

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

May 16, 2013

The Regents of the University of California met on the above date at the Sacramento Convention Center, 1400 J Street, Sacramento.

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

In attendance: Regents-designate Feingold, Flores, and Schultz, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Provost Dorr, Executive Vice President Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Blumenthal, Leland, and Yang, Acting Chancellor Conoley, and Recording Secretary McCarthy

The meeting convened at 10:20 a.m. with Chairman Lansing presiding.

Chairman Lansing thanked UC students, the Office of the President, and the UC State Governmental Relations team for their excellent work in carrying out the past two days of advocacy meetings. Positive meetings were held with the Governor and legislators. She looked forward to increasing levels of State support for UC. Chairman Lansing expressed cautious optimism that continued dialogue would lead to a positive resolution of several outstanding issues.

**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:

1. Mr. Taylor Bright, UC San Diego graduate student, said that UC graduate students are committed to helping find the best way to integrate online education into the University. Since graduate students are responsible for teaching critical thinking, writing, and problem-solving skills crucial to a successful UC education, they must be part of any homegrown UC solution to the integration of online education. He encouraged inclusion of undergraduate, graduate, and professional students in any committee examining online education.
2. Mr. Adam Proctor, first-year UC Santa Barbara student, said it was an incredible experience to attend this Regents meeting. He encouraged the Regents to hold meetings at the UC campuses so students could become more aware of the Regents and have an opportunity to offer more student input.

3. Ms. Emily Williams, UC Santa Barbara student and member of the California Student Sustainability Coalition and fossil-free movement, commended Regents on the progress UC has made on issues of sustainability. She said that UC has been a leader in research on climate change, and campuses have committed themselves to reducing consumption and increasing energy efficiency. Students are enthusiastic about UC's commitment to reduce its greenhouse gas emissions and achieve climate neutrality within the coming decade. Students have been very instrumental in progress on sustainability, through implementing the University's sustainability policy and educating their peers, faculty, and administrators about environmental stewardship.
4. Ms. Eli Willis, UC Santa Cruz student and member of the California Student Sustainability Coalition and fossil-free movement, said that UC's climate initiatives and world-class environmental education would have little meaningful effect if the University fails to address the root of the problem. She said that the production, extraction, and use of fossil fuels threatens the stability of the earth's ecosystems, forces indigenous peoples off their lands around the world, exacerbates climate change, corrupts the integrity of our democracies, poisons the air, land, and water, and poses the greatest threat to the long-term survival of the human species.
5. Ms. Ashley Ellis, UC Berkeley student and member of the California Student Sustainability Coalition and fossil-free movement, said the movement is an active campaign on more than 350 campuses across the nation, a response to the ever-increasing threats of climate change, pollution, and social exploitation, all of which she said were direct consequences of dependence on a fossil-fuel economy. The group's demands are that UC freeze all new investments in the 200 publicly traded fossil fuel companies with the largest carbon reserves, and agree to develop a plan to remove all investments in these companies over the upcoming five years. She said students want to work with the Regents to put fossil-fuel divestment on a meeting agenda. Ms. Ellis said that a decision to divest from fossil fuels would be rooted in moral imperative and fiduciary responsibility.
6. Ms. Sarah Angulo, UC Santa Cruz student and member of the California Student Sustainability Coalition, noted statistics recording climate warming. Ms. Angulo said that the fossil fuel industry has no intention of attempting to reduce climate warming by lessening the amounts of fossil fuels burned. UC's investments in the fossil fuel industry indicate tacit support for a business model that threatens the planet's future.
7. Ms. Emili Abdel-Ghany, UC Davis student and member of the California Student Sustainability Coalition, addressed critics who say that divestment would not fix the problem, that only individual consumption habits can stop climate change, that the fossil-fuel industry also invests in renewable technologies, that divestment would cause the University to lose money, and that the coal industry should be the target, rather than the fossil-fuel industry. She said that while these critiques represent legitimate concerns, they do not justify remaining invested in the fossil-fuel industry. By divesting from the fossil-fuel industry, the University would be choosing to align its portfolio with its stated values

and goals, fulfilling its fiduciary responsibility through financial decisions that will benefit the earth in the long term.

8. Ms. Alexandra Ballinger, UC Santa Barbara student and member of the California Student Sustainability Coalition and fossil-free movement, said that the group's goal is to remove social approval of the fossil-fuel industry's operations. She said the movement has reinvigorated the national and international conversation about solving the climate crisis and what steps need to be taken immediately to begin that process. The nation's democracy could then be free from the influence of fossil-fuel industry lobbyists and the country could pursue sustainable policies. She cited the potential influence of many universities' divesting from the fossil-fuel industry, and an academic and research community united in opposition to the industry's practices.
9. Mr. Quentin Gee, UC Santa Barbara student and member of the California Student Sustainability Coalition and fossil-free movement, recalled that the tactic of divestment had been employed several times by UC, regarding investments in Sudan, South Africa, and the tobacco industry. Mr. Gee quoted from minutes of the November 14, 2005 Committee on Investments meeting when then-Regent Rosenthal said that the Board had indicated that it would pursue divestment "only in reaction to the most repugnant governmental policies and industry practices." He said that the fossil-fuel industry has demonstrated its lack of concern with society's or the planet's well-being or with human rights.
10. Mr. Zen Trenholm, UC Berkeley student and member of the California Student Sustainability Coalition and fossil-free movement, spoke about the financial aspects of divestment. He said that many financial experts speak of a current "carbon bubble." He said that if governments take action on climate issues and cap global warming at two degrees, fossil fuel companies would no longer make large profits. Mr. Trenholm said that moving investments out of the fossil-fuel industry into renewable energy companies would provide long-term financial benefits. He said that aligning UC's investments with its mission would generate returns for the UC system for the long term.
11. Mr. David Shugar, UC Santa Cruz student and member of the California Student Sustainability Coalition and fossil-free movement, acknowledged that fiduciary responsibilities include choosing profitable investment strategies. He said a study by the Aperio Group, "Do the Investment Math: Building a Carbon Free Portfolio," compared the Russell 3000 with an identical portfolio with a fossil-fuel exclusion and found the increased risk to be a minimal .01 percent. He said the study found that the fossil-free portfolio would have outperformed the Russell 3000 for the years 1997-2008. Mr. Shugar said the risk of divesting from the fossil-fuel industry is minuscule compared with the negative consequences of the fossil-fuel industry. He said that divestment would be an important movement in the right direction, with very small investment risk.
12. Mr. Ophir Bruck, UC Berkeley student and member of the California Student Sustainability Coalition and fossil-free movement, addressed the moral imperative for divesting from the fossil-fuel industry. He quoted UC's mission statement that it is the

University's moral duty to "serve society as a center for higher learning, providing long-term societal benefits through transmitting advanced knowledge." He said it is contradictory to the University's mission statement to be invested in an industry whose business model makes education in climate change necessary and ensures that the earth will not have a future in which the University's advanced knowledge can be used. Mr. Bruck said it is crucial to reassess what it means to serve society in the long term, and to ensure that UC's investment practices are aligned with its stated values and goals.

13. A UC Santa Cruz student expressed his view that divestment would be the most important action that could be taken for future generations in order to sustain the planet.
14. Mr. Ronin Souza, UC Santa Cruz student and member of the California Student Sustainability Coalition and fossil-free movement, said that UC should set a precedent for the global community by using a revolution in design and science to build a sustainable infrastructure. He stated that the Coalition students from diverse disciplines support using the scientific method for the greatest social good to develop an appropriate energy system.
15. Mr. Theo Lequesne, UC Santa Barbara student and member of the California Student Sustainability Coalition and fossil-free movement, said that divesting from the fossil-fuel industry would communicate that it is morally wrong to benefit financially from the suffering of other human beings, the degradation of the environment, and the sacrifice of the very future of humanity. Mr. Lequesne said that divestment would demonstrate that the University recognizes the incredible danger of fossil fuels and that it is intelligent enough to avoid that danger. He said that the country's future leaders want no part of the dangerous and reckless fossil fuel industry. He asked the Regents to put a discussion of divestment on an upcoming Regents meeting agenda.

Chairman Lansing said that this would be her last meeting as Chairman of the Board, a position she has found both challenging and rewarding. She expressed appreciation for the support she received from fellow Regents, from the chancellors, students, staff, the Legislature, the Governor, and President Yudof.

Chairman Lansing reviewed the Board's accomplishments of the past two years, one of the most trying periods in UC history. She said the Regents supported one another while making difficult decisions to safeguard the future of the University. Teaming with students, the Governor, and the Legislature, the Board helped pass Proposition 30, avoiding any tuition increase for the near future. She expressed appreciation for the Regents' putting aside personal opinions to support the tax initiative because it was the right thing to do for UC students.

Chairman Lansing said that the Regents also realized the need to build coalitions with the students and great progress has been made. Chairman Lansing accompanied by other Regents visited every campus, met with student leaders, heard their concerns, and worked with students to take their concerns to Governor Brown and the Legislature.

In response to difficult economic realities, several administrative efficiency efforts were launched, known as Working Smarter, which has already saved more than \$289 million. This initiative will continue to pay off, preserving funding for instruction and student services. Student health centers at each campus have been improved.

Chairman Lansing said the Regents did not view the passage of Proposition 30 as a cure-all and have been proactive in establishing working groups to explore alternate sources of revenue in technology transfer with its beginning pilot program at UCLA, in fundraising through social media with its current Promise Platform campaign, and through numerous other private/public partnerships. With Governor Brown's support, the University is taking steps to expand online education, thereby increasing students' access to the courses they need to graduate and find jobs. Progress has also been made in streamlining the Regents meetings, allowing more time for robust discussion of strategic topics.

Chairman Lansing said that these accomplishments required the hard work and support of her fellow Regents, whom she thanked for their willingness to work tirelessly on behalf of students, the University, and the state. She thanked Vice Chair Varner for his support and hard work; she expressed great confidence in him as the next Chairman. None of the Board's accomplishments would have been possible without the extraordinary leadership of President Yudof, a visionary leader, no-nonsense administrator, and a compassionate champion of higher education. She recognized and thanked the chancellors, who have carried on with integrity and loyalty to maintain the highest quality at each of their campuses, despite the devastating financial crisis. Chairman Lansing thanked the UC faculty for their invaluable contributions to UC, and particularly Faculty Representative Powell for his tireless work to preserve the quality of UC and his openness to new ideas. She expressed the Regents' gratitude to the Office of the President team for their excellence, their personal support, and their work to find innovative ways to make UC better. Chairman Lansing praised Secretary and Chief of Staff Kelman for her knowledge, guidance, tact, and grace, and recognized Associate Secretary Shaw for her dedication and hard work in sometimes difficult circumstances, and her encyclopedic knowledge of Regental policy. Chairman Lansing also thanked Director of the Sherry Lansing Foundation Doug Collins, for his dedication and devotion of countless hours of his own time to work on behalf of University issues.

In closing, Chairman Lansing said she looks forward optimistically to ten more years as a Regent and the work that lies ahead with students, faculty, and staff of the extraordinary University of California.

The meeting adjourned at 10:50 a.m.

Attest:

Secretary and Chief of Staff