

Regent Tauscher clarified that both UC students and Regents do not want an increase in tuition. However, the University was quite limited in its ability to balance its budget unless it found other revenue or received funding from the State. The Governor had urged UC to cut its budget rather than raise tuition. Cutting UC's budget could be part of a solution, but not all of the solution. She said the Regents must clarify a plan for action between the current time and May to arrive at a solution that would not include a tuition increase. She noted the energy of UC students, faculty, staff, and alumni.

Regent Makarechian pointed out that 56 percent of UC students, or 108,000 students, pay no tuition; 16 percent, or about 28,000 students, pay partial tuition. The 28 percent, or about 30,000 students, who pay full tuition have annual family incomes above \$180,000, roughly \$500 per day. The proposed tuition increase would be less than \$1 per day. While he did not necessarily support a tuition increase, it was not a great amount. In 1990-91 UC's average expenditure per student was \$24,410, of which \$19,100 came from State General Funds. By 2016-17 UC had reduced its average expenditure per student to \$18,780, of which only \$7,160 came from State General Funds. He also noted deferred maintenance problems on campuses, especially the older campuses such as UC Berkeley. His experience as Chair of the Committee on Ground and Buildings and the Finance and Capital Strategies Committee had shown him the reality of UC's financial needs. Regent Makarechian commented that the campuses had used every financial means available until UC Berkeley was at the limit of its debt capacity. He expressed his view that the Governor was aware of these figures.

Regent Anguiano advocated developing a more precise definition of academic quality. She expressed her view that considering only the student-faculty ratio can be insufficient and counterproductive to innovation, in that it would create an ever-increasing cost curve that could not be bent. She said that rankings were also an insufficient measure, as only half of the points involved academic quality. Regent Anguiano advocated UC's taking a leadership role in actually measuring what it means to improve student outcomes, learning objectives, and understanding cost differentials between very large and small class sizes. Gathering this data would help reestablish trust as anecdotal evidence was insufficient.

Regent Park commented on the importance of gaining an understanding of the actual budget and how UC engages in fulfilling budgetary needs and desires. She expressed concern about deliberations during the next period of economic recession, given the current level of concern about only a three percent tuition increase. She said it would be helpful to review in more detail past and future items in the budget. For instance, a three percent salary increase may not be appropriate for already highly paid administrators if it required a tuition increase. The Regents should consider what budget elements were productive.

Regent Newsom applauded the decision to delay the vote on the tuition increase, but expressed concern about campus challenges described by Chancellors Christ and Leland. He noted that identical concerns were raised in budget discussions the prior year and stated that the original cause was withering State support, which had to be addressed. Regent Newsom commented that the current Governor, in his capacity as a Regent, did not trust that the Regents were doing enough to address the University's cost structure. In addition the Governor warned of the likelihood of a future economic downturn for which the University must be prepared. Regent Newsom expressed

his view that there was a growing distrust even among the Regents, which should be dealt with honestly. He expressed confidence that the Regents could address the relationship with the State administration and the Legislature.

Chair Kieffer concluded this discussion by stating that this discussion had been ongoing since 1968-69. Each year there was a battle to fund UC, which did not have the lobbying forces in Sacramento of the prison guards and others. The issue of trust of institutions of higher education was national, and not unique to California. Efforts to convince legislators had been ongoing since 1980. The Governor has had a similar attitude to higher education since 1978. Newer members of the Board may not be aware of these longstanding issues that would continue. Both new perspectives and experience were important. Chair Kieffer said it would be important for the Regents to reach a common understanding of the needs of the University.

The meeting adjourned at 5:40 p.m.

Attest:

Secretary and Chief of Staff