

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

July 22, 2015

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

Members present: Regents Davis, Elliott, Gorman, Gould, Island, Kieffer, Lansing, Lozano, Makarechian, Napolitano, Newsom, Ortiz Oakley, Oved, Reiss, Ruiz, Sherman, Varner, and Zettel

In attendance: Regents-designate Brody and Schroeder, Faculty Representatives Gilly and Hare, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Executive Vice President Stobo, Senior Vice Presidents Henderson and Peacock, Vice Presidents Andriola, Brown, Duckett, and Sakaki, Chancellors Block, Blumenthal, Dirks, Gillman, Hawgood, Katehi, Khosla, Wilcox, and Yang, and Recording Secretary McCarthy

The meeting convened at 8:30 a.m. with Chairman Lozano presiding.

1. PUBLIC COMMENT

Chairman Lozano 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. Ms. Celeste Langan, co-chair of the Berkeley Faculty Association and speaking on behalf of the Council of UC Faculty Associations, reported that the Council is strongly opposed to the University's agreement in the framework of the May Revision to permanent changes in the structure of its retirement plan in exchange for a modest, one-time contribution from the State. The Council is particularly opposed to the UC Office of the President's attempt to introduce a new full defined contribution option, for which there is no justification, no call by either the State Legislature or the Governor, and no consultation with faculty.
- B. Ms. Rebecca Ora, external vice president of the Graduate Student Association of UC Santa Cruz and board member of the UC Student Association (UCSA), commented that graduate students should receive the documentation they requested about the need for the large increases in Professional Degree Supplemental Tuition (PDST), how the increases would be used for return to aid, and other aspects of accountability for the funds, before the increases occur. She advocated reconvening the PDST Task Force. She expressed her view that it was problematic that the President of the University had been authorized to increase

PDST five percent a year plus two-and-a-half percent annually for inflation with no further votes by the Regents.

- C. Ms. Catt Phan, UC Santa Barbara student, said that UC chancellors' addressing of issues regarding sexual violence and Title IX had been lackluster. She said it sometimes appears that the Regents prioritize student fees over student well-being. Chancellors should make public reports about their plans to address the issue of sexual assault on UC campuses, since sanctions on perpetrators were negligible and inconsistent. Survivors of sexual assault sometimes have to continue with their assailant living down the hall. Change is not happening fast enough.
- D. Mr. David McCleary, UC Berkeley student, executive board trustee of United Auto Workers 2865 (UAW), and member of Jewish Voice for Peace and Students for Justice in Palestine, commented that the UAW had unanimously endorsed a letter strongly recommending that the University not adopt the U.S. Department of State's definition of anti-Semitism. The State Department definition would conflate legitimate criticism of Israeli policies with anti-Semitism. He urged the Regents to address low enrollment of minority students at UC.
- E. Mr. Seth Leibson, UAW member, urged the Regents not to adopt the State Department's definition of anti-Semitism because it would harm the climate of legitimate political discussion on UC campuses. He urged the Regents to speak with minority students about real issues of campus climate.
- F. Mr. Mohamed Hussein, fourth-year UC Riverside student and vice president of external affairs for the Associated Students of UC Riverside (ASUCR), asked the Regents to be mindful of UC students in considerations about tuition and of differences between public and private universities, and to be fair in decisions about allocations of tuition funds. He urged the Regents to pass a resolution effectively instituting the provisions of Assembly Bill 970 requiring public notice and student consultation procedures for proposed tuition increases.
- G. Ms. Carol Sanders, retired attorney and member of Jewish Voice for Peace, spoke in opposition to adoption of the State Department definition of anti-Semitism, which she said was being urged on the University by external pro-Israel organizations. She submitted written materials from Jewish Voice for Peace, Palestine Legal, the Center for Constitutional Rights, and the National Lawyers Guild opposing adoption of what they consider to be a politically motivated re-definition of anti-Semitism. She also submitted a petition signed by more than 4,000 UC students, faculty, and community members, rabbinical statements in opposition, and a legal analysis of how adoption would infringe on First Amendment rights of the campus community and violate the University's commitment to academic freedom. Ms. Sanders said that former UC President Yudof had rejected the definition and that Kenneth Stern, who drafted the State

Department definition, urged the University not to adopt it because it would be inappropriate in the university context.

- H. Ms. Jamie McDole, vice president of the University Professional and Technical Employees Communications Workers of America Local 9119 (UPTE-CWA Local 9119), recalled that union members made sacrifices for more than two years during bargaining against the two-tier pension system. UPTE-CWA Local 9119 members have been contributing one percent more than non-represented staff to maintain a slightly modified single-tier pension. Ms. McDole expressed concern that the framework agreed upon by the President of the University and the Governor would decrease funding that currently helps pay down the liabilities of the pension system and would decrease benefits. Offering a portable defined contribution plan would only encourage high-quality employees to learn skills at UC and then leave.
- I. Ms. Monica Davick, member of Students for Justice in Palestine, urged the University not to adopt the State Department definition of anti-Semitism because it would consider “multilateral organizations focusing on Israel only for peace or human rights investigations” anti-Semitic. Criticizing actions of the Israeli government is no different than criticizing the U.S. president and focusing on human rights in Israel is no different than focusing on human rights in South Africa. The establishing documents of the University say it should be “independent of all political or sectarian influence and kept therefrom...in the administration of its affairs....”
- J. Mr. Anooj Kansara, UC Berkeley graduate student instructor, expressed his view that the University should not adopt the State Department definition of anti-Semitism because it would dangerously conflate anti-Semitism with anti-Zionism. Combating anti-Semitism and all other forms of bigotry and racism is a worthy goal, but under the State Department definition, activism could be considered anti-Semitic.
- K. Ms. Mary Higgins, representative of Teamsters Local 2010, welcomed Regent Lozano as Chairman of the Board of Regents. The Teamsters strongly oppose a defined contribution plan being mentioned for the retirement plan. Teamster personnel had met with Governor Brown’s staff and were assured there was no quid pro quo for inclusion of a defined contribution plan in order to secure the State’s \$435 million contribution to the UC Retirement Plan (UCRP). Changing to a defined contribution plan for new employees would affect UCRP over time, increasing the cost and decreasing retirement security of employees in the current two retirement tiers. A defined contribution plan would not provide strong retirement security for future UC employees. UC’s current pension plan is a key element in attracting and retaining highly qualified employees.
- L. Ms. Kathryn Lybarger, president of American Federation of State, County and Municipal Employees Local 3299 and president of the California Labor

Federation, said the union is opposed to any UC pension changes that would threaten the retirement security of its employees. She recalled asking the Regents to support SB 376 that would guarantee equal pay for subcontractors doing the same jobs as UC employees. She reported that the bill is through the Senate and two Assembly committees, despite continuing opposition from UC. Contract workers, who are predominantly immigrants and people of color, often earn poverty wages and sometimes work under hazardous conditions, facing wage theft and harassment on the job. Many contract employees have worked at UC for years, often for half the salary earned by their UC-employed peers and with no benefits. Many are denied permanent work. Since 2009, UC has 9,000 additional students and dozens of new facilities, while the number of its service workers has decreased. Jobs that were once stable, career jobs should not be outsourced.

- M. Ms. Feng Xian Yu, former UCSF contract custodian, said she was fired and replaced with another UC contract worker. She came to this country to find a better life. She asked when she and her co-workers would be hired as UC employees.
- N. Ms. Fong Chu, registered nurse at UCLA for 31 years, urged the Regents not to defund nurses' retirement. During the last contract negotiations, nurses agreed to contribute an additional one percent to UCRP and see no need to defund or destabilize the two-tier system. The UC pension is the University's strongest recruitment tool for high-quality nurses.
- O. Ms. Maureen Dugan, registered UCSF nurse for 26 years and member of the board of directors of the California Nurses Association, observed that nurses can gain valuable experience at UCSF, then leave to work at other hospitals where the patients are usually not so ill. The pension plan helps retain excellent nurses. The plan to erode the UC pension is unnecessary. In the last contract negotiations, nurses agreed to increase their contribution to UCRP to make sure it would be stable and secure for current and future employees. Allowing employees to opt out of UCRP and select a risky defined contribution plan would place UC employees' retirement security in the hands of Wall Street. Less money would go into UCRP and its long-term health would be jeopardized.
- P. Ms. Jean Day, representing members of UPTE-CWA Local 9119 at UC Berkeley, expressed their opposition to any form of a multi-tiered pension system because it would not be fair. Adequately funded pensions are one of the cornerstones of the University, attracting talented staff and faculty, many of whom devote their full careers to the University and in turn deserve to retire in dignity. She asked why the University would want to dismantle a healthy pension fund and divide workers by offering new hires less than full benefits. The claim that a new tier is needed because of the University's unfunded pension liability is untrue, because current costs of UCRP are already fully funded by employer and employee contributions, which are also steadily paying down the liability created when UC decided to halt all contributions for 20 years. The State made no contributions for

that time, and it is completely reasonable that it should be expected to contribute now.

2. **REMARKS OF THE CHAIRMAN OF THE BOARD**

Chairman Lozano commented that it was an honor and privilege to attend her first meeting as Chairman of the Board. She intends to work closely with the Regents and the President to ensure that UC thrives into the future. Nurturing the role that UC plays as a world-class driver of innovation, an economic engine for the state and the nation, and a means of social mobility for future generations are at the top of her agenda. She expressed her deep personal commitment to improving diversity among UC students and faculty, noting that she looks forward to working with President Napolitano in this effort. California's demographic transformation anticipates what other regions of the country will face. UC can and should be the institution that demonstrates that quality, access, and diversity are ideals that are not only compatible, but essential for it to move forward.

Chairman Lozano thanked former Chairman Varner for his outstanding leadership. The University made enormous progress under his able and gracious leadership during a time of enormous challenge.

Chairman Lozano expressed hope that her tenure would be defined by an open, collaborative, and inclusive culture. She welcomed the counsel of the University's various stakeholders, the Legislature, and the Governor, and looked forward to working with President Napolitano. Chairman Lozano welcomed the new Regents-designate Brody and Schroeder, the Treasurer and Secretary of the Alumni Associations of the University of California. She thanked Faculty Representative Gilly who was attending her last meeting. The Regents would vote the following day to approve the next student Regent, Marcela Ramirez, a UC Riverside graduate student studying higher education policy.

Chairman Lozano thanked Chairman Varner and President Napolitano for vehemently condemning recent incidents of anti-Semitism on UC campuses. The University has long held to the highest standards of inclusion, tolerance, and the free flow of ideas. Violations of these standards would not be tolerated. UC is committed to upholding fundamental values of respect and civility. At their September meeting, the Regents would consider a statement of principles against intolerance, including but not limited to anti-Semitism. Placing this item on the agenda of the September meeting would allow ample time for Regents to engage in consultation and reflection appropriate for such a statement of principles.

3. **REMARKS OF THE PRESIDENT OF THE UNIVERSITY**

President Napolitano welcomed Chairman Lozano, with whom she shares a desire to achieve many objectives on behalf of the University over the upcoming two years.

UC faculty and campuses continue to earn well-deserved recognition. A few weeks prior three young UC faculty swept the 2015 Blavatnik Awards for Young Scientists for their pioneering work in neuroscience, energy research, and wireless communication, the first time these awards have gone to three individuals from the same University system. Rankings from *Money Magazine* to the Center for World University Rankings continue to list UC campuses as some of the best in the nation and world in terms of educational value.

The President reported that progress was well underway on systemwide initiatives ranging from climate change and carbon neutrality to innovation in entrepreneurship, and technology commercialization to the Global Food Initiative. Admission letters have gone out to the class of 2019, which promises to be one of the most diverse classes in the University's history.

President Napolitano stated that the University is a community comprised of three fundamental groups: students, faculty, and staff. The University focuses on giving its students a world-class education in the most cost-effective way possible, on providing its faculty with an environment that fosters dynamic research and scholarship, and on giving its staff equitable treatment and support for the work they undertake on behalf of the University. The strength of the UC community as a whole is contingent on how well the University supports each of these three groups. It is appropriate that a University guided by academic research missions like UC's often concentrates on its students and faculty, but its staff members also play a critical role in making UC a world-renowned institution. The University is the third largest employer in California. How it supports its workers and their families affects the entire state. President Napolitano announced the UC Fair Wage/Fair Work Plan that would in increments over the next three years establish a minimum wage of \$15 per hour for UC workers whether they are direct employees or contract workers. The Plan would cover employees who work more than half time at the University and go into effect on October 1, with the first year at \$13 per hour, then \$14, and \$15 by October 1, 2017. UC would be the first public university in the U.S. to voluntarily establish a minimum wage of \$15.

The Plan would also institute a series of reforms to ensure that all UC contractors comply with the new minimum wage as well as all federal, State, and UC workplace laws and policies. To that end, the University would institute stronger oversight of its contracts and subcontracts, conduct regular and spot audits, and establish a hotline for employees to report issues. The University does contract out to third parties for some services; this Plan would not supplant existing contract processes. The Plan would ensure that the University exercises greater oversight whenever it enters into the contracting process and that any workers hired through that process would be paid fairly. President Napolitano expressed appreciation for the support of Chairman Lozano for this Plan, and expressed her intention that the Regents be briefed regularly about its implementation. Although the Plan is a Presidential policy item, the Fair Wage/Fair Work Plan is a broad University effort that would depend on the insights and dedication of the Regents and the chancellors as well as the Office of the President.

President Napolitano noted that a criminal cyberattack had occurred at UCLA Health, observing that in the modern world no institution is immune from cyber attack. UC takes personal data very seriously and it is of utmost concern when such information is the target of a cyber attack. All those potentially affected by the UCLA attack are being notified and could sign up for no-cost identity theft protection services. UC has implemented additional security measures and the investigation was ongoing. Looking ahead, President Napolitano said her priority is to further strengthen UC's prevention, detection, and mitigation efforts against such attacks. The University would assess its security posture across the system, review ongoing internal efforts, and assess emerging threats and potential vulnerabilities. She had mobilized external cyber security experts to assist the University's efforts. The information from this review would be incorporated into UC's broader systemwide cyber security plan. The UC chancellors would lead enhanced efforts to safeguard personal information at UC campuses and medical centers. The University would also strengthen its systemwide cultural emphasis on cyber security, including mandatory cyber security education for the entire UC community, utilizing the knowledge, expertise, and best practices that already exist within the University, and re-emphasizing UC's policies requiring immediate reporting of cyber incidents upon discovery to the systemwide level for risk assessment.

The President concluded by stating that the University was in the process of implementing the 2015-16 budget and turning its attention to 2016-17, evaluating all options concerning enrollment. No decisions had been reached yet and none would be reached before discussion with the Regents.

Chairman Lozano applauded the President's leadership on the Fair Wage/Fair Work Plan, bringing UC employees up to a \$15 per hour minimum wage over three years and reforming UC's contracting system.

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

Chairman Lozano thanked Faculty Representative Gilly for her service.

Faculty Representative Gilly said these would be her final remarks before passing the leadership of the Academic Senate to the capable hands of Vice Chair Dan Hare. She described the post-tenure review process that sustains faculty excellence throughout a UC career. Junior faculty undergo rigorous reviews before they are offered tenure. Faculty undergo equally stringent reviews of their research, teaching, and service each time they seek promotion to a higher title. They undergo a substantive review at every salary step, meaning every two to five years. This sequence of repeated reviews, unique among American universities, has been in place at UC since the 1920s. As a result of this true merit system, the University has very few unproductive scholars among its tenured faculty. A study in 2008 found that less than one percent of the faculty considered for review that year were "non-progressing." Reviews are rigorous and multilayered. In a 30-year career, a professor is typically evaluated by students more than 100 times, by peers in the school or college a dozen times, by peers campus-wide ten times, and by external experts in his or her field three to four times.

Ms. Gilly described a simple merit review for a tenured UC professor, required for every merit pay increase. The faculty member assembles a dossier describing accomplishments in research, teaching, and service since the last review. Department colleagues, the department chair, and the dean each provide separate written reviews to the campus Senate Committee on Academic Personnel, which makes recommendations to the Provost and Chancellor on all promotions and most merit cases for the entire campus to ensure consistent standards. In addition, promotion to full professor also involves a career review and evaluation by five to ten external letter-writers. At other institutions, this would be the last comprehensive review faculty undergo. Unique to UC, advancement to full professor step six, which is six to ten years after promotion to full professor, and advancement to above scale several years following, are viewed as barrier steps and typically also require external letters of evaluation.

If a tenured faculty member does not pass a review, in the short term there would be no merit pay increase or promotion, and the faculty member with the department chair must submit a development plan. In the long term, the faculty member may be encouraged to move to another employee series that requires evaluation in fewer areas. Since reviews are closely tied to merit increases, UC payroll records for faculty provide an accessible measure of faculty accomplishment. The 2008 study found that the small number of cases of non-progressing faculty typically reflected deficiencies in only one of the three areas in which UC faculty are held accountable. The Academic Personnel Manual and Senate Bylaws also spell out how nonperforming tenured faculty can be dismissed.

This review system is a strong motivator for faculty to measure up to UC standards. UC faculty are required to undergo a review at least every five years. Some other universities established systems of post-tenure review of their faculty in the 1990s, but they tend to be more form than substance compared with UC's rigorous review.

Ms. Gilly observed that the recent budget agreement indicated that State officials think that UC should focus on processing California undergraduate residents to degrees as quickly as possible. While UC does offer an excellent undergraduate education, that is only part of UC's excellence. The key to UC's excellence is its faculty. The rigorous peer review process for all faculty both tenured and untenured ensures a productive and engaged faculty. She urged the Regents to resist pressure to change UC into an undergraduate degree factory and instead garner support for all aspects of the research, teaching, and service missions that UC faculty embrace and for which they are rewarded.

5. **ANNUAL REPORT OF COUNCIL OF UC STAFF ASSEMBLIES (CUCSA)**

President Napolitano introduced the Chair of the Council of UC Staff Assemblies (CUCSA) Rob Kerner to present its annual report.

Mr. Kerner, information technology (IT) manager at UC Davis, and Greta Carl-Halle, incoming CUCSA Chair and business officer at UC Santa Barbara, and Robert Wolfer, IT manager at UC Riverside, presented CUCSA's annual report. Mr. Kerner recounted

that CUCSA workgroups met quarterly to develop ideas for improving the workplace for UC staff.

Mr. Kerner commented that CUCSA's Early Career Staff workgroup was formed because data show that many staff leave UC when they reach the 40-49-year range, showing a need to improve retention of early career staff. Early career staff, defined as under age 30 with less than five years of service, do not necessarily view UC as a place to spend a career. Through interviews, the workgroup found that career management and training, and improved supervision were important to early career staff. CUCSA recommends mandatory staff supervisor training on all campuses. Early career staff also would like apprentice or mentorship programs, which are currently implemented on some campuses. Job-sharing was also desirable as a way to explore interest in other areas of UC. Education is important to early career staff; many leave UC to continue their education. Since UC is an institution of higher education, better educational opportunities could be provided for its own staff.

Ms. Carl-Halle reported that the goal of the CUCSA workgroup on onboarding was to recommend best practices for onboarding and to determine the role that the Staff Assembly could play in the process. CUCSA reviewed onboarding practices across UC and found no consistency in practice or support for a formal centralized process. Effective onboarding could include reviewing mission values, sharing campus priorities such as sustainability, or making mentoring connections. Other CUCSA recommendations include encouraging senior leadership buy-in to a robust onboarding process, sharing responsibilities for onboarding across all stakeholders such as human resources and department hiring managers, and focusing onboarding on long-term employment at UC.

Ms. Carl-Halle said the purpose of the Staff Participation on Systemwide Committees workgroup was to examine the ways staff are asked to participate in systemwide committees. Staff are often seen only as providing service to the committees, but not to be a staff voice. CUCSA recommends development of a website that would inform staff of various committees with staff positions and where administrators could make a request for a staff person to sit on a committee.

Mr. Wolfer reported that the Information Technology Strategic Sourcing workgroup was tasked with examining the systemwide process for software procurement. It found that the current process was complicated and cumbersome. Campus chief information officers were already engaged in streamlining the process. The workgroup recommends the creation of a small IT group to help facilitate cross-campus communications.

The Internal Operations workgroup examined existing educational benefits for staff and found that the degree to which existing educational benefits were used varied by campus. The workgroup recommends that information about educational benefits be included in campus-level onboarding, that a single form be developed for use by all campuses, and that existing benefits be expanded to allow UC staff to use the benefits at any UC campus.

Mr. Kerner added that CUCSA carried out a staff engagement survey as it had had in 2012. Results of the poll survey of 21,000 non-represented staff had just been received and CUCSA was beginning its review. The 46.4 percent response rate was excellent. Early data show improvement from 2012 to 2015 on the positive image of UC and supervisor communication, which had been highlighted at every campus as a problem in 2012.

CUCSA presented its senior leader award to Chancellor Katehi for her support of the UC Davis Staff Assembly and CUCSA both financially and with her time. Chancellor Katehi is willing to listen to staff and act upon their good ideas for improving the campus. A new CUCSA staff award was named after and presented posthumously to Kevin McCauley, who was Deputy Chief of Staff to President Napolitano. Mr. McCauley advocated for staff for many years and provided excellent communication with CUCSA.

Mr. Kerner pointed out that the Division of Agriculture and Natural Resources does not have a Staff Assembly, but is working to establish one.

The meeting recessed at 9:40 a.m.

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The meeting reconvened at 2:55 p.m.

Members present: Regents Blum, Davis, Elliott, Gorman, Gould, Island, Kieffer, Lansing, Lozano, Makarechian, Napolitano, Newsom, Ortiz Oakley, Oved, Pérez, Reiss, Ruiz, Sherman, Varner, and Zettel

In attendance: Regents-designate Brody and Schroeder, Faculty Representatives Gilly and Hare, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Senior Vice Presidents Henderson and Peacock, Vice Presidents Brown, Duckett, and Sakaki, Chancellors Block, Blumenthal, Hawgood, Katehi, Leland, and Wilcox, and Recording Secretary McCarthy

President Napolitano introduced acting UC Student Association (UCSA) President Kevin Sabo, a fourth-year UC Berkeley student. Mr. Sabo recalled that the year had been challenging, as UC tried to reassert itself as a priority in Sacramento, had important conversations about what its mission of accessibility, quality, and affordability mean currently, and engaged in the national discussion about public higher education.

UC's efforts to prevent sexual assault continue to be a major priority for students. While the eight recommendations of the Task Force on Preventing and Responding to Sexual Violence and Sexual Assault are important, UCSA urged the implementation of mandatory in-person, survivor-informed and led trainings for all UC students. It was time to elevate conversations about graduate and professional students' well-being and be clear in the University's commitment to services for them including mental health. Professional students facing increases

in Professional Degree Supplemental Tuition need access to support services. A recent UC Berkeley survey indicated that nearly half of graduate and professional students reported struggling with depression, an indication that this problem requires immediate attention.

UCSA is encouraged in the progress of establishing a Memorandum of Understanding between UCSA and the Office of the President on the subject of consultation with systemwide student leadership on tuition and fee increases. Students deserve notice and transparency about how student fee revenues would be expended.

UCSA opposes the University's consideration of salary increases for senior management only one month after the budget agreement. This was the time to advocate for funding for enrollment growth or deferred maintenance, not executive salary increases.

Mr. Sabo indicated UCSA's willingness to engage with University leadership on issues of UC governance.

The meeting adjourned at 3:00 p.m.

Attest:

Secretary and Chief of Staff