

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

November 14, 2018

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

Members present: Regents Anderson, Anguiano, Butler, Elliott, Estolano, Graves, Guber, Kieffer, Lansing, Leib, Makarechian, Morimoto, Napolitano, Park, Sherman, Tauscher, and Zettel

In attendance: Regents-designate Simmons, Um, and Weddle, Faculty Representatives Bhavnani and May, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Bustamante, Provost Brown, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Executive Vice President Stobo, Senior Vice President Holmes, Vice Presidents Brown, Budil, Duckett, 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. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of September 26, 2018 were approved.

2. 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. Nuha Khalfay, UC Berkeley student and external affairs vice president of the Associated Students of UC (ASUC), expressed solidarity with American Federation of State, County and Municipal Employees (AFSCME) workers. She stated that students are concerned about basic needs security, support for undocumented students, fossil fuel divestment, UCPath, the Students for Justice in Palestine conference, and voter registration.
- B. Ms. Elizabeth Nickerson, UC Berkeley student and member of California Student Public Interest Research Group, Inc. (CALPIRG), expressed appreciation for UC's commitment to clean energy and suggested that UC set the goal of using 100 percent clean energy systemwide by 2050.

- C. Ms. Lindsey Huizar, external vice president of the Associated Students of UC Merced and University affairs committee chair of the UC Student Association (UCSA), said a pipe had burst in the ceiling of a room at UC Merced, causing temporary displacement of students. She said student well-being should be foremost during expansion of the campus.
- D. Ms. Ximena Valdarrago, UC Berkeley student and representative of the UC Berkeley undocumented student coalition, stated that caring staff who assisted undocumented students at UC Berkeley were crucial in helping her through difficult years. She asked that funds supporting undocumented students be used for permanent services on all campuses.
- E. Ms. Maureen Dugan, UCSF registered nurse, stated that the California Nurses Association (CNA) finally had a contract with UC and remained committed to preserving nurses' pensions. CNA looked forward to working with the new Governor and new Regents to improve patient care in UC medical centers.
- F. Mr. Jake Brymner, state and federal policy director of Campaign for College Opportunity, a nonprofit coalition working to expand college access and student success, expressed concern about graduation rates for Latino/a students.
- G. Mr. Charlie Lea, UC Berkeley student who worked with ASUC and CALPIRG on recent student voter registration, thanked UC faculty for their support in this successful effort. He particularly noted that UC Santa Cruz had a booth where students could register and vote on the day of the election and UCLA had centralized voting so students knew the location of their polling place. He would work to increase student voter turnout for the 2020 election.
- H. Ms. Jamie Kennerk, UCLA student and UCLA Undergraduate Students Association external vice president, stated that as a result of conversion to UCPath some students' paychecks were six weeks late, causing them to seek emergency loans from the University. Students depend on getting timely paychecks to meet their basic needs.
- I. Mr. Seper Nadimi, UC Berkeley student and intern with CALPIRG's New Voters Project, thanked the Regents and UC administration for their support of the recent student voter registration campaign. He stated that a Memorandum of Understanding between the Regents and the California Secretary of State was helpful. This collaboration should be built upon to register more students for the 2020 election.
- J. Mr. Edson Arroyo de Jesus, UC student, advocated for mental health and legal services for undocumented students, who often struggle with basic needs. The current political climate has had a detrimental effect on the mental health of undocumented students.

- K. Mr. David Xia-Zhu, UC Berkeley student, demanded temporary funding of mental health and legal services for undocumented students until permanent funding is secured.
- L. Mr. Nick Araujo, UC Berkeley student, advocated for more support for undocumented students.
- M. Ms. Yuan Tao, UC Berkeley student and member of that campus' Basic Needs Security Student Coalition, expressed solidarity with UC workers. She supported the establishment of the Regents Special Committee on Basic Needs and interim funding for student basic needs resources.
- N. Ms. Kylie Murdock, UC Berkeley student, expressed support for UC workers, and for establishment of the Regents Special Committee on Basic Needs to help solve issues surrounding housing and homelessness, financial aid, food security, and mental health resources. She also urged increased funding for offices that provide confidential services to survivors of sexual violence or sexual assault, and improvement in adjudication processes.
- O. Mr. Johnny Nguyen, UC Berkeley student, expressed solidarity with UC workers. He urged the Regents to divest from holdings in the fossil fuel industry.
- P. A speaker said there was a lack of diversity among the Regents compared with UC students and urged funding to assist undocumented students.
- Q. Ms. Carol Xie, UC Berkeley student, expressed solidarity with AFSCME workers, and support for the establishment of a Regents Special Committee on Basic Needs.
- R. Ms. Sarah Bancroft, UC student, urged the Regents to divest from holdings in the fossil fuel industry.
- S. Mr. Simon Sällström, UC Berkeley student, advocated the University's divestment from holdings in the fossil fuel industry and urged UC to continue its leadership in combating climate change.
- T. Ms. Abrah Steward, UC Berkeley student and CALPIRG Board member, advocated banning neonicotinoid pesticides, which have a detrimental effect on bees.
- U. Ms. Kathryn Lybarger, president of AFSCME Local 3299, said UC was not bargaining in good faith and was treating its workers as second-class citizens. She urged the University to fight increasing inequality, to stop outsourcing of jobs, and to provide its workers a secure and stable future for their families. UC jobs provide workers a ladder to the middle class, but outsourced jobs cause wage stagnation with no benefits.

- V. Ms. Agnes Suarez, UCSF employee and AFSCME member, expressed support for the comments of Ms. Lybarger. She noted the high cost of living in the San Francisco Bay Area and expressed opposition to outsourcing of jobs.
- W. Mr. Michael Avant, UC San Diego patient transporter, voiced support for the comments of Ms. Lybarger. He said more than half the jobs in his department had been outsourced, and his children depended on him for housing and medical insurance.
- X. Ms. Monica De Leon, UC Irvine Medical Center employee, expressed support for the comments of Ms. Lybarger, and opposition to the outsourcing of jobs.
- Y. Ms. Rebecca Chidester, UC Davis employee, voiced support for the comments of Ms. Lybarger and said UC workers deserve a secure retirement. She expressed opposition to outsourcing jobs.
- Z. Ms. Kristina Torres, UC Davis Medical Center employee, expressed support for the comments of Ms. Lybarger. Ms. Torres said she struggled to support two sons in college. UC workers should be able to retire with dignity.
- AA. Mr. James Clark, UCSF employee and U.S. military veteran, said morale in his department was low because of concern about a contract. He opposed outsourcing of jobs.
- BB. An AFSCME member said he had been on strike twice in the past year. He expressed opposition to outsourcing jobs to contract employees who are not qualified to care for patients.
- CC. Ms. Jennifer Howard, AFSCME member, expressed support for the comments of Ms. Lybarger and opposition to outsourcing jobs.
- DD. Ms. Jan Nuzzo, UCSF employee and AFSCME member, expressed opposition to outsourcing of jobs to people who would work for less and who would not be dedicated to UCSF patients. Workers need better pay and job protection.
- EE. A first-year student at UC Berkeley urged divestment of holdings in the fossil fuel industry. Divestment would be a sound economic decision as there was a decline in demand for fossil fuels. Many other well-known universities had divested totally.
- FF. Ms. Regina Kim, UC Berkeley student and ASUC senator, spoke about students' basic needs security. Among certain groups of students, food insecurity is even higher than in the general student population. She expressed support for the establishment of the Regents Special Committee on Basic Needs.
- GG. A second-year UC Santa Cruz student and UCSA basic needs security officer commented on student food insecurity and the housing shortage. He urged the

Regents to support long-term solutions for students' basic needs such as institutionalized funding from UC and the State.

- HH. A fourth-year UC Berkeley student said that UC touts its commitment to becoming carbon-neutral, yet invests in the fossil fuel industry, which is the foremost cause of global warming. He urged divestment from the fossil fuel industry.
- II. Mr. Adan Martinez, UC Berkeley Ph.D. student, spoke of the high cost of housing and food for him and the undergraduate students he teaches. He advocated a fair wage for UC workers.
- JJ. Mr. Daniel Chagron, second-year UC Berkeley student, said State support for UC was inadequate. He urged fair wages for UC workers.
- KK. Ms. Ariana De La Fuente, second-year UC Berkeley student, expressed solidarity with AFSCME workers and support for undocumented students.
- LL. Mr. Neil McClintick, UC Berkeley fourth-year transfer student, commented that high housing costs have an even greater effect on transfer than on other students. He urged the Regents to encourage greater inclusion for transfer students. He expressed support for UC workers.
- MM. Ms. Bernadette Parker, UCSF employee, stated that contract workers who perform outsourced jobs do less than loyal UC employees, who have to make up that work. These UC workers are already low-paid. without a fair contract, and would not be able to provide for their families.

3. **REMARKS OF THE CHAIR OF THE BOARD**

Chair Kieffer congratulated Governor-elect Newsom. Lieutenant Governor Newsom had participated extensively on the Board of Regents. Chair Kieffer looked forward to working with the Governor-elect and expressed optimism about the coming year. Lieutenant Governor-elect Kounalakis would join the Board as an ex officio Regent. The race for Superintendent of Public Instruction had not yet been decided, but the victor would also join the Board as an ex officio Regent. Chair Kieffer thanked current Superintendent of Public Instruction Torlakson, who could not attend this meeting because of problems for schools caused by the wildfires throughout the state. Regent Torlakson had served on the Board of Regents for nearly eight years and had been an outstanding partner in improving students' readiness for UC. Chair Kieffer wished Governor Brown, the longest serving governor in the history of California, well in his retirement from public service.

Chair Kieffer expressed appreciation to the UC Student Association (UCSA) for providing him the opportunity to speak to them recently. Discussions were positive and he anticipated the Regents' partnering with UCSA in many causes.

The prior week, Chair Kieffer had convened a meeting of the leaders of the Regents and of the governing boards of the other segments of California public higher education. Productive discussions were held regarding potential future collaborations. They would continue to meet. In addition, at the invitation of Faculty Representative May, Chair Kieffer met with the Academic Council. He also met with leaders in Sacramento, including Senate President pro Tempore Atkins, Assembly Speaker Anthony Rendon, Assembly Budget Chair Philip Ting, and others to continue to establish a dialogue.

Chair Kieffer highlighted some topics of the current meetings. He invited all Regents to attend the Governance and Compensation Committee meeting that would consider several amendments to the July 2016 changes to Board of Regents operations and committee structure, taking into consideration feedback and discussions at prior meetings. Regent Graves and Chair Kieffer would jointly propose formation of a Special Committee on Basic Needs, which was critically important to understand the basic needs of UC students and to ensure action on all campuses to address students' basic needs. On Thursday, the Board would have its first opportunity to discuss the multi-year budget and planning framework that aims, among other goals, to produce 200,000 more UC degrees than originally estimated by 2030. A multi-year budget would create a vision for the University and would help the Legislature understand UC's plan to meet the shared goals of the Legislature, the University, and the public.

Chair Kieffer acknowledged the extraordinary effort President Napolitano and UC Office of the President staff had made over the past two months, with many important projects, including the budget, the multi-year budget, and many others. He noted the excellence of UC campus staff. Chair Kieffer acknowledged the behind-the-scenes work of Drue McCarthy, who was retiring, one of two dedicated minute-writers responsible for translating hours of discussion into meeting minutes, which become the historic record of the Board.

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

President Napolitano expressed the Board's profound sympathy and concern for those affected by the devastating wildfires burning across California. She thanked the first responders and volunteers working to keep Californians safe. Students who were applying this fall to UC and who had been affected by this natural disaster could request an extension to December 15 and an application fee waiver that would cover the cost of applying to up to four UC campuses. The UC community would continue to do everything possible to support Californians during this difficult time. She particularly thanked UC Davis and UCLA leaders for managing the situation on their campuses.

President Napolitano congratulated Governor-elect Newsom and Lieutenant Governor-elect Kounalakis, and looked forward to welcoming them and the next Superintendent of Public Instruction to the Board and working with them on higher education issues. With the midterm election now over, President Napolitano would turn her attention to building relationships with the newly elected officials in Sacramento and in Washington, D.C.

Since the past meeting, the U.S. Court of Appeals for the Ninth Circuit had ruled on UC's lawsuit related to Deferred Action for Childhood Arrivals (DACA), deciding to hold in place the injunction preventing the Department of Homeland Security from ending the DACA program. This would ensure that the roughly 800,000 beneficiaries of DACA including students, staff, and faculty at UC, would be able to retain or renew their DACA grants and continue to work, study, serve in the military, and live in the United States legally without fear of deportation. This decision was yet another strong message from the nation's courts that the government's attempt to rescind DACA was unlawful. President Napolitano called on the Trump administration to stop its efforts to rescind the program and encouraged Congress to enact permanent protections for DREAMERS, recipients of benefits under the Development, Relief and Education for Alien Minors Act.

President Napolitano expressed pride that more California students were studying at UC than at any time in its history, and its financial aid program can bring a UC education within reach for California families, with 56 percent of UC's California students having their tuition fully covered. Half of UC's undergraduates graduate with no student loans. However, the University recognizes that expenses such as food, housing, and books can also pose barriers to attaining a college degree. Updates would be provided in these meetings about ways UC was supporting its students further in areas of student housing and food security.

To address the larger underlying question about the University's future funding and direction, the Regents and the administration leadership had been engaged in conversations about a multi-year framework that would lay out a vision for UC's role in California's future and address degree attainment, enrollment, upward mobility, research, academic excellence, and budget planning.

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

Faculty Representative May reported that in celebration of the University's and the Academic Senate's 150th anniversary the Academic Senate held a symposium, "The University of California and Higher Education: Its Mission, History, and Goals." He recounted the history of the Regents' recognition of the role of the faculty in the shared governance of the University and its academic freedom. The Master Plan for Higher Education established a three-way division of public higher education among UC, California State University, and the California Community Colleges (CCCs), each with its own distinctive mission. Current pressure for increased enrollment and degree attainment remained unabated, yet the University's capacity to educate at both undergraduate and postgraduate levels had grown only incrementally, after decades of State disinvestment in the University. The Academic Senate works within its purview to address the academic needs of the University.

The Academic Senate was supportive of efforts to develop a multi-year UC budget, especially its emphasis on developing academic infrastructure. The need for capital improvement and the development of classrooms and laboratories was evident every day to every UC faculty member on every campus. The growth and maintenance of the

professoriate engaged in the core mission of teaching, research, and public service was critical. Diversifying UC faculty to align with the profile of UC students was also paramount, including a rejuvenation of the curriculum.

The Academic Senate remained hard at work developing the transfer guarantee for CCC students, was forming a task force to review the use of standardized testing in admissions, and was looking into a University-wide policy of posthumous degrees. The Academic Senate endorsed expansion of the Postdoctoral Fellowship Program and moving these fellows into permanent faculty positions.

6. **UPDATE ON THE PRESIDENT'S STUDENT HOUSING INITIATIVE**

President Napolitano said the University had embarked on a very ambitious initiative to increase the development and availability of student housing, which remained a chief concern. The cost of housing is a serious factor in the lives of Californians.

Executive Vice President and Chief Financial Officer Brostrom reported that since President Napolitano announced this initiative in January 2016, significant progress had been made toward the goal of developing an additional 14,000 affordable beds by fall 2020. In fact, plans had been presented to the Finance and Capital Strategies Committee for 13 projects totaling nearly 20,000 beds. These projects included campus-developed projects financed through limited project revenue bonds and public-private partnerships. The University was currently on track to exceed the goal of 14,000 new beds by fall 2020, with thousands more planned to come on line in the years thereafter. Mr. Brostrom emphasized that the cost of housing and access to housing remain some of the top concerns of UC students systemwide. The University should continue to be aggressive in developing viable campus-based housing projects at an accelerated pace.

Vacancy rates for off-campus, multi-family housing near UC campuses was very low and apartments were frequently rented before students begin searching for housing in advance of fall classes. This is a particular problem for transfer students, who often have not learned of their admission until May or June. In the past year, the vacancy rate was less than one percent in Davis, less than three percent in areas adjacent to UCLA, and less than two percent in San Diego. The lack of housing forced students to live farther from campus and make long commutes or pay high rents that were increasing at accelerated rates. By building more on-campus housing for undergraduates, graduate students, and student families, UC could increase access and maintain affordability. There was also a marked correlation between living on campus and enhanced learning outcomes, including both persistence toward degrees and reduced time to degree.

Associate Vice President Peggy Arrivas displayed a table showing the number of students currently housed on UC campuses, totaling 97,000, 35 percent of enrolled students, a slight increase over the 34 percent in 2015 prior to the housing initiative. Since the announcement of the housing initiative, 10,000 more students were housed on campus, but enrollment was growing faster than housing. The table revealed variance among the campuses. UC Berkeley housed 22.5 percent of its students, while UC Santa Cruz and UCLA housed

45 percent. Although not equivalent to housing demand, the wait list for fall 2018 was 13,500 students, divided equally between undergraduate and graduate students.

Ms. Arrivas displayed another table showing completed and planned student housing development. In the five years prior to the housing initiative, the University developed 8,915 new beds. Since the commencement of the housing initiative in fall 2016 through fall 2020, the University was on track to exceed the goal of 14,000 new beds and anticipated development of 15,588 new beds during that time. In the subsequent five years, from fall 2021 through fall 2025, the University planned to develop 15,440 additional new beds. That number would increase even more, because a number of campuses, including UC Berkeley, UC Santa Barbara, UCSF, and UC San Diego, were planning other additional housing projects.

Ms. Arrivas displayed a slide comparing rental rates between on-campus and off-campus housing. One significant goal of the housing initiative was to provide on-campus housing that is more affordable than housing in the surrounding community. Living on campus with other students also contributes to student success.

Regent Estolano asked whether UC guaranteed on-campus housing for first-year students. Mr. Brostrom said that varied among the campuses. Some campuses have both a guarantee and a requirement that first-year or first- and second-year, or transfer students live on campus.

Regent Sherman asked if the University had explored acquiring privately owned apartments. Mr. Brostrom responded that many of the campuses had signed master leases for hundreds of units. In addition, many properties had been gifted to the University, for instance to UCSF.

Regent Morimoto asked if the percentage of students housed on campus would change. Mr. Brostrom responded that he hoped that percentage would increase. However, development of housing was chasing enrollment growth.

Regent Butler asked if faculty housing was planned as part of the effort to recruit and retain faculty. Mr. Brostrom responded that a systemwide faculty and staff housing program was much smaller than the student housing program. UC had 3,000 units of faculty and staff housing, half of those at UC Irvine where a land trust was set up decades ago that had been very successful. Many campuses were exploring ways to provide faculty or staff housing, as housing remained a critical issue particularly at UC's urban campuses. UC's Mortgage Origination Program (MOP), which uses Short Term Investment Pool funds to originate mortgages for faculty and senior staff, had been very successful. In the current rising interest rate environment, MOP loans were at rates significantly below commercial mortgages. The program had its strongest month ever in October, providing \$40 million of mortgages.

Regent Anguiano asked about developing more ways to bring the University to communities where students live, so they would not have to live near campus.

Mr. Brostrom agreed that most UC campuses were residential and other models could be considered, although the residential experience would continue to be the core of the University.

Faculty Representative Bhavnani commented that students do better educationally if they live on campus. She asked who set housing policy and pricing. Mr. Brostrom said housing pricing was set by each campus and there was a wide range of pricing. He did not think there were policies that favored certain student cohorts over others. He agreed that housing students on campus, particularly during their first two years, increased student persistence toward their degrees.

Regent Makarechian commented that the Finance and Capital Strategies Committee had considered acquiring privately owned housing near campuses, but it was very expensive, because of the cost of the land in addition to the building. Many UC campuses were in areas with very high land values. Also, funding for such purchases was hard to find. He emphasized the goal of affordability. Developing housing on UC-owned land was the best option, but the University must negotiate highly cost-effective buildings from contractors so student rent could be affordable. Some campuses have disagreements among stakeholders about developing housing on campus open space. It was important to gain student support for building housing on campus. He proposed the goals of housing 60 percent of UC students at prices 40 percent below market rates.

Student Advisor Huang asked if data were available about which students were living in the newly developed housing and if there were any programs to ensure that on-campus housing went to students most in need. Chief of Staff Brad Werdick said he thought campuses would have data about students in new housing. Student Advisor Huang asked how off-campus rental rates were calculated and whether they included the fact that leases on off-campus units were usually year-round, while on-campus housing was for the academic year. Mr. Werdick said average off-campus rates shown on the tables for this item were per month, but students living off campus would have to pay for the additional two or three months during the summer. Student Advisor Huang asked if dining facilities were being constructed along with housing. Ms. Arrivas answered in the affirmative.

Regent-designate Simmons noted the importance of expanding dining and support services for students along with housing.

The meeting adjourned at 10:50 a.m.

Attest:

Secretary and Chief of Staff