

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 13, 2017

The Regents of the University of California met on the above date at the Price Center, San Diego campus.

Members present: Regents Anguiano, Guber, Kieffer, Lemus, Lozano, Makarechian, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Zettel

In attendance: Regents-designate Anderson, Graves, and Morimoto, Faculty Representatives May and White, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Interim Senior Vice President Holmes, Vice Presidents Andriola, Brown, Budil, Duckett, and Holmes-Sullivan, Chancellors Block, Blumenthal, Christ, Gillman, Hawgood, Khosla, Leland, May, Wilcox, and Yang, and Recording Secretary McCarthy

The meeting convened at 8:50 a.m. with Chair Kieffer presiding.

1. PUBLIC COMMENT

Chair Kieffer explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Board concerning the items noted.

- A. Ms. Sophie Haddad, UC San Diego second-year student and vice chair of UCSD California Student Public Interest Research Group, Inc. (CALPIRG), said that CALPIRG's focus in the current year would be on clean, renewable energy. CALPIRG advocated that California and UC commit to 100 percent renewable energy. She thanked the Regents for supporting UC's effort to achieve carbon neutrality.
- B. Ms. Zoe Broussard, UC Irvine student, external vice president of Associated Students UC Irvine, UC Student Association (UCSA) University Affairs Committee chair, spoke of concerns brought by the UC Undocumented Student Coalition to UCSA. These students favored the demilitarization of UC police, assurance that that UC police would not collaborate with U.S. Immigration and Customs Enforcement (ICE), development of employment and internship opportunities regardless of students' immigration status, appointment of a student selected by each campus' undocumented student community to the President's Advisory Council, and support for Deferred Action for Childhood Arrivals (DACA) students and other undocumented students.

- C. Ms. Rebecca Hofstein Grady, UC Irvine Ph.D. student and chair of UCSA's Graduate and Professional Committee, enumerated UC graduate students' concerns including housing and food security, accountability for student outcomes, and student labor protection. She stated that teaching assistants were allowed to form a union, but research assistants were not; SB 201, which would amend the Higher Education Employer-Employee Relations Act, would close that loophole.
- D. Ms. Caroline Siegel Singh, UC San Diego student, expressed support for American Federation of State, County and Municipal Employees (AFSCME) UC workers and for contracted UCLA valet workers who face job loss.
- E. Mr. Matthew Lewis, UC Berkeley student, UCSA basic needs officer, and member of the City of Berkeley's Housing Advisory Committee, urged support for student housing cooperatives and requiring that 25 percent of all new student housing be run by affordable housing providers such as cooperative housing.
- F. Ms. Elizabeth Jones, UC San Diego Medical Center registered nurse and member of the California Nurses Association (CNA), said that UC was proposing contract changes that would decrease patient safety and the morale of nurses, such as reducing reimbursements for education, eliminating rates for per diem nurses who are a necessary part of care teams, allowing last-minute schedule changes, changing nurses' employment status from part-time to full-time without approval of the nurses involved, and changes to the pension plan and retiree health benefits. She expressed support for UC's DACA students.
- G. Ms. Geri Jenkins, retired UC nurse and past president of CNA, said UC nurses often tolerated lower wages at UC compared with other hospitals, because of UC's retirement benefits. UC's current contract offer contained unnecessary changes to the pension plan, such as allowing employees to choose a risky defined contribution (DC) plan in place of a defined benefit (DB) pension, and changes to retiree health benefits. She urged the Regents not to support these proposed benefit changes. Retirees have planned their future retirements based on promised benefits. UC would not function as well if its employees did not see a long-term investment in staying at UC.
- H. Ms. Babette Ortiz, recently retired 27-year UCSD registered nurse and member of CNA, spoke against the University's proposals to change retirement benefits, because these changes would damage UC's ability to recruit and retain excellent nurses. She chose to work at UCSD because of the benefit package. She opposed creating a second tier with lower pension benefits for future nurses. The proposed changes would raise the retirement age from 60 to 65, which she said would be very difficult for bedside nurses. Ms. Ortiz also opposed shifting the cost of retiree health to retirees.
- I. Ms. Lina Layiktez, UC Davis employee and chair of the Council of UC Staff Assemblies (CUCSA), stated that CUCSA had conducted its third staff engagement

survey, which indicated improvement in five of ten categories surveyed, but a statistically significant decrease in favorability in the area of organizational change. UC could improve those results by including all affected employees in discussions concerning proposed changes to post-employment health benefits. She urged the Regents to include active and retired staff in a consultative process before any changes were made.

- J. Mr. Hosam Yousif, UC San Diego graduate student, encouraged the Regents to support SB 201 to expand students' ability to represent themselves.
- K. Mr. Jelger Kalmijn, 27-year UC San Diego employee, commented on the importance of UC pension benefits. Reductions in pension benefits for future employees would undermine their retirement security and reduce the stability of UC's defined benefit (DB) plan. He said that Fidelity Investment counselors were convincing 37 percent of new hires to opt out of UC's DB plan, which would make new employees less likely to remain at UC for the long term.
- L. Ms. Magaly Mendez, UC Irvine DACA student, stated that the University's recent lawsuit against the federal government regarding DACA students was insufficient to protect UC's undocumented workers and students who could not apply for DACA status. She expressed support for UCLA valet workers.
- M. Mr. Yismaw Teshome, former contract worker at UCLA, stated that migrant workers at UC spoke up when they were not paid minimum wage and then were let go. He urged the University to rehire these workers.
- N. Mr. Ruben Gomez, 25-year employee of Ronald Reagan UCLA Medical Center, expressed support for UCLA valet workers and said UC had caused a race to the bottom for its workers' wages. He urged the Regents to practice social justice at all UC worksites with equal pay for equal work.
- O. Ms. Elizabeth Perlman, executive director of AFSCME Local 3299, expressed AFSCME's solidarity with CNA and University Professional and Technical Employees Communications Workers of America in opposition to proposed changes to UC's pension benefits. She stated that UC's immigrant workers were relegated to second-class status, paid less than minimum wage, and at risk of losing their jobs if they speak up. She urged President Napolitano to rehire UCLA valet workers.
- P. Mr. Aaron Ward, speaking on behalf of the Chemistry Graduate Student Council, said that UCSD graduate students who are not on UC's payroll do not have access to Workers Compensation Insurance. He asked the Regents to provide accident insurance similar to Workers Compensation Insurance so these students have coverage in the event of a long-term or permanently disabling accident. He stated that other universities provide such insurance coverage for their graduate students. Non-payroll students include Ph.D. students whose funding comes solely from

extramural fellowships such as the prestigious National Science Foundation graduate research fellowship, master's degree students not funded as graduate students but still participating in research, and all other graduate students not receiving funding through UCSD payroll. This is of particular concern to students working in science, technology, engineering, and mathematics laboratories where conditions may be inherently hazardous.

- Q. Ms. Kol Chaiken, third-year UCSD student and chapter chair of UCSD CALPIRG, urged UC and California to implement 100 percent clean energy and thanked the Regents for their commitment to carbon neutrality. She said recent extreme weather events demonstrated the need to combat climate change.
- R. Mr. James Rock, chemist, expressed concern about teaching practices at UC medical centers. He said that medical students should not be trained to administer what he called useless treatments such as homeopathy.
- S. Ms. Lynn Sikora, UC San Diego retiree, said she worked for under-market compensation at UCSD with the promise that her DB pension and health benefits would be there for her in her retirement. UC's proposal to reduce retiree health benefits would affect UC retirees at a time when, aside from Cost of Living Adjustments, they have no way to increase their income to cover increased health care costs. She urged the Regents to reject a proposal to reduce the 70 percent floor for UC contributions to retiree health benefits.
- T. Ms. Mia McIver, lecturer faculty member at UCLA and president of University Council – American Federation of Teachers (UC-AFT), expressed appreciation for President Napolitano's leadership in defending DACA students. She urged support for permanent deportation relief and pay equity for UC undocumented students. UC-AFT opposes student tuition increases and salary increases for chancellors, when many contingent faculty earn less than a living wage and must rely on public assistance to make ends meet.
- U. Ms. Emily Leonard, U.S. Navy veteran and recent UC San Diego graduate, speaking on behalf of Universities Allied for Essential Medicines and the Union for Affordable Cancer Treatment presented Regents with a copy of a letter signed by 56 medical organizations, asking UC to drop patent rights to the life-saving prostate cancer drug Xtandi so that it could be generically produced because it is too expensive for patients.
- V. Mr. Kevin Pham, third-year UC Irvine student, expressed support for AFSCME Local 3299 and UCLA valet workers whose livelihoods are threatened.
- W. Ms. Alicia Yancey, UCSD student, said that UCLA students support UCLA valet workers who would be replaced with part-time student workers.

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of July 12, 2017 were approved.

3. REMARKS OF THE CHAIR OF THE BOARD

Chair Kieffer thanked UC San Diego and Chancellor Khosla for hosting this meeting. The Regents approved the formation of UC San Diego 60 years prior. Currently it is one of the top universities in the world in teaching, research, public service, and in providing social mobility to Californians.

Chair Kieffer welcomed UC Davis Chancellor May and Academic Senate Vice Chair May. He congratulated Regent Lozano on her appointment as President and Chief Executive Officer of the College Futures Foundation, but expressed regret that she would be leaving the Board of Regents following the November meeting.

Chair Kieffer offered assurance that the University would do everything in its power to support and protect UC's Development, Relief and Education for Alien Minors (DREAM Act) students in these uncertain times. He reported that UC had filed suit in federal court asking the court to set aside President Donald Trump's rescission of the Deferred Action for Childhood Arrivals (DACA). The Regents, President Napolitano, and all ten UC chancellors were united in their determination to keep the DACA program intact as they push for both judicial relief and a long-term legislative solution. As President Napolitano determines how to best support UC's DACA students over the upcoming six months, they would continue to receive all the services UC currently offers its DACA students and their families. The University values and admires these students for their accomplishments overcoming countless hurdles on their paths to UC.

Chair Kieffer thanked Assembly Budget Chair Philip Ting for his advice in a series of helpful discussions over the past few weeks regarding their mutual interest in identifying any duplication of services between the UC Office of the President (UCOP) and UC campuses. Assemblyman Ting offered advice on the scope of such a review and the Regents have extended their contract with Sjoberg Evashenk Consulting to include that task. Chair Kieffer also expressed appreciation to Assembly Members Toni Atkins and Al Muratsuchi for their time over the past few weeks.

The following day the Regents would hear two important reports, one by UC's Chief Investment Officer on UC's investment fiscal year returns, and the other on UC's Carbon Neutrality Initiative. During the National Laboratories Subcommittee meeting this day the Regents would be briefed on the contract competition for the management contract for the Los Alamos National Laboratory. In consultation with Regent Pattiz, Chair Kieffer and President Napolitano had designated Regent Tauscher as the Regents' primary liaison to the contract competition. Regent Tauscher had represented the Regents since August 1 in the planning for that contract competition. Also in consultation with Regent Pattiz, Chair Kieffer and the President recommend endorsement of that designation and approval of the

appointment of Regent Tauscher to succeed Regent Pattiz on the Boards of Governors of Los Alamos National Security LLC and the Lawrence Livermore National Security LLC. Chair Kieffer thanked Regent Pattiz for his long service on those LLCs.

During the meeting of the Compliance and Audit Committee Kurt Sjoberg of Sjoberg Evashenk Consulting would report on UCOP's progress in implementing the recommendations of the State audit report on its administrative expenditures. Sjoberg Evashenk's July report stated, "Early observations and limited analysis suggest that the UC Office of the President is fully embracing the State Auditor's recommendations and is devoting significant resources, attention, and priority to achieving the intended improvements." The Compliance and Audit Committee would also discuss the State audit of UC's contracted employees, which resulted in two reports released in August.

Chair Kieffer expressed his hope that at a future meeting the Regents would consider the long-term needs of the state in higher public education.

4. **REMARKS OF THE PRESIDENT OF THE UNIVERSITY**

President Napolitano welcomed systemwide Provost Brown and UC Davis Chancellor May. She congratulated Regent Lozano on her new leadership position, but expressed regret that the Regents would lose her service on the Board.

President Napolitano stated that, together with the UC Regents, all ten UC chancellors, and the leaders of California State University and the California Community Colleges (CCC), she had denounced President Donald Trump's misguided decision to end the Deferred Action for Childhood Arrivals (DACA) program. If allowed to stand, this decision would uproot the lives of 800,000 Development, Relief and Education for Alien Minors Act students (DREAMERS) across the country, derailing the futures of some of the nation's brightest young people, including thousands who have both graduated from and attend UC. For this reason, the University of California, represented pro bono by the law firm Covington and Burling LLP, filed suit the prior week to enjoin the Administration from rescinding DACA. The suit asserts that the decision violates both the Administrative Procedures Act and the Due Process Clause of the U.S. Constitution. Together with other higher education leaders, UC would do everything possible to compel the U.S. Congress to pass bipartisan legislation to allow these DREAMERS to continue to live, work, and study in the only country most of them have ever known as home. In the meantime, UC would determine the best ways to support and protect UC's DACA students over the upcoming six months and beyond, and would continue to provide them all current services. UC had been urging its DACA students to renew their DACA applications by October 5, and was pleased to learn that the Mission Asset Fund, with support from the Weingart Foundation, would provide \$500,000 in grants to cover the cost of renewing DACA applications. The Mission Asset Fund would distribute \$495 grants to cover the renewal fee of students whose DACA permits are scheduled to expire on or before March 5, 2018.

President Napolitano reported that she had met with 80 seniors at West Adams Preparatory High School in Los Angeles and each one of them is on the path to a college education.

She encouraged them to apply to UC and informed them that robust financial aid is available to them. Nearly every one of these students would be the first in their family to attend college. UC campuses have launched a systemwide coordinated campaign to help boost first-generation students' sense of belonging and connect them with mentors. President Napolitano expressed pride that 42 percent of UC's undergraduates are the first in their families to attend a four-year university.

Some of these students would chose to attend a California Community College and then transfer to UC. UC was on track to achieve its goal of enrolling one CCC transfer student for every two first-year students. About 30 percent of UC's current undergraduates transferred from CCCs. To support this goal, President Napolitano said she was reconvening the Transfer Task Force to increase applications to UC from CCC students and improve the yield, which is the number of transfer students who choose to enroll at a UC campus after receiving an offer of admission. The UC Office of the President (UCOP) was working closely with UC Santa Cruz and UC Riverside to help them increase both transfer applications and yield. Those two campuses and four others (UC Irvine, UC Davis, UC Santa Barbara, and UC Merced) offer the Transfer Admission Guarantee Program (TAG), which attracts 8,000 applications a year. UC's transfer pathways program spells out requirements for 21 majors applicable at all nine UC undergraduate campuses. President Napolitano anticipated that the Transfer Task Force would recommend expansion of both the TAG and the transfer pathways programs.

The President announced the formation of a task force with the charge of making UC's admission verification process more effective and responsive. Later this day UC Irvine Chancellor Gillman would participate in an Academic and Student Affairs Committee discussion of problems at UC Irvine in the current year with the process of verifying the academic accomplishments of admitted students. Those problems resulted in the rescission of a number of admission offers. She commended Chancellor Gillman for quickly apologizing and correcting those problems. The admissions verification task force would report to the Board of Regents on its findings and recommendations. Both task forces would be led by Provost Brown.

Earlier this week, President Napolitano and Executive Vice President Stobo had announced the formation of the University of California Cancer Consortium, an alliance of all five UC academic cancer centers. Through precision medicine, clinical trials, population health science, big data, and political engagement, the Consortium would bring together the best minds and practices to take on the most difficult cancer challenges in California.

UCOP was developing a forum to build on relationships developed through the UC Mexico Initiative. On September 21 at the UC Washington Center, UC would bring together academics, policy makers, business leaders, and other experts to discuss the economic and strategic aspects of the North American Free Trade Agreement and explore the broader future of U.S. – Mexico relations. Two days later, at UCLA's Luskin Center, UC would gather UC law students and young professionals to explore issues related to civil rights in the 21st century, the theme for the first combined conference of UC's four law schools to focus on public interest law. Developed in partnership with the Continuing Education of

the Bar, the conference would serve in part as a capstone experience for the first group of fellows in the UC Public Service Law Fellowship UCOP created the prior year.

The Office of the President was implementing the first series of practice and policy changes that would align its budgetary procedures with best practices in response to recommendations in the State Audit of UCOP. These changes would be consistent with UC's ongoing commitment to public accountability, prudent resource management, and continuous improvement. The new approach would affect car allowances, cash relocation allowances, moving reimbursements, supplemental retirement contributions, and reimbursement of lodging and meals, and would be effective October 15. The policy changes were formulated by benchmarking prevailing practices of other public Association of American Universities institutions as well as California and federal agencies. Internal stakeholders including campus representatives were also consulted.

President Napolitano remarked on UC values related to free speech, the safety of the UC community, and the challenge of countering what she termed the "myth of many sides." The following Friday President Napolitano would speak at a federal judiciary symposium in Sacramento where U.S. Supreme Court Justice Kennedy would open a day-long exploration of civil discourse in an America that is increasingly polarized. President Napolitano would speak about the difficulty of balancing freedom of expression and community safety, and the financial cost of keeping a campus secure when a controversial speaker visits. Also there is a campus climate cost of allowing speech that makes some of a campus' most vulnerable groups feel they are under attack within their own university.

UC's new academic year would come with new challenges; UC expected more controversial speakers and more passionate protests. When fear and divisiveness seem to overtake public discourse, the University must reach toward its basic values to guide it through the turbulence, without suffering intolerance or falsehoods in silence. The ideologies of white nationalists and neo-Nazis do not represent the truth by any measure. There is no place in American democracy for white supremacy; however there would always be a place in American for freedom of expression. Within the UC community of students, faculty, and staff, UC can draw on academic expertise and shared values to speak out against intolerance.

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

Faculty Representative White welcomed Academic Senate Vice Chair Robert May, Professor of Philosophy and Linguistics at UC Davis.

Faculty Representative White stated that the University must continue to maintain the values of academic freedom and free speech, while recognizing the asymmetry of power and the consequences of hate speech on the vulnerable. UC must ensure the security and dignity of all UC students, staff, and faculty, particularly the undocumented and those covered by the Deferred Action for Childhood Arrivals (DACA) program. He noted the corrosive effect of diminished State investment, with a 34 percent decrease in available resources per student since 2000-01 even including tuition increases and nonresident

tuition. State support remained lower than in 2007-08. However, the number of qualified applicants to UC continues to increase and UC had absorbed the largest enrollment increases since World War II, while increasing diversity.

Every department feels the strain, as do UC students. UC's current students, the state's brightest, must not be shortchanged by a diminished quality in UC education. UC must continue to improve its accessibility and affordability, through financial aid, decreasing student-faculty ratios, developing new courses and programs, student support including mental health, and improving graduation rates and time-to-degree. However, UC cannot improve without a return to realistic funding levels.

The University's funding model does not work for all its campuses. The rebenching process came close, with a vision that all campuses could aspire to eventually reach equal quality. Individual campuses tried to compensate for the large cuts during the Great Recession, 40 percent over two years, through nonresident tuition, self-supporting programs, research funding, commercialization of intellectual property, and philanthropy. But the campuses started from different levels of maturity. Those with higher historical levels of financial support and superior infrastructures are advantaged. All campuses have large capital needs to accommodate the current enrollment surge. UC needs a funding model that allows all campuses to grow to a uniform standard of excellence.

All UC campuses are unique and all work hard to reach, recruit, and enroll outstanding classes. Blunt legislative mandates, such as demanding a two-to-one freshman to transfer student ratio be reached, not just systemwide but at each campus, ignore differences among the campuses. Such mandates do more harm than good and create perverse enrollment incentives at the campuses. The Academic Senate is very committed to enhancing transfer pathways, but strongly opposed to forcing every campus to meet an arbitrary two-to-one ratio. The California Community Colleges and the UC Academic Senate were currently working together to produce an Associate of Science degree pathway that would better prepare students interested in transferring to UC or the California State University.

6. **NOTABLE HONORS AND ACHIEVEMENTS**

President Napolitano reported that UC campuses continue to rank at the top both nationally and internationally for academic excellence, value, and public service. In the 2018 *U.S. News and World Report* rankings half of the top ten public institutions in the nation are UC campuses, with UC Berkeley and UCLA leading the list. In the 2017 *Academic Ranking of World Universities* that considers six criteria including faculty quality and research output, four UC campuses ranked among the top 25 in the world and among the top five public universities in the nation. All UC campuses placed in the top 100. In the annual *Washington Monthly* rankings using the three criteria of enrolling and graduating low-income students, producing renowned research and Ph.D.s, and fostering a commitment to public service among students, six UC campuses were ranked in its top 25 nationally. UC San Diego was sixth, UC Davis was ninth, UC Berkeley was 14th, UCLA was 15th, UC Irvine was 20th, and UC Riverside was 21st. UC stood out in the category of social mobility, an assessment of how well schools recruit and graduate low-income and first-generation students,

students' median earnings after graduation, and their loan repayment rates. Five UC campuses were listed in the top 20 in the country, led by UC Merced. *Money Magazine's* annual college rankings based on quality, affordability, and outcomes, listed seven UC campuses among the top 100 best value institutions. Two UC medical centers rank in the top ten nationally according to *U.S. News and World Report*. All five UC medical centers are among the top performers in California. *Sierra*, the magazine of the Sierra Club, ranked UC among the nation's leaders in sustainability practices, with seven UC campuses making the top 50, the eighth consecutive year that UC Irvine ranked in the top ten, an achievement unmatched by any other university. UC Merced improved 30 places, into *Sierra's* top 50.

In July, the California Council for Environmental and Economic Balance honored UC with a 2017 Edmund G. "Pat" Brown Award, which recognized UC's legacy of equipping California to lead the way in environmental stewardship and economic growth.

UC Santa Cruz celebrated the 50th anniversary of the Alan Chadwick Garden, a birthplace of the sustainable food movement. Out of this student garden project started by master gardener Alan Chadwick in 1967, UC Santa Cruz helped pioneer organic farming and gardening practices, and trained leaders in this new frontier. That work continues at what is now the Center for Agroecology and Sustainable Food Systems, where research is underway in a number of areas critical to California's sustainable farming future.

The meeting adjourned at 10:00 a.m.

Attest:

Secretary and Chief of Staff