

The Regents of the University of California

FINANCE AND CAPITAL STRATEGIES COMMITTEE

March 18, 2020

The Finance and Capital Strategies Committee met on the above date by teleconference meeting conducted in accordance with Paragraph 3 of Governor Newsom’s Executive Order N-29-20.

Members present: Regents Cohen, Estolano, Kounalakis, Leib, Makarechian, Park, Sherman, Simmons, and Um; Ex officio members Napolitano and Pérez, Advisory members Bhavnani, Mart, and Muwwakkil; Chancellors Christ, Gillman, Hawgood, and Khosla; Staff Advisor Jeffrey

In attendance: Regents Anguiano, Butler, Elliott, Guber, Kieffer, Lansing, Ortiz Oakley, Reilly, Sures, Weddle, and Zettel, Regent-designate Stegura, Faculty Representative Gauvain, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Operating Officer Nava, Interim Executive Vice President and Chief Financial Officer Jenny, Chancellors Block, Larive, May, and Yang, Interim Chancellor Brostrom, and Recording Secretary Johns

The meeting convened at 1:45 p.m. with Committee Chair Makarechian presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes the meeting of January 22, 2020 were approved, Regents Cohen, Estolano, Kounalakis, Leib, Makarechian, Napolitano, Park, Pérez, Sherman, Simmons, and Um voting “aye.”¹

2. CONSENT AGENDA

A. *Preliminary Plans Funding, People’s Park Housing, Berkeley Campus*

The President of the University recommended that the 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: People’s Park Housing Project – preliminary plans – \$10,130,000 to be funded with campus funds.

¹ Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code § 11123(b)(1)(D)] for all meetings held by teleconference.

B. *Approval of the UC Merced 2020 Long Range Development Plan Following Action Pursuant to the California Environmental Quality Act, Merced Campus*

The President of the University recommended that, following review and consideration of the environmental consequences of the proposed UC Merced 2020 Long Range Development Plan (LRDP), as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

- (1) Certify the Environmental Impact Report for the UC Merced 2020 LRDP, Merced campus.
- (2) Adopt the Mitigation Monitoring and Reporting Program (MMRP) to update and replace the MMRP adopted in association with the 2009 LRDP, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UC Merced.
- (3) Adopt the CEQA Findings and Statement of Overriding Considerations.
- (4) Approve the UC Merced 2020 LRDP, Merced campus.

C. *Preliminary Plans Funding, Irvine Campus Medical Complex, Irvine Campus*

The President of the University recommended that the 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Irvine: Irvine Campus Medical Complex – preliminary plans – \$73,106,000 to be funded from hospital reserves.

D. *Design Following Action Pursuant to the California Environmental Quality Act, East Campus Student Apartments Phase IV-B Project, Irvine Campus*

The President of the University recommended that, following review and consideration of the environmental consequences of East Campus Apartments Phase IV, including the East Campus Apartments Phase IV-B, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:

- (1) Following review and consideration of the previously adopted Initial Study-

Mitigated Negative Declaration for the East Campus Student Apartments Phase IV, of which the Project is a part, determine that no further environmental analysis pursuant to CEQA is required and adopt CEQA Findings for the Project.

- (2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Irvine, as identified in the previously adopted East Campus Student Apartments Phase IV Mitigation Monitoring and Reporting Program.
- (3) Approve the design of the East Campus Apartments Phase IV-B project, Irvine campus.

E. ***Preliminary Plans Funding, Mission Bay East Campus Phase 2 (Block 34) Clinical Building, San Francisco Campus***

The President of the University recommended that the 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Mission Bay East Campus Phase 2 Clinical Building preliminary plans – \$25.5 million funded from hospital reserves.

F. ***Preliminary Plans and Working Drawings Funding and Scope, Mission Bay East Campus Phase 2 (Block 34) Parking Garage, San Francisco Campus***

The President of the University recommended that:

- A. The 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Mission Bay East Campus Phase 2 Parking Garage – preliminary plans and working drawings – \$4.5 million funded from auxiliary reserves.

- B. The scope of the Mission Bay East Campus Phase 2 Parking Garage project shall provide a new parking garage of up to 500 structured spaces and approximately 2,500 gross square feet of office and administrative space for UCSF Transportation staff.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Makarechian suggested that all items on the consent agenda be deferred, with the exception of item 2D above, *Design Following Action Pursuant to the California*

Environmental Quality Act, East Campus Student Apartments Phase IV-B Project, Irvine Campus. This project was a joint venture and financing would be contributed by the other partner. In his view, it would be prudent to wait until the May meeting for the remaining consent items. By that time, it would have been possible to conduct financial stress tests. Most of these consent items required only preliminary funding. Committee Chair Makarechian underscored that he would feel uncomfortable about proceeding with these items without knowing for certain the status of UC cash and reserves.

Interim Executive Vice President and Chief Financial Officer Jenny stated that he understood Committee Chair Makarechian's concerns regarding financial stress testing. All the chancellors had been considering this. He suggested that the chancellors could speak about the need to look at these investments over the long term. When the University emerges from the current healthcare crisis and the economic recession that would likely follow, it would find that it still has a shortage of housing for its students and it would need to expand its clinical care. Projects on the campuses already had teams assembled, and Mr. Jenny expressed concern about the consequences if UC paused these projects. The current downturn might have more magnitude than the downturn in 2008. Economic downturns typically motivate the issuance of economic stimulus packages, and these packages often focus on "shovel-ready" projects. The University wants to be well positioned to build itself out of the crisis when it passes. Mr. Jenny also cautioned that a pause could have a significant impact on projects with philanthropic support.

Committee Chair Makarechian agreed with Mr. Jenny on the fact that there was a shortage of student housing and hospital beds. He stressed that he was very uncomfortable not knowing the status of the University's cash flow over the next three to six months. The medical centers have a goal for a certain minimum number of days' cash on hand. By waiting until May, the Regents would have a better understanding of each campus' status. At this time, UC should not spend hospital reserves without knowing what amounts of reserves might be required in the future or the status of financial markets or donors. It would be prudent to wait for 60 days. If the situation were to change and allow funding, some items could be approved at an off-cycle meeting before May. The chancellors themselves did not know what difficulties they might be facing.

Regent Estolano suggested that moving forward with item 2B above, *Approval of the UC Merced 2020 Long Range Development Plan Following Action Pursuant to the California Environmental Quality Act, Merced Campus*, would not have a negative financial impact. Regent Cohen asked that Interim Chancellor Brostrom be given the opportunity to respond to concerns that had been raised by speakers during the public comment period earlier that day.

Interim Chancellor Brostrom stated that the 2020 Long Range Develop Plan (LRDP) was an important element of UC Merced's overall growth and would set a trajectory for the campus beyond the Merced 2020 Project. With regard to the LRDP, there had been extensive community engagement beginning the previous summer, with several rounds of written public comment and information sessions at the campus center in downtown Merced and on campus. The LRDP document has been made available. Interim Chancellor

Brostrom reported that he had received a letter from Communities for a New California expressing the concerns that had been raised during the public comment period. Low vacancy rates and rising rental rates are issues of concern in Merced, and UC Merced is seen as contributing to this. He acknowledged that this was true but stated that UC Merced would take steps to mitigate this situation. The campus had added 1,700 new beds and instituted a two-year residency requirement which would move more students on campus. This LRDP contemplated adding 2,500 new beds over the next ten years. UC Merced had been approached by a number of developers who were eager to develop properties around the campus, especially multi-family housing. About 1,000 housing units have been proposed. The proposed LRDP would address the concerns that had been expressed and would help UC Merced mitigate the vacancy rate and rental rate issues.

Regent Weddle asked how UC Merced would continue to engage with the community on these issues. Interim Chancellor Brostrom responded that the campus has had very constructive relationships to date with the City and County of Merced and meets with them frequently. The speakers earlier that day were concerned about housing, but there are also concerns about transportation and mitigating vehicle traffic to the campus. UC Merced has ongoing meetings with official and community groups to hear concerns or receive constructive suggestions about how the campus can benefit the community. This was a constructive and consistent relationship.

Regent Weddle underscored that it was important for all UC campuses to be accessible to members of the surrounding communities, in order for UC to hear concerns and to be open to new ideas that might come from community members outside the University.

Chancellor May expressed concern that a delay of item F10, *Amendment of the Budget, Hospital Seismic Upgrade: Stair Tower and Exit Corridor Upgrades, UC Davis Health Campus*, would likely cause the campus to lose its contractor and result in significant increased costs and a series of “domino effects” for the project. This project was part of the effort to increase capacity at the UC Davis Medical Center, an urgent goal at this time. The hospital was currently oversubscribed, with the daily census at 110 percent. Chancellor May respectfully requested that the Committee discuss this item.

Upon motion duly made and seconded, the Committee approved the President’s recommendation in item 2B above, *Approval of the UC Merced 2020 Long Range Development Plan Following Action Pursuant to the California Environmental Quality Act, Merced Campus*, and voted to present it to the Board, Regents Estolano, Kounalakis, Leib, Makarechian, Napolitano, Park, Pérez, Sherman, Simmons, and Um voting “aye.”

Chancellor Hawgood asked why the Committee would discuss some medical center projects but not others. Item 2E above, *Preliminary Plans Funding, Mission Bay East Campus Phase 2 (Block 34) Clinical Building, San Francisco Campus*, would provide ambulatory surgery clinics, which UCSF believed were vital for the public good. Committee Chair Makarechian responded that the UC Davis agenda item F10, mentioned earlier, was in jeopardy of losing its contractor. Other items on the consent agenda did not appear to have the same urgency, since they concerned preliminary plans and design.

Chancellor Hawgood acknowledged that not acting on item E would not result in the loss of a contractor but would unquestionably delay the project.

Committee Chair Makarechian stated that a delay would last 60 days or even less and that an item could be approved off-cycle if necessary. He reiterated that it would be imprudent to spend funds at this point when needs for cash reserves in the coming months were not known. The University had not yet had an opportunity to perform stress tests, determine liquidity needs in the coming 30 to 60 days, and develop best- and worst-case scenarios. A delay might even work to the campuses' advantage if prices and the cost of projects decreased. He suggested that the Committee might reevaluate the University's capital needs at a future meeting. In two months the University would have more information.

Regent Zettel stated that it would be prudent for the Committee to hear the chancellors' concerns about these items. Committee Chair Makarechian explained that he did not wish to take action on any items that required funding. He had reviewed the agenda items for any covenant, default, or loan issues in case of delay. Regent Kieffer stressed that it would be desirable to hear the opinions of the chancellors, the Interim Executive Vice President – Chief Financial Officer, and the President before delaying these items. Committee Chair Makarechian responded that he had already discussed all items with the chancellors in detail. There should be discussion of any item the delay of which would change a campus' course of development.

Regent Estolano expressed concern about tabling item F5, *Preliminary Plans Funding, the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights, San Francisco Campus*, since it was her understanding that there was gift funding for the preliminary plans. Committee Chair Makarechian responded that the campus would receive a gift of \$500 million for the entire project. The total project cost would be approximately \$2.6 billion. Chancellor Hawgood confirmed that the gift was for the entire project and would offset funds being spent now, which were equity. The new UCSF hospital needed to be built by 2030. A delay of two months might not seem long, but, when coupled with other delays, might jeopardize the campus' ability to meet this target date. Chancellor Hawgood stated that he understood Committee Chair Makarechian's considerations. UCSF was reviewing its cash flows on an almost daily basis and would adjust its spending if it encountered problems. Chancellor Hawgood underscored the need to keep project teams together. A two-month delay would cause disruption. The money being spent by UCSF would be spent over several years. If UCSF became aware of serious problems in two months, it would stop spending at that point. He asked that the Committee approve the planning funding. UCSF would be judicious and careful about spending this money over the next 60 days. To stop planning altogether and disrupt teams and architect selection would lead to future conflicts and problems with ensuring project completion on schedule.

Chancellor Gillman expressed agreement with Chancellor Hawgood's concerns and respectfully requested that, for the same reasons, the Committee consider item 2C above, *Preliminary Plans Funding, Irvine Campus Medical Complex, Irvine Campus*. The Irvine campus was making decisions day by day, ensuring that it was taking appropriate actions and deferring non-essential items under these extraordinary circumstances. Campuses were

making decisions about projects that had to be continued. This project was important for the Irvine region and for the long-term financial well-being of the UC Irvine health system. Chancellor Gillman would promise the Regents that, if it became clear in a few weeks or months that continuing this project was not appropriate, the campus would stop this activity. It would not be advisable for UC Irvine to stop every activity on the campus for a few months until there was more precise understanding of the current circumstances. This was the case for a range of issues on the campus. He urged the Committee to support this item, which would allow UC Irvine to continue to serve the people of Orange County by developing a new medical center for the region.

Regent Pérez suggested that the consent agenda items be deferred until the following day, in order to allow time for Committee Chair Makarechian to consult with the chancellors and others about how to proceed. Committee Chair Makarechian stated that he respected Chancellor Hawgood and Chancellor Gillman's position but stressed that business as usual was shut down at this point. For some of these items, the campuses would be signing contracts with resulting obligations and the possibility of default; some activities could not simply be stopped. One solution might be to approve only a certain percentage of funds to be spent on each item in the next month or so.

Regent Sherman expressed agreement with Committee Chair Makarechian. It would be foolhardy to make big decisions and commitments at this point when the near future was not clear. Unless a delay of two months would result in greater cost, the University should put projects on hold until there was a clearer idea about the immediate future, especially commitments to long-term contracts. The world was changing and these were uncharted waters. It might be advisable to pursue some projects piecemeal in order to avoid losing key teams, spending the minimum in order to keep projects on track and not lose ground, but without overcommitting the University. Committee Chair Makarechian emphasized the need to understand the University's cash situation; the Board might wish to assemble a group to study this question. Regent Sherman commented that UC needed to plan for the worst and hope for the best.

Regent Pérez reiterated his suggestion to defer the consent agenda items to the following day. Regent Leib expressed support for this suggestion.

Chancellor Khosla stated that he would yield to the comments that had been made and speak to Committee Chair Makarechian about the UC San Diego items and concerns about delay.

Regent Kounalakis expressed support for Regent Pérez's suggestion that Committee Chair Makarechian consult with the chancellors and bring some items for the Committee's consideration the following day. Committee Chair Makarechian stressed that there was no doubt that all the action items on the agenda were necessary. There was a need for more hospital beds and more student housing, but there was not a clear picture of whether or not the University had the required cash and financing available to pursue these projects and enter into obligations.

Upon motion duly made and seconded, the Committee approved the President's recommendation in item 2D above, *Design Following Action Pursuant to the California Environmental Quality Act, East Campus Student Apartments Phase IV-B Project, Irvine Campus*, and voted to present it to the Board, Regents Cohen, Estolano, Kounalakis, Leib, Makarechian, Napolitano, Park, Pérez, Sherman, Simmons, and Um voting "aye."

3. **AMENDMENT OF THE BUDGET, HOSPITAL SEISMIC UPGRADE: STAIR TOWER AND EXIT CORRIDOR UPGRADES, UC DAVIS HEALTH CAMPUS**

The President of the University recommended that:

- A. The 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: UC Davis Health: Hospital Seismic Upgrade: Stair Tower and Exit Corridor Upgrades – preliminary plans, working drawings, and construction – \$22.88 million to be funded from hospital reserves.

To: UC Davis Health: Hospital Seismic Upgrade Stair: Tower and Exit Corridor Upgrades – preliminary plans, working drawings, and construction – \$36.3 million to be funded from hospital reserves.

- B. The President or designee be authorized, in consultation with the General Counsel, to execute all documents necessary in conjunction with the above.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Cohen, Estolano, Kounalakis, Leib, Makarechian, Napolitano, Park, Pérez, Sherman, Simmons, and Um voting "aye."

4. **PRELIMINARY PLANS FUNDING, THE NEW HOSPITAL AT UCSF HELEN DILLER MEDICAL CENTER AT PARNASSUS HEIGHTS, SAN FRANCISCO CAMPUS**

The President of the University recommended that the 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights – preliminary plans – \$181.8 million funded from hospital reserves.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

The Committee voted to defer this item to the Board meeting the following day. [See discussion and vote below.]

5. **PRELIMINARY PLANS FUNDING, INTEGRATED CENTER FOR DESIGN AND CONSTRUCTION AT PARNASSUS HEIGHTS, SAN FRANCISCO CAMPUS**

The President of the University recommended that the 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Integrated Center for Design and Construction at Parnassus Heights – preliminary plans – \$3 million funded from hospital reserves.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

The Committee voted to defer this item to the Board meeting the following day. [See discussion and vote below.]

6. **PRELIMINARY PLANS FUNDING, MOUNT ZION MAIN HOSPITAL BUILDINGS A AND B SEVENTH FLOOR RENOVATIONS FOR INPATIENT PSYCHIATRIC SERVICES, SAN FRANCISCO CAMPUS**

The President of the University recommended that the 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Mount Zion Main Hospital Buildings A and B Seventh Floor Renovations for Inpatient Psychiatric Services – preliminary plans – \$4 million funded from hospital reserves.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

The Committee voted to defer this item to the Board meeting the following day. [See discussion and vote below.]

7. **BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, PEPPER CANYON WEST STUDENT HOUSING, SAN DIEGO CAMPUS**

The President of the University recommended that:

- A. The 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Pepper Canyon West Upper Division Undergraduate Student Housing – preliminary plans – \$20 million, to be funded from auxiliary – student housing reserves.

To: San Diego: Pepper Canyon West Student Housing – preliminary plans, working drawings, construction, and equipment – \$361 million to be funded with external financing (\$354 million) and campus funds from investment income (\$7 million).

- B. The scope of the Pepper Canyon West Student Housing project shall provide approximately 663,900 gross square feet (gsf), including approximately 1,308 beds for undergraduate students (645,400 gsf), and a Transfer Student Success Hub and retail (18,500 gsf) in two high-rise (20-plus story) towers, each with connected low-rise buildings of approximately six stories. Public realm improvements would include pedestrian and bicycle circulation, a large storm water treatment basin, and restoration of the Canyon Open Space Preserve. The scope includes demolition of 11 buildings (432 beds) and removal of the surface parking lot P406 of approximately 100 spaces on the west side of Pepper Canyon.
- C. The President be authorized to obtain external financing in an amount not to exceed \$361 million plus additional related financing costs. The President shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - (2) As long as the debt is outstanding, general revenues from the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - (3) The general credit of the Regents shall not be pledged.
- D. Following review and consideration of the environmental consequences of the proposed Pepper Canyon West project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- (1) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC San Diego, as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2018 Long Range Development Plan (LRDP) Environmental Impact Report (EIR).
 - (2) Adopt the CEQA Findings for Pepper Canyon West, having considered the 2018 LRDP EIR for the La Jolla Campus, as well as Addendum No. 4 to

the 2018 LRDP EIR for Pepper Canyon West.

- (3) Approve the design of the Pepper Canyon West Student Housing project, San Diego Campus.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

The Committee voted to defer this item to the Board meeting the following day. [See discussion and vote below.]

8. **BUDGET AMENDMENT, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, CENTER FOR CHILD HEALTH/MEDICAL OFFICE BUILDING, IRVINE CAMPUS**

The President of the University recommended that:

- A. The 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Irvine: UCI Center for Child Health – preliminary plans, working drawings, construction, and equipment – \$32,365,000 to be funded by \$3,120,465 of hospital reserves, \$29,116,414 of Children’s Hospital Program of 2008 Grant Funds (Proposition 3), and \$128,121 of Children’s Hospital Program of 2004 Grant Funds (Proposition 61).

To: Irvine: Center for Child Health/Medical Office Building – design, construction, and equipment – \$221,245,000 to be funded by \$21,000,465 of hospital reserves, \$29,116,414 of Children’s Hospital Program of 2008 Grant Funds (Proposition 3), \$128,121 of Children’s Hospital Program of 2004 Grant Funds (Proposition 61), and \$171 million of external financing.

- B. The scope of the Child Health Center/Medical Office Building shall consist of construction of an approximately 168,500-gross-square-foot (gsf) building that would provide clinical space for pediatric and adult primary and secondary care, urgent care, laboratory and radiology facilities, the Center for Autism; approximately 64,400 gsf of shell space to be built out for clinical and office uses at a future time; and a parking structure of approximately 280,000 gsf with up to 800 spaces to serve the larger building. Buildout of some or all of the shell space will be included as additive alternates in the design-build competition and will be constructed to the degree possible within the approved budget.

- C. The President be authorized to obtain external financing and/or external financing from Century Bonds in an amount not to exceed \$171 million plus additional related financing costs. The President shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - (2) As long as the debt is outstanding, the general revenues of the UC Irvine Medical Center shall be maintained in amounts sufficient to pay the debt service and to meet the requirements of the authorized financing.
 - (3) The general credit of the Regents shall not be pledged.
- D. Following review and consideration of the environmental consequences of the proposed Center for Child Health/Medical Office Building project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- (1) Adopt the Initial Study and Mitigated Negative Declaration for the Center for Child Health/Medical Office Building project.
 - (2) Adopt the Mitigation Monitoring and Reporting Program for the Center for Child Health/Medical Office Building project and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UC Irvine.
 - (3) Adopt the CEQA Findings for the Center for Child Health/Medical Office Building.
 - (4) Approve the design of the Center for Child Health/Medical Office Building, Irvine campus.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

The Committee voted to defer this item to the Board meeting the following day. [See discussion and vote below.]

Committee Chair Makarechian asked that the chancellors and their teams determine minimum cost figures for their projects for one or two months, and how to structure projects at this point to avoid long-term commitments.

Regent Pérez recommended that the Committee defer the remaining items on the consent agenda to the Board meeting the following day: F4A, *Preliminary Plans Funding, People's Park Housing, Berkeley Campus*; F4C, *Preliminary Plans Funding, Irvine Campus Medical Complex, Irvine Campus*; F4E, *Preliminary Plans Funding, Mission Bay East Campus Phase 2 (Block 34) Clinical Building, San Francisco Campus*; and F4F, *Preliminary Plans and Working Drawings Funding and Scope, Mission Bay East Campus Phase 2 (Block 34) Parking Garage, San Francisco Campus*.

Upon motion duly made and seconded, the Committee approved Regent Pérez's recommendation, Regents Cohen, Estolano, Kounalakis, Leib, Makarechian, Napolitano, Park, Pérez, Sherman, Simmons, and Um voting "aye."

Regent Pérez recommended that the Committee defer the remaining non-consent action items on the agenda to the Board meeting the following day: F5, *Preliminary Plans Funding, the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights, San Francisco Campus*; F6, *Preliminary Plans Funding, Integrated Center for Design and Construction at Parnassus Heights, San Francisco Campus*; F7, *Preliminary Plans Funding, Mount Zion Main Hospital Buildings A and B Seventh Floor Renovations for Inpatient Psychiatric Services, San Francisco Campus*; F8, *Budget, Scope, External Financing, and Design Pursuant to the California Environmental Quality Act, Pepper Canyon West Student Housing, San Diego Campus*; and F9, *Budget Amendment, Scope, External Financing, and Design Following Action Pursuant to the California Environmental Quality Act, Center for Child Health/Medical Office Building, Irvine Campus*.

Upon motion duly made and seconded, the Committee approved Regent Pérez's recommendation, Regents Cohen, Estolano, Kounalakis, Leib, Makarechian, Napolitano, Park, Pérez, Sherman, Simmons, and Um voting "aye."

9. **INTEGRATED CAPITAL ASSET MANAGEMENT PROGRAM**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

This item was not discussed.

10. **UNIVERSITY OF CALIFORNIA DEBT PORTFOLIO OVERVIEW**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

This item was not discussed.

11. **MID-YEAR REPORT OF THE UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT'S BUDGET TO ACTUAL EXPENDITURES AND SECOND QUARTER FORECAST FOR FISCAL YEAR 2019-20**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

This item was not discussed.

12. **ORCHARD PARK FAMILY HOUSING AND GRADUATE STUDENT HOUSING PROJECT, DAVIS CAMPUS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

This information item was not discussed.

13. **STUDENT SUCCESS BUILDING, IRVINE CAMPUS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

This information item was not discussed.

14. **SIGNIFICANT INFORMATION TECHNOLOGY PROJECTS REPORT FOR THE PERIOD SEPTEMBER 1 THROUGH DECEMBER 31, 2019**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

This information item was not discussed.

15. **OVERVIEW OF UCPATH BENEFITS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

This information item was not discussed.

Student observer Aidan Arasasingham expressed agreement with Committee Chair Makarechian's concern about the need for financial stress testing to ensure that campuses have adequate liquidity during the COVID-19 crisis. He stressed that student support services are essential campus services, and the UC Student Association had requested that student services related to housing, labor, academic life, and health care be considered essential services. In the changed environment of COVID-19, students in the U.S. were seeking tuition remissions or discounts, and some nonresident students were contemplating declaring non-dependence and not paying tuition for the foreseeable future, given that the instruction they believe they would be receiving would be quite different from what it should be. The University should ensure that it provides student services and a high-quality

educational experience so that students feel that the tuition they pay provides value for them.

The meeting adjourned at 2:45 p.m.

Attest:

Secretary and Chief of Staff