with Facebook to generate financial aid funding for students and is considering a transfer of parking assets. Updates on these and other initiatives would be provided at future meetings. Chairman Lansing stressed the Regents' commitment to work with students,

faculty, staff, alumni, and elected officials to provide opportunity for all Californians and concluded by drawing attention to the fact that this was the first meeting of the Regents to be video streamed on the internet.

2. **REMARKS OF THE PRESIDENT OF THE UNIVERSITY**

President Yudof began his remarks by thanking Governor Brown for choosing to reinvest in the University of California in his State budget proposal. The University was grateful for the proposed increase and the Governor's attention to UC and its future. President Yudof expressed confidence in the University's ability to meet the Governor's challenge in keeping tuition at reasonable levels, in developing an outstanding online education program for students, and in maintaining fiscal discipline through administrative efficiencies and reexamination of instructional models.

President Yudof recalled that the University had been forced to absorb nearly \$1 billion in State funding cuts since 2008, and the task of rebalancing in the wake of those reductions was still a work in progress. Only 38 percent of the \$1 billion gap was covered by tuition revenue. The remaining 62 percent was bridged by spending cutbacks, layoffs, hiring freezes, salary freezes, broad administrative efficiencies, and alternative revenue sources. The University's financial plight was further complicated by the reinstatement of employer and employee contributions to the UC Retirement Plan (UCRP). The combination of the decline in State funding and the restoration of UCRP contributions has made the management of UC's financial predicament more difficult. Nevertheless, President Yudof expressed optimism. He recalled the Biblical account of Moses seeing the Promised Land from the summit of Mount Nebo and stated that the University was moving in the right direction.

President Yudof briefly reported on tremendous strides the campuses had made recently under the auspices of Project You Can, a systemwide fundraising initiative, managed at the campus level, with a goal of raising \$1 billion in scholarships for undergraduate, graduate, and professional school students. UC launched Project You Can at Sunnyside High School in Fresno in fall 2009. As of the previous month, the campuses had raised \$671 million for student support, more than two-thirds of the \$1 billion goal. This fundraising effort is particularly important for middle-income students who experience financial hardship but who are not eligible for Cal Grants and Pell Grants.

President Yudof acknowledged Governor Brown for identifying \$10 million in his State budget proposal for online education at UC. He emphasized that educating students is the University's foremost objective as it explores online learning. The University's attention is focused on enrolling more students through online courses and on cost savings. The University's attention is not and has not been focused on non-matriculated students, or on marketing to non-matriculated students. The University might consider this at a future time.

President Yudof recalled that the Regents' discussions had for the past four years almost always focused on questions of the budget, tuition, layoffs, and furloughs. The discussion

to take place that day about online learning, the delivery of high-quality educational services to students, and possible reforms, was a refreshing turning point. He cautioned that the evolution of online learning is not predictable and recalled that there have been marked failures in this process at Columbia University, the University of Illinois, and elsewhere. The process would produce unanticipated outcomes which could ultimately transform higher education. President Yudof observed that disruptive new technologies tend to have less significance than anticipated in the short term and more significance than anticipated in the long term. He expressed confidence that the University would create an online learning program that serves UC students well and could eventually serve as a model for other public higher education institutions. UC would continue as a leader in providing students an outstanding education.

3. PUBLIC COMMENT

Chairman Lansing 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. Olivier Bouan, a representative of the UC Berkeley Committee on Student Fees and Budget Review, praised the Regents for considering the development of UC online education as a way of making education more affordable and accessible. He encouraged the University to solicit feedback from experts in the field and from students. He asked that the University articulate a clear vision for its online education program and expressed student concerns about the impact of replacing in-person education with online instruction and about the continued availability of teaching assistant and instructor positions for graduate students.
- B. Mr. Jonathan Ly, a UC Merced student and UC Student Association (UCSA) representative, expressed concern about faculty diversity. He stated his view that faculty diversity should reflect the diversity of the student body and the population of California, and that the UC President's Postdoctoral Fellowship Program was not adequately funded.
- C. Mr. Erik Green, a graduate student at UC Santa Cruz and UCSA representative, expressed concern about possible increases in professional degree supplemental tuition. He stated that some academic programs have been created as or converted to the status of professional programs for financial rather than academic reasons, and cautioned that this would lead to differential tuition by program or campus. He expressed students' wish that professional degree supplemental tuition be included in the current tuition freeze.
- D. Mr. Robert Samuels, UCLA lecturer and president of University Council – American Federation of Teachers, expressed concern about UC's online education efforts, stating that online courses would not reduce costs, but might increase them, due to the need for staffing, new equipment, and software. The existing UC online pilot program had failed to meet projections. UC had already reduced

the costs of undergraduate instruction through large classes and teaching by non-tenured faculty; moving these courses online would not generate further savings. Mr. Samuels urged the University to invest more in undergraduate instruction and to provide a transparent accounting of the real cost drivers in the UC system, which he identified as administration, professional education, medical centers, athletics, sponsored research, and amenities.

- E. Mr. Todd Senigar stated that there had been instances of retaliation at UCSF involving past and current employees and that campus administrators were ignoring a serious matter.
- F. Mr. Nick Morris thanked the Regents for placing online education on the agenda, but asked them to be cautious about its possible budgetary impact on the University.
- G. Ms. Mary Higgins of Teamsters Local 2010, representing UC clerical workers, criticized UCSF for contracting out a child care center, charging very low annual rent for a new UC building, and for its treatment of the child care center employees, who would now be displaced and moved to clerical jobs.

Chairman Lansing thanked the speakers. She recalled that the Regents had endorsed UC's pursuit of online education about three years earlier but that budget constraints had limited this effort. The current process was an exploration, and the online education program would be subject to evaluation and reevaluation. She encouraged everyone to maintain an open-minded outlook.

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

Faculty Representative Powell expressed thanks to Governor Brown for making public higher education a priority in the 2013-14 budget, and for engaging with the Academic Senate leadership.

He observed that the University's efforts in developing online education focus on the means of delivering instruction using technology, and he discussed the implications this has for course content and curricula. Mr. Powell elaborated on the relationship between the University's teaching and research missions. Research defines UC's unique role in public higher education. There are frequent reports about the research successes of UC faculty: awards, prizes, and extramural research funding. Some of these honors may underlie but not always reflect the substantial contributions made by faculty in changing the body of knowledge studied by undergraduates. This body of knowledge is built up by research, and changes in this knowledge bring about changes in how a discipline is conceptualized. Over time, course content changes, and even the selection and combination of courses that define a curriculum changes. New theories do not just supplement earlier teaching but have largely replaced them in UC classrooms. As one example, introductory economics courses now use recent game theory research, much of

it developed by UC faculty, which helps students understand the underlying causes of major economic events.

As recently as 1970, history courses typically focused on the achievements of outstanding men. Historians have not forgotten the achievements of outstanding men, but publications and courses now present a more complex picture of the past. U.S. history courses include content about slave owners and slaves, settlers moving West and Native Americans, elites and non-elites. The result is a far richer, more inclusive and accurate portrait of the American experience. In the past, courses on international politics dealt almost exclusively with power relations among states. Internal political institutions were almost completely ignored, but scholars have gradually recognized that these institutions matter greatly in relations between nations. A striking empirical finding is that democratic states with established democratic institutions do not fight wars against each other. What has become known as the “democratic peace” has had a profound effect on undergraduate course content in political science. Introductory courses in sociology previously included little or no discussion of lesbian, gay, bisexual, and transgender people. Students today reflect on recent and often unanticipated changes in social life. Newly acknowledged family structures are a cutting-edge issue in law, and sociological research in this area affects law school curricula. Innovations in the teaching of the Spanish language have led to online introductory courses and a focus on vernacular Spanish. The curriculum in chemical engineering has changed dramatically as a result of research discoveries. Today there are courses and topics which did not exist in the past.

Mr. Powell concluded that these examples illustrate how undergraduate courses and curricula have changed as new research defines the frontier of knowledge. UC faculty collectively synthesize their new knowledge and determine what defines a well-educated student and what a 21st century degree should comprise. This is a dynamic process that underpins what is taught at a research university and influences undergraduates’ work and daily lives; hence these efforts shape the workplace and society.

The meeting adjourned at 9:15 a.m.

Attest:

Secretary and Chief of Staff