

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 24, 2018

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

Members present: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lemus, Makarechian, Mancina, Monge, Napolitano, Newsom, Park, Pérez, Sherman, Tauscher, Varner, and Zettel

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

The meeting convened at 8:40 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. Lina Layiktez, UC Davis employee and chair of the Council of UC Staff Assemblies, noted the importance of employee training and development, often a target for cuts in difficult budget times. Cutting training can lead to staff turnover, low morale, and the costly need to hire new staff. She urged the University to continue to invest in staff through training and development, compensation, benefits, and other means to strengthen and build UC's workforce, rather than spending money managing staff turnover.
- B. Mr. Maxwell Lubin, UC Berkeley graduate student and founder of Rise California, said his organization represented more than 10,000 UC, California State University, and California Community College students fighting to restore full funding to California public higher education. Mr. Lubin said students oppose any tuition increase because of false promises of the high-tuition, high-aid model. Assurances from UC that middle- and low-income students would be protected from the rising cost of higher education were not borne out in the reality of students' lives. He urged the Regents to join students to urge the Legislature to fund UC fully. He questioned the logic of voting on a tuition increase even before the State budget was set.

- C. Ms. Varsha Sarveshwar, UC Berkeley student and Fund the UC campaign manager for the Associated Students of UC (ASUC), urged the Regents to vote against a tuition increase, or at least delay the vote until March, as the 2018 budget had not been finalized at the current time. Students would work with the Regents to advocate for adequate UC funding. She noted that it was difficult for UC Berkeley students to attend the Regents meeting during their second week of school, as they would risk being dropped from their classes.
- D. A UC Berkeley transfer student expressed concern that UC Berkeley students who missed class to attend this meeting would be dropped from their classes, as it was the second week of the semester. He noted the difficulty of paying UC tuition with limited financial aid. He urged the Regents to oppose any tuition increase or at least delay the vote to ensure transparency.
- E. Ms. Jillian Free, UC Berkeley student and ASUC student advocate, said she represented the UC Berkeley student body. She oversaw an emergency housing fund secured only by student fees, used for students in crisis who did not have a place to live. She stated that she had seen students living in campus libraries and other campus buildings, on friends' couches, and in cars, and skipping meals to save money. The UC system is under crisis and UC students need the help of the Regents to oppose a tuition increase.
- F. Mr. Juniperangelica Cordova, fourth-year UC Berkeley student, stated that he had been homeless for four years in high school and two years in community college. Although he currently received financial aid, he had not received his check yet, two weeks into the semester. He and his daughter were struggling to pay for food and rent, while he faced UC Berkeley's challenging classes. He urged the Regents to consider the effect a tuition increase would have on him.
- G. Ms. Rebecca Ora, UC Santa Cruz graduate student, urged the Regents to vote against the proposed tuition increase. She said UC students had been opposed to even small, predictable increases in tuition, viewing them as pernicious and insidious. Areas where many UC campuses are located have very high costs of living, which had been worsened by increases in student enrollment. She urged the Regents to seek increased funding from the State.
- H. A UC Berkeley alumna emphasized the importance of accessibility to public higher education and noted the demands put on students at UC.
- I. Mr. George Michael Mitchell, undocumented UC Berkeley student and representative of the UC Undocumented Student Coalition, spoke against the proposed tuition increase and asked the Regents to consider its effect on UC's undocumented students. Students with Deferred Action for Childhood Arrivals status have the ability to work, but other undocumented students do not. He stated that 70 percent of undocumented students at UC Berkeley face food insecurity.

- J. Mr. Rigel Robinson, UC Berkeley student and ASUC external affairs vice president, commented on the incremental effect of small tuition increases. Many students' financial aid is not enough to cover their total cost of attendance, particularly in areas with very high cost of living. Increasing tuition would decrease UC diversity. He urged the Regents to work with UC students to advocate for more State funding in the May budget revision.
- K. Ms. Caroline Siegel-Singh, UC San Diego student and member of the board of the Associated Students of UC San Diego, asked the Regents to consider a petition from UC students systemwide urging the Regents to delay the vote to increase tuition and pursue alternative solutions.
- L. Mr. Connor Hughes, UC Berkeley student, Associated Students of the University of California (ASUC) Senator, and resident assistant, reported that in his one-on-one conversations with the residents in his dormitory, their foremost issue of concern is the cost of attendance. He urged the Regents to use their control over tuition to hold down student costs.
- M. Ms. Claire Watts, UC Santa Cruz student and member of Fossil Free UC Santa Cruz, said the Regents know that climate change caused deaths around the world, and perpetuated economic inequality, food insecurity, chronic health problems, and global displacement. The fossil fuel industry exploits workers and resources. UC students and faculty have demanded for more than four years that UC divest fossil fuel industry holdings.
- N. Ms. Laurel Levin, member of Fossil Free UC Santa Cruz, commented on increasing hurricanes and fires, and the change in U.S. environmental policy under the administration of President Trump. She urged the Regents to divest holdings in the fossil fuel industry.
- O. An environmental studies student at UC Santa Cruz urged the Regents to join the movement for climate justice and fully divest holdings in the fossil fuel industry.
- P. Ms. Dana Alpert, UC Berkeley student and resident assistant, reported that UC Berkeley students struggle daily to afford their basic needs such as books, housing, and even food. A tuition increase would take away students' money for food or rent, and would decrease diversity. She urged the Regents to postpone the vote to increase tuition and to keep public higher education affordable.
- Q. Mr. Calvin Nguyen, first-year UC Berkeley student and son of Vietnamese immigrants, commented on the painful irony that some students must miss class to work. At some point, increasing tuition to further education actually hinders students' education.
- R. Ms. Sarah Abdesahian, UC Berkeley student, stated that the revolutionary idea of UC had never been fully implemented, because UC is not accessible. She urged the

Regents to vote against the proposed tuition increase and to decrease executive salaries.

- S. Ms. Sadia Khan, third-year UC Berkeley transfer student and a single parent, stated that tuition and non-tuition costs made UC unaffordable.
- T. Ms. Nuha Khalfay, UC Berkeley student and ASUC senator, stated that financial aid had not increased by the same amount as tuition. Nonresident students are not necessarily wealthier than California students. The proposed increase in nonresident tuition and student fees would equal a month's rent, ten textbooks, or 100 meals. She urged the Regents to delay the vote to increase tuition.
- U. Ms. Zaynab AbdulQadir-Morris, UC Berkeley student body president, commented on the inaccessibility of this meeting for UC Berkeley students in their second week of classes who must risk being dropped from their classes to attend. UC students would work with the Regents to lobby the Legislature.
- V. Ms. Victoria Solkovits, second-year UCLA student and daughter of two public school teachers, said that as a student from a middle-class family, she received no financial aid from the State or UC. Her family's expected contribution was far higher than her family could actually afford. She acknowledged the stress on the University from increased enrollment of California students, but the proposed tuition increase would harm many students like her who would have to pay the full increase. She urged the Regents to consider whether tuition increases would cause the Legislature to fail to provide more funding in the future.
- W. Ms. Rizza Estacio, UC Berkeley student and ASUC senator, said she relied on financial aid to attend UC. She was recently dropped from all her classes for failure to pay tuition under the cancellation for no payment policy she said was recently implemented at UC Berkeley. If a student does not pay 20 percent of tuition by the first week of enrollment, the student would be dropped from all classes. Ms. Estacio had sometimes received her financial aid a week before the end of instruction, leading to her being evicted numerous times and unable to pay for groceries, while working two jobs to attend UC. Increasing tuition would decrease diversity at UC.
- X. Ms. Kylie Murdock, UC Berkeley student, said she came from a middle-class family with four children and received no financial aid. Her family was concerned that they would not be able to send four children to college. California public higher education was no longer affordable or accessible. The proposed tuition increase was not small for students like her. She urged the Regents to postpone the vote on the tuition increase.
- Y. A first-year UC Berkeley student cited the pressures on UC students. Financial stress distracts students from their academics. Many students struggle with food insecurity.

- Z. Ms. Katherine Wong, second-year UCSF Neurology resident and representative of the Committee of Interns and Residents at San Francisco General Hospital, had worked with her colleagues to organize a union at UCSF. After being recognized the prior year, the union would shortly begin the negotiation process. The union's priorities were patient care, which requires functioning technology and adequate staffing levels; resident well-being; attention to issues that make it difficult for residents to have families, such as 80-hour work weeks; and diversity.
- AA. Mr. Bryan Osorio, fourth-year UC Berkeley student, urged the Regents to support students.

Chair Kieffer suggested an in-depth presentation about UC financial aid at a future meeting, including aspects that could create difficulty for students accessing their financial aid. Regent Pérez added that it would be helpful to have this presentation prior to the Board's vote on a tuition increase.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of November 15, 2017 were approved.

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

President Napolitano noted the importance of maintaining consistent, direct communication with the leaders of the State Assembly, Senate, and Governor's office. As the University strived to secure the funding needed to maintain access and quality, and to ensure student success, it must strengthen its relationship with State leaders. She looked forward to collaborating with Senator Toni Atkins when she becomes State Senate President pro Tempore in March. Senator Atkins had proven herself to be a steadfast champion of higher education. Senator Atkins would bring a wealth of experience from her time as a UC Regent and from her interactions with UC San Diego, which is in her district.

President Napolitano commented on the recent Santa Barbara County mudslides and fires, which claimed the lives of nearly two dozen people. The UC community sends its deepest sympathies to all those affected by these disasters. She commended UC Santa Barbara Chancellor Yang and his team for their remarkable efforts to sustain the campus through a difficult time, and provide extensive support and guidance to UCSB students, faculty, and staff. The Office of the President would continue to monitor the situation and offer its support.

The President noted that 2018 is the 150th anniversary of the founding of the University of California and is a pivotal moment for the UC system. Decisions before the Regents this week would shape the future of the University and affect both its accessibility and educational quality. In looking to the future, it is worth noting UC's present status. For the 13th consecutive year, UC received a record number of admission applications. The

number of applications from California high school and California Community College students increased over the prior year by more than seven percent. More California students were enrolled at UC than at any point in its 150-year history. UC had already met its goal of adding 10,000 California students by the 2018-19 academic year. To ensure that future generations of Californians continue to have access to an excellent UC education and to robust financial aid, UC leaders must budget prudently, making tough choices about spending and revenues, including tuition.

As the University continues to look for ways to expand access, it had created a full complement of online courses that would allow high school students anywhere in California to take the classes they need to be eligible and competitive for UC and California State University (CSU) admission. Established with the help of \$4 million in State funding, this UC Scout program provides world-class college preparatory classes free to California public schools and their students. Earlier in January, UC Scout completed a major expansion of its course offerings, to 65 state-of-the-art online classes, including a complete catalogue of the courses students need to fulfill the “a-g” requirements for UC and CSU admission and 26 Advanced Placement classes.

President Napolitano was pleased to report that earlier in January a Federal Court issued an injunction to temporarily stop the Department of Homeland Security’s rescission of the Deferred Action for Childhood Arrivals (DACA) program. Unfortunately, even with this injunction, fear and uncertainty persisted for UC’s DACA students and staff. The Department of Justice had already appealed the decision and had sought direct Supreme Court review of the ruling, a highly unusual procedural maneuver. These developments made clear the urgent need for a legislative solution. UC would continue to support DACA recipients by challenging the legality of the program’s rescission and supporting congressional legislation that would allow for permanent protection, and would continue to provide services and aid to its undocumented students.

President Napolitano acknowledged the leadership of the Regents, who, 150 years ago, put the University of California on the path to greatness. Since then, the Regents have set the direction, policies, and values that had made UC the best public research university in the world. Regents Varner, De La Peña, and Pattiz would soon leave the Board after many years of service. Each had played a notable leadership role in UC’s recent history.

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

Faculty Representative White stated that UC was one university whose rich 150-year history provided a guide to its future. The California Constitution of 1878 granted institutional autonomy to the Board of Regents. He recounted the authority granted to the Academic Senate. UC became the world’s preeminent public research university, with its practices widely seen as the model for others. Each UC campus owed its development to the UC system, the Board of Regents, and the Office of the President. The power of one university is much greater than any one campus. The President of the University must facilitate development by the Regents of the University’s direction, goals, and strategy. The Regents must be stewards governing the University as a public trust in fulfillment of

its educational, research, and public service missions, in the best interests of the people of California. The State government must provide the University the necessary resources to complete its mission. A base budget adjustment equivalent to 2.7 percent flew in the face of an agreement that promised four percent, a harm to California students and their families. UC had suffered from steady disinvestment by the State, inevitably resulting in crumbling infrastructure, capital liability, and increased reliance on student tuition. Mr. White urged a focus on supporting the University's mission. The State must fund enrollment and infrastructure, and should not use the power of the purse to interfere in operations. The President has the responsibility to lead UC's mission, from a center that provides cohesion and resilience to allow UC's federated campuses to develop their distinctive strengths, but maintain their alignment with the one university.

Mr. White recalled that the Office of the President was under pressure and reduced in size a decade prior. Many talented, knowledgeable, and experienced staff left. Nothing was gained; much was lost. Even at that time, the Regents' external consultant noted the relatively modest cost of operating the Office of the President. Mr. White expressed his view that the same was true currently and anticipated that the current external consultant would make the same finding. Any changes to be made should be done to improve the common good, not for empty political appeasement. The Board must ensure that any changes be made with care, deliberation, and transparency. The Office of the President provides many things to the University: an organizational framework; a nuanced balance of distributed powers, responsibilities, and self-determination; a shield to the campuses from political storms; the critical mass to more efficiently and effectively serve the campuses through such functions as labor relations, collective bargaining, the retirement system, admissions, investments, endowments, capital management, credit ratings; and the ability to be an honest broker among the campuses' expressions of their individual aims. Other functions are best and have been decentralized to the campuses. Just as UCLA, at its founding 99 years prior, followed UC Berkeley in a rise to preeminence, UC's younger campuses must maintain that same aspiration and be placed on that same trajectory to excellence.

5. **REMARKS OF THE CHAIR OF THE BOARD**

Chair Kieffer expressed appreciation to the many State Legislators who had been willing to meet regarding the University, including the chairs of the Higher Education and Budget Committees in the State Senate and Assembly. The University had many supporters, who have great pride in UC and its best interests at heart. UC would continue to work closely with the leadership of both houses.

Chair Kieffer highlighted upcoming agenda items for this meeting. The Governance and Compensation Committee would consider changes to policies on compliance with State audits and the obligation of administrators who report to both the Regents and the President. These revisions would expressly prohibit interference with audits and investigations by the State Auditor, strengthen the independence of the General Counsel and Chief Compliance and Audit Officer, and reinforce their independent reporting

obligations to the Board of Regents. Also, the Board would hear a discussion of the UC 2018 budget.

Chair Kieffer stated that UC was disappointed in the Governor's budget, but remained hopeful since the State budget process had just begun. Conversations would continue with the Governor and the State Legislature to ensure expanded access to Californians for the upcoming year and to restore funding envisioned in an earlier framework.

Chair Kieffer stated that, while he disagreed with the Governor about his budget and his position on tuition, he agreed with the Governor that UC must creatively engage to make education more affordable. UC and the rest of national public higher education must reimagine how to meet the needs of 2020, rather than of prior years. Chair Kieffer thought this process had begun and would require creativity from all parts of UC. He cited UC's procurement partnership with the California State University (CSU), its collaboration at the Board level with its CSU and California Community College colleagues, and the creation of incentives for shortening time to degree. For UC, a critical part of this creativity called for by the Governor would ultimately have to come from its faculty and from the campuses where teaching, research, and public service really take place. If the faculty and campuses did not engage in this effort directly, the Board of Regents would do so clumsily, or the State would more clumsily. Chair Kieffer urged UC to put all its energy into this effort. For the Board it would mean addressing the projections of the Public Policy Institute of California that the state would be one million college-educated workers short of workforce requirements by 2030. Solving these questions would require a partnership with the State. UC could not educate more students without additional resources. Chair Kieffer urged the Regents to forge ahead with the confidence of the University's original founders 150 years prior.

The meeting adjourned at 9:45 a.m.

Attest:

Secretary and Chief of Staff