

## THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

November 18, 2021

The Regents of the University of California met on the above date at UCSF-Mission Bay Conference Center, 1675 Owens Street, San Francisco and by teleconference meeting conducted in accordance with Paragraph 3 of Governor Newsom's Executive Order N-29-20.

Members present: Regents Anguiano, Cohen, Drake, Elliott, Estolano, Guber, Hernandez, Kounalakis, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Sures, Thurmond, and Zaragoza

In attendance: Regents-designate Blas Pedral, Pouchot, and Timmons, Faculty Representatives Cochran and Horwitz, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Chief Compliance and Audit Officer Bustamante, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President Byington, Executive Vice President and Chief Operating Officer Nava, Senior Vice President Colburn, Vice President Gullatt, Chancellors Block, Christ, Gillman, Hawgood, Khosla, Larive, May, Muñoz, Wilcox, and Yang, and Recording Secretary Li

The meeting convened at 8:35 a.m. with Chair Estolano presiding.

### 1. PUBLIC COMMENT

Chair Estolano 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. Agam Patel, UC Riverside delegate of the Council of UC Staff Assemblies (CUCSA), thanked President Drake and the Regents for supporting a 4.5 percent salary increase for policy-covered staff for fiscal year 2022–23. The response to staff's concerns demonstrated that they were valued, and this increase would help make staff financially whole, moving the University closer to becoming an employer of choice. CUCSA looked forward to sharing the experiences of policy-covered staff with the Regents in the future.
- B. Megan Phelps, UC Davis alumna and UC San Diego staff member, stated that the University emitted one million tons of carbon dioxide per year, which signaled to the world that "business as usual" was acceptable. UC was a leader in climate science, but carbon offsets weakened the message of its research. She wished for a habitable future in which children were not at risk of Lyme disease, asthma, and malnutrition, and in which she did not have to evacuate from wildfires. She asked the University to create shovel-ready electrification plans for all UC campuses so that their use of fossil fuels could be reduced by 95 percent by 2030.

- C. Varykina Thackray, UCSD professor and member of the Green New Deal at UCSD, stated that the 2021–27 Capital Financial Plan proposed an extraordinary number of capital projects with little consideration for how they and the existing infrastructure would be powered. Given that then President Janet Napolitano declared a climate emergency in 2019 and UC has emitted one million tons of carbon dioxide annually, Ms. Thackray urged the Regents and President Drake to prioritize funding for shovel-ready campus electrification plans so that UC could retire campus fossil fuel infrastructure in this decade.
- D. Krystal Cortez, UC Merced staff member and member of the Teamsters Local 2010 Administrative Officer 2 (AO2) and Clerical and Allied Services (CX) bargaining teams, called for labor contracts with fair pay. She shared that she was a single mother and that her daily commute to work was 1.5 hours because she could not find housing closer to campus. The housing crisis has affected Merced residents, UCM employees, and students. She stated that union members were essential workers and deserved essential pay.
- E. Caresse Boulter, UC Santa Barbara student, urged UC’s timely implementation of Assembly Bill (AB) 928. It had taken Ms. Boulter over six years to transfer, partly because of challenges in navigating the transfer process. Establishing the Associate Degree for Transfer Intersegmental Implementation Committee was crucial to promoting transfer student success and improving transfer time to degree. Implementation would help mitigate inconsistencies in the transfer process, which have led to students spending more time and money attempting to transfer.
- F. Marlene Ducay, UC Irvine Medical Center nurse and member of the California Nurses Association (CNA), shared that nurses were experiencing unprecedented staffing shortages and emotional fatigue. UC publicly regarded nurses as heroes, but they were treated like machines. More UCI nurses were leaving the hospital and the profession in record numbers; 40 nurses left the emergency department alone. She demanded that the Regents and President Drake take action, and that UC medical centers hire more staff and to give nurses the tools that they needed.
- G. Colm Fitzgerald, UC Santa Cruz student, called on the Regents to support Senate Constitutional Amendment (SCA) 5, which would give the Student Regent-designate a vote. He stated that inclusive governance ensured that decisions were made with the input of those who would be most affected by them. The University was the only segment of public higher education in California in which both student leaders on the Board did not have votes. Mr. Fitzgerald stated that any position other than support for SCA 5 would be seen as opposition by legislators.
- H. Mitra Zarinebaf, UCSC student, called on the Regents to support SCA 5. She stated that the amendment had the support of the UC Student Association, the majority of UC students, campus student governments, the Student Regent, and the Student Regent-designate. SCA 5 would provide more student representation and more

equity at the Regental level, and would help put more emphasis on basic needs, particularly in light of the COVID-19 pandemic.

- I. Jane Perry, retired UC Berkeley researcher and teacher and member of 1,000 Grandmothers for Future Generations, spoke in opposition to the Thirty Meter Telescope (TMT) project. She stated that Mauna Kea provided Native Hawaiians with food, protection from storms, and spiritual and navigational wisdom. The TMT project reflected injustices toward Native Hawaiians resulting from colonial research. Ms. Perry asked that TMT budgeting be halted.
- J. Ernesto Arciniega, UCLA student and Vice Chair of the UC Graduate and Professional Council, spoke in support of SCA 5. The Student Regent and Student Regent-designate represented over 285,000 students. He called for student votes in all Regental committees to ensure that decisions included the student voice. He thanked President Drake and Chancellor Gillman for supporting the UC National Center for Free Speech and Civic Engagement, where Mr. Arciniega was a fellow, and hoped that UC continues to invest in these types of initiatives.
- K. David Murray, Principal Planner for the City of Riverside, shared the City's concerns about the UCR 2021 Long Range Development Plan (LRDP) and Environmental Impact Report (EIR). During the public comment period for the LRDP and EIR, the City of Riverside submitted a letter outlining its concerns about the project, such as its impact on the surrounding city lands. The City asked the Regents to direct UCR to enter into a comprehensive fair share agreement with the City for municipal services that would address the impact of UC Riverside's enrollment, staffing, and physical growth.
- L. Arlene Bañaga, UC Berkeley delegate of CUCSA, thanked President Drake and the Regents for supporting a 4.5 percent salary increase for policy-covered staff for fiscal year 2022–23. Ms. Bañaga reiterated comments made by Mr. Patel.
- M. Susan Atherton, UC Riverside alumna and UCR Foundation trustee, spoke in support of the UCR 2021 LRDP. A first-generation student in 1974, she shared that her time at UCR was a life-changing experience, and she became one of few women high technology Chief Executive Officers at that time. Over the last 70 years, UC Riverside has added many new schools and colleges, and, with Pell Grant recipients making up over 50 percent of students, was now being recognized for its commitment to diversity. The campus has also been ranked number one in social mobility by *U.S. News and World Report* for three consecutive years. UCR has had a strong partnership with the City of Riverside and its residents, acting as a bridge within the community.
- N. Jeff Girod, UC Riverside delegate of CUCSA, thanked President Drake and the Regents for supporting a 4.5 percent salary increase for policy-covered staff for fiscal year 2022–23. Mr. Girod reiterated comments made by Mr. Patel.

- O. Liko Martin, Hawaii resident, spoke in opposition to the TMT project. He shared that he was one of the Native Hawaiian elders who were arrested on Mauna Kea and awaiting trial. The project site on the northeast face of Mauna Kea was a pristine location and a water collection area and watershed. There were burial sites and a ring of shrines around Mauna Kea. Before decisions had been made to build the previous telescopes, this area was designated as sacred.
- P. Morgan Timeche addressed the Board partially in Hopi and urged the Regents to divest from the construction of the TMT. She stood in solidarity with the *Kānaka Maoli*, or Native Hawaiians, who were protecting Mauna Kea. Her ancestors had also pled with those in power not to desecrate sacred places, and she believed that nothing has changed. She was not opposed to science, but she was opposed to colonial violence that perpetuated the erasure of aboriginal people.
- Q. Dante Gonzales, UC Berkeley alumnus, spoke in opposition to the TMT project. He stated that the National Science Foundation, the University of Hawaii, and others have shown that consent to construction was not possible. There was no singular voice regarding this issue, so any resistance meant a lack of consent. The *Kia'i*, or Native Hawaiian protectors of Mauna Kea, and students would not yield to future construction. Students were also presenting similar public comment at the University of Hawaii, whose draft master plan proposed to block the Mauna Kea Access Road, which would directly challenge Native Hawaiian cultural practice.

## 2. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion duly made and seconded, the minutes of the meetings of September 9, 28, 29, and 30, 2021 were approved, Regents Anguiano, Cohen, Drake, Elliott, Estolano, Guber, Hernandez, Kounalakis, Lansing, Leib, Lott, Makarechian, Ortiz Oakley, Pérez, Reilly, Thurmond, and Zaragoza voting “aye.”<sup>1</sup>

## 3. REMARKS FROM STUDENT ASSOCIATIONS

President Drake introduced the UC Student Association (UCSA) President Esmeralda Quintero-Cubillan.

Ms. Quintero-Cubillan shared UCSA and the Office of the President’s 2021–22 joint budget priorities, which focused on historically marginalized communities with inadequate access to resources. These included \$22.5 million in ongoing funding for Student Academic Preparation and Educational Partnerships (SAPEP), \$4 million in ongoing funding to establish resource centers on every campus for students affected by incarceration, \$5 million in ongoing funding for undocumented student services, and \$6 million in ongoing funding for former foster youth services. In order to be the model for opportunity and empowerment for marginalized students, UC must invest its resources and time accordingly. Ms. Quintero-Cubillan called on the University to reduce harm by

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

demilitarizing and defunding UC police departments (UCPD). She stated that UCPD has continued to cause harm ten years after UC Davis police pepper sprayed student protesters, and that the University invested in programs addressing student trauma while also funding the cause of that trauma. Ms. Quintero-Cubillan stated that UC should reallocate some of the UCPD budget toward other resources. The UC Community Safety Plan was a strong first step, but UC's perception of community safety must also be reconsidered. She shared that she was a former foster youth and was affected by incarceration, and, from fall 2019 to winter 2021, she engaged in sex work to maintain her financial stability and avoid poverty after graduation. Ms. Quintero-Cubillan stated that she entered UC without personal or financial security and lacked institutional knowledge. An Underground Scholars resource center would have provided her with resources and support. Thousands of other UC students were struggling, but, with decisive action, UC could be an engine for equal opportunity and social mobility.

President Drake introduced the UC Graduate and Professional Council (UCGPC) President Gwen Chodur.

Ms. Chodur stated that there was a disjunction between the University's values and its budget, as well as a disjunction between UC's growth and its relationship with its employees. She raised concern about the effect that the proposed enrollment growth would have on the quality of student life, noting that the board of UCGPC voted to oppose the current design of Munger Hall, an undergraduate housing project at UC Santa Barbara. What happened to undergraduate students affected graduate students, since undergraduate students often turn to graduate students when they experience mental health concerns or isolation. All future growth plans should consider the whole student. The changes to instruction during the COVID-19 pandemic were necessary to meet demand but increased the workload of faculty, instructors, and teaching assistants. Meeting enrollment growth by expanding online offerings would require reconsideration of the faculty-to-student ratio and more investment in instructional design and support. Hybrid and online modalities were essential for disabled and nontraditional students, and UC must ensure that all its educational offerings were equally effective and grounded in pedagogy. Ms. Chodur noted that this year was the tenth anniversary of the pepper spray incident at UC Davis. The University must broadly implement community safety reforms and invest in students with marginalized identities by reallocating funds from the policing budget to support students. UCGPC continued to oppose the Thirty Meter Telescope project on Mauna Kea. Ms. Chodur called for an end to UC's disrespectful labor relations. Although UC settled the University Council-American Federation of Teachers (UC-AFT) contract and averted a strike, the situation was allowed to reach the brink. She added that UC's bad faith bargaining in negotiations with United Automobile Workers (UAW) Local 5810, a union for postdoctoral and academic researchers, was prompting a strike vote. In Ms. Chodur's view, the position that student researchers funded by external fellowships and traineeships could not form a union was counterproductive, shortsighted, and baseless. Fellows and trainees were members of graduate student unions at the University of Washington, Columbia University, and Harvard University. She implored the Regents to instruct the Office of the President to recognize UAW Local 5810. UC must invest in its values and show moral leadership.

4. **UPDATE ON COVID-19 IMPACT ON THE UNIVERSITY OF CALIFORNIA: UC HEALTH ISSUES**

[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.]

Executive Vice President Byington reported that 41 percent of the world and 59 percent of the U.S. were fully vaccinated against COVID-19. However, there was near-uniform acceptance that the single-dose Johnson and Johnson vaccine, which was administered to about 14 million people in the U.S., did not count as full vaccination. The fourth surge of the pandemic receded and plateaued, and the U.S. was entering its fifth surge. According to recent data from the U.S. Centers for Disease Control and Prevention (CDC), case counts rose by 27 percent in the last three weeks. Dr. Byington presented a map of COVID-19 “hot spots” in the U.S., noting a shift from southeastern states, which experienced profound waves of Delta variant positivity from July to October, to northern states like Michigan, Wisconsin, and Minnesota, with a colder climate and where people were more likely to be indoors without masks. California was 66 percent fully vaccinated and had 15 cases per 100,000 people; the goal was to remain below ten cases per 100,000 people to stay ahead of the transmission curve. Case counts were also shifting upward in the San Francisco Bay Area, one of the most vaccinated regions in the state. UC hospitals have not seen an increase in COVID-19 hospitalizations, but the inpatient case count was higher than in November 2020, when vaccines were not yet available. The fourth surge with the Delta variant was blunted by vaccinations, but healthcare professionals were concerned given last year’s winter surge, which almost resulted in crisis standards of care in California. Compliance with the University’s COVID-19 vaccine mandate has grown to 97.2 percent of employees and 99.15 percent of students, and UC was seeing good compliance with its influenza vaccine mandate as well. The CDC was investigating an influenza outbreak at the University of Michigan. Dr. Byington predicted that, as winter approaches and people interact more with each other, there would be more transmission of normal respiratory viruses, adding strain to healthcare and testing facilities, as well as hospitals.

Dr. Byington reported that 2.6 million children age five to 11 received their first dose of the vaccine. Waning immunity was observed among the fully vaccinated, with some individuals requiring hospitalization. California was the second state to make booster shots available to adults who had passed the six-month mark for the messenger ribonucleic acid (mRNA) vaccination or the two-month mark for the Johnson and Johnson vaccination. The U.S. Food and Drug Administration (FDA) was expected to announce that booster shots would be available to all in the U.S. in an effort to decrease transmission during the holiday season. Two antiviral medications exhibited efficacy against COVID-19. In clinical trials, Molnupiravir reduced hospitalization and death at 28 days by 50 percent, and Paxlovid reduced these by 89 percent. Both drugs were being considered by the FDA; Molnupiravir had been approved in Great Britain and was being considered in India. These drugs cost about \$700 per course and had to be used within the first five days of infection. Dr. Byington noted disparities due to cost and access to testing in the U.S., and she called for making testing more widely available. She provided her recommendations for the Thanksgiving holiday, during which millions in the U.S. were likely to travel. She

emphasized receiving a primary series vaccination or a booster shot as quickly as possible. Within ten days, a booster dose could produce antibody levels that far exceed those from the primary series.

Regent Lansing asked about the duration of booster protection. Dr. Byington replied that the duration of booster protection was not yet known. Those who received a booster shot achieve antibody levels that were significantly higher than with the primary series. The primary series provided protection for at least six months. The booster shot could provide at least six months of protection as well, or perhaps significantly longer given the high levels of antibodies. Dr. Byington stated that receiving a booster shot now would provide protection through the winter season.

Regent Lansing asked about the safety from COVID-19 of commercial flight. Dr. Byington responded that the riskiest part of airline travel was time spent in the airport. She suggested avoiding crowds at the airport and staying outside during the waiting period. Given safety measures on airlines, such as cycling air and requiring masking, Dr. Byington believed one was fairly safe as long as one stayed masked during the flight. Regent Lansing asked about safety if a pilot is not vaccinated. Dr. Byington replied that pilots were typically separated from rest of the cabin behind doors and should be wearing masks.

Regent-designate Blas Pedral asked for recommendations for students returning to campus after traveling. Dr. Byington replied that the systemwide COVID-19 coordinating committee has asked campuses to increase their testing infrastructure so that individuals may test before traveling if they wished. The committee asked that those who return to campus after traveling be tested. She reiterated her recommendations for Thanksgiving travel and encouraged every adult age 18 and over to receive a booster dose if it had been at least six months since their primary series.

Staff Advisor Tseng asked if the booster dose would be part of the University's vaccine mandate. Dr. Byington responded that UC policy required the primary series and booster doses. She stated that UC would ultimately require boosters as part of its mandate, and when enforcement would begin would depend on what the FDA and the CDC decide.

Regent Zaragoza asked if there were notable changes in the University's COVID-19 policy for the spring term. Dr. Byington replied that no changes were currently recommended. UC was closely watching outcomes with masking, community transmission, and additional variants, and was very supportive of continued masking through the winter.

5. **REPORT ON THE PRESIDENTIAL WORKING GROUP ON ARTIFICIAL INTELLIGENCE**

[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.]

Chief Compliance and Audit Officer Bustamante stated that the University was increasingly turning to tools enabled with artificial intelligence (AI) for greater efficiency,

effectiveness, and equity in its operations. AI held potential but also posed ethical, privacy, safety, equity, and security risks. Inappropriate, inaccurate, or inconsistent data and ill-considered assumptions in model design could lead to problematic outcomes such as bias or discrimination. State and federal governments were paying more attention to AI due to its economic and national security implications. The UC Presidential Working Group on Artificial Intelligence was established in August 2020 to address compliance and ethical concerns and potential regulation affecting higher education. The Working Group included 32 members of faculty and staff from all ten UC campuses, as well as representatives from UC Legal; Ethics, Compliance and Audit Services, Procurement, the Office of the Chief Information Officer, Research and Innovation, and UC Health. Mr. Bustamante shared the Working Group's strategic goals. Of those goals, the Working Group developed principles that would inform UC's current and future use of AI; provided guidance for these principles after analyzing high-risk application areas, such as health, human resources, policing, and student experience; and was developing a mechanism for continued awareness of the risks, benefits, and potential federal activity related to AI-enabled systems as the technology evolves and becomes more ubiquitous.

Brandie Nonnecke, Director of CITRIS Policy Lab, stated that the principles were meant to guide UC's procurement, development, and monitoring of AI. UC must mitigate potential harms and identify appropriate strategies to maximize benefits. To these ends, the Working Group reviewed research literature and surveyed key UC stakeholders, campus chief information officers, and campus chief technology officers. The Working Group formed subcommittees to explore four AI applications that posed a high risk to individual rights: health, human resources, policing, and student experience. AI applied to the student experience included use in admissions and remote proctoring. Ms. Nonnecke provided examples. In fiscal year 2019–20, UC Health had about 8.1 million outpatient visits and 1.1 million inpatient days. UC researchers found evidence of racial bias in predictive risk models, which disproportionately rated black patients as less in need of help. Algorithms used by job search websites like LinkedIn were found to prefer men over women for certain types of jobs. Use of AI in policing on UC campuses, while limited, included automated license plate readers and machine learning tools for social media monitoring during protests. One study showed that facial recognition algorithms produced higher false positive results for Asian and black faces compared with Caucasian faces. Two UC campuses decided to postpone use of facial recognition technology. AI could be used to support retention, improve advising, and help students document their mental health and wellness, but these uses also raised concerns of fairness, transparency, accountability, and privacy. Using AI to streamline the admissions process was promising, but AI-enabled tools could have algorithms based on biased historical data, as was the case at the University of Texas at Austin's Department of Computer Science.

Mr. Bustamante shared that the Working Group's recommendations were formally adopted by President Drake and now being implemented. The first recommendation was to institutionalize the Working Group's principles through training, education, and assessment tools. The second was to create a systemwide AI council that would stay apprised of the changes to laws and regulations related to AI and would maintain awareness of ethical and other issues that would arise when using this technology at UC.

Ms. Nonnecke stated that the third recommendation was to develop a risk and impact assessment during procurement, adoption, and the tool's operational lifetime. The fourth recommendation was to publicly document AI-enabled technologies that pose a greater-than-moderate risk to individual rights. People should have a right to know when and how AI-enabled tools affect them, and they should be able to provide comment.

Chair Estolano thanked President Drake for appointing the Working Group, adding that UC must harness its expertise to get ahead of pressing issues related to data use. She expressed appreciation for the examples of how AI-enabled tools could pose risks.

Regent Hernandez expressed concern about privacy, surveillance, and access to data. UC must ensure that there are stop gaps to prevent issues from arising. He was also concerned about AI use in marketing and behavior manipulation, the opacity of how an AI-enabled tool reached a decision, and the future of human and robotic interaction.

Regent Anguiano asked how UC could be a leader in AI research. Ms. Nonnecke replied that the Working Group did not focus on research, but rather the use of AI in UC operations. UC Health engaged in its own research to build AI tools. Regent Anguiano encouraged UC to form a working group on AI research. President Drake noted that research and ongoing collaborations pertaining to AI were occurring at the campus level. This Working Group considered ethical implications of such research efforts.

Regent Park asked if the Working Group addressed liability issues. Mr. Bustamante replied that liability was addressed when the Working Group considered potential harm if a principled approach is not taken when onboarding AI programs. However, the Working Group did not assess material impact. Regent Park suggested looking into special liability issues in the future.

Chair Estolano asked when the Regents would receive an update on these efforts and how the Regents could provide oversight. Mr. Bustamante responded that the systemwide AI council would update the Compliance and Audit Committee. The Working Group was working closely with the chancellors to identify individuals for the council and continued to work with the CITRIS Policy Lab.

Chair Estolano suggested that there be ongoing consultation with student leaders, emphasizing the importance of their perspectives on the student experience and campus policing.

Regent-designate Blas Pedral shared that she often used LinkedIn when she worked as a career counselor. She suggested informing campus staff and career counselors about the Working Group's findings regarding job search website algorithms.

6. **UPDATE ON THE POTENTIAL USE OF THE SMARTER BALANCED ASSESSMENT IN UNIVERSITY OF CALIFORNIA UNDERGRADUATE ADMISSIONS**

[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.]

President Drake briefly introduced the item. Last year, the Board unanimously voted to suspend standardized testing requirements in undergraduate admissions until 2024, with a directive to study the feasibility of a new test. In April 2021, he asked the Academic Senate to explore whether the Smarter Balanced Assessment could be used in admissions while serving the goal of educational equity. The Academic Senate's Smarter Balanced Study Group recommended against incorporating the Smarter Balanced Assessment in UC admissions. President Drake concurred with the Study Group for all the reasons stated in its report, including the fact that repurposing this test would come at the same equity cost as the SAT/ACT. He appreciated the Study Group's additional recommendations for achieving UC's equity goals in admissions.

Provost Brown recalled that, in January, he and then Faculty Representative Mary Gauvain reported the outcome of a feasibility study for a new standardized test. The study concluded that, while it was not feasible to create a new test, it might be feasible to use an existing test. The study identified the Smarter Balanced Assessment for further consideration, because it was already administered to 11th grade students in California public schools and aligned with State educational standards and A–G requirements in English and mathematics. The Academic Senate was tasked with determining if the Smarter Balanced Assessment could add value to the admissions process in an equitable way. Ms. Gauvain appointed the Smarter Balanced Study Group.

Ms. Gauvain stated that the Study Group was composed of eight UC faculty members with deep expertise in educational testing and policy, and she and UC Santa Barbara Professor Madeleine Sorapure served as co-chairs. The Study Group focused on three areas: the relationship between students' Smarter Balanced Assessment scores and UC admission rates, the predictive utility of the Smarter Balanced Assessment for first-year college outcomes, and reasonableness and sufficiency of measures taken by the Smarter Balanced Assessment Consortium (SBAC) to reduce biases and disparities. SBAC also created and governed the Common Core Standards–aligned test used in California and several other states. The Study Group met eight times in four months and invited guests from the Office of the President (UCOP) and admissions directors from UC Irvine and UCLA for input. SBAC also provided written background. After much discussion and careful analysis, the Study Group unanimously agreed that the Smarter Balanced Assessment should not be used in freshman admissions, because 11th grade Smarter Balanced Assessment Scores would add only modest, incremental value in predicting first-year college grades; converting the Smarter Balanced Assessment from a low-stakes assessment to a high-stakes test would likely lead to the development of test preparation ventures, which exacerbates social inequities; and the Smarter Balanced Assessment would reproduce inequalities and opportunity gaps in the K–12 system that would further disadvantage students from lower-income and underrepresented groups. The Study Group offered additional recommendations for building a stronger and more equitable admissions process: to continue to build strong UC partnerships with K–12 schools to advance equity and academic preparation; to bolster the holistic review process; to develop and expand

UC programs and services that contribute to student success; and to research and evaluate how test-free admission affects patterns in applications, admissions, and student success.

Mr. Brown stated that President Drake formally endorsed the Study Group's recommendations in a letter to Faculty Representative Horwitz. Based on these and earlier findings from the feasibility study, and in accordance with the Regents May 2020 directive, the University would continue to practice test-free admissions now and into the future. Mr. Brown would engage the appropriate UCOP departments to communicate this decision to students, families, and the general public. UC would continue to build upon existing relationships with schools, school districts, and communities to advance educational equity and quality, as well as prepare students for a successful college career. UCOP would continue to partner with the Academic Senate to monitor admissions processes and strengthen holistic review.

Regent Ortiz Oakley expressed his appreciation for the distinction between assessment and tests made during the presentation. The University should work to understand students attending or wishing to attend UC and should work with schools to improve students' ability to succeed at UC. In his view, tests created barriers while assessment created opportunities. Standardized testing was a major issue across the country, and many have looked to UC's actions as a model for the future in light of increased diversity in UC admissions. He encouraged the University to take a leadership role in this regard.

Regent Lansing asked if no test would be used in admissions considerations. Mr. Brown replied that the Study Group report concluded that it was not feasible to build a test, and that use of the Smarter Balanced Assessment, which was currently used to improve educational quality in admissions, would become a high-stakes test and a barrier to access.

Regent Lansing asked if other tests would be considered in the future. She recalled Chancellor Wilcox's remarks about UC Riverside's use of standardized test scores for diversity purposes. Mr. Brown stated that it was the end of the issue for now. Ms. Gauvain added that the Study Group could not identify any tests that would not reproduce the inequities that concerned UC. Regent Lansing asked that test-free admissions be monitored carefully. President Drake stated that the Regents carefully considered these concerns when they adopted the policy to stop using the SAT/ACT in admissions. After one year of test-free admissions, UC has admitted a more diverse class than before. This year, diversity in enrollment was projected to reach historic levels systemwide. If a test is developed that UC finds effective, UC could consider adopting it.

Regent Park expressed appreciation for the Study Group's consideration of the Smarter Balanced Assessment's impact on behavior. She noted that the Academic and Student Affairs Committee discussed Eligibility in the Local Context (ELC) and improving A-G course preparation. In her view, UC should focus on these efforts, as well as increasing capacity, because they would yield the diversity and quality of students that UC desired.

Regent Zaragoza recalled that the Feasibility Study Work Group discussed the high-stakes nature of testing and alternatives. A new test could create new costs for students. In

September, she gave a presentation at the National Association of College Admissions Counseling National Conference on UC's elimination of the SAT/ACT requirement. Smaller colleges have not been able to eliminate this requirement because of the potential effect on their college rankings. The University's decision had a monumental impact on students of color across the country; testing requirements could be removed from rankings in the future. If UC were to adopt a new test in the future, the admissions process, which was revised after testing was eliminated, would have to be revised again. She believed that UC should commit to its current position of test-free admissions.

Regent-designate Blas Pedral asked about the University's position with regard to standardized examinations for graduate professional programs, such as the Law School Admission Test (LSAT), the Medical College Admission Test (MCAT), and the Graduate Management Admission Test (GMAT). President Drake responded that assessments used across a variety of technical and professional fields would have to be considered individually to determine whether they created or were barriers to opportunity. UC could continue to look at this. Mr. Brown added that graduate deans and faculty were examining the use of these tests and assessments. Decisions varied for different graduate and professional schools, where assessments might serve different purposes, and their admissions processes were not centrally governed. Changes were happening.

Regent Park remarked that UC Merced's new B.S./M.D. program would not require the MCAT and would be an interesting model to consider. President Drake noted that, during the pandemic, most medical schools have removed the MCAT requirement.

Staff Advisor Lakireddy underscored the importance of strengthening partnerships with areas like the City of Merced. She recently learned that only 30 percent of high school students in Merced were reading at grade level. A test would keep these students from attending UC. She wished to hear more from K-12 school districts. As UC removes more barriers, more diverse students could envision themselves attending UC. In her experience, information about ELC was not readily available on high school websites.

Chair Estolano stated that the elimination of the standardized testing requirement in admissions was one of her proudest votes as Regent. In her view, it was one of the University's most significant actions, made a national impact, and was done at the right time and in the right way, following extensive study and in partnership with the Academic Senate. UC responsibly continued to explore whether there was a test that matched UC values and met its needs and obligations, and concluded that there was not such a test at this time. She believed that President Drake's affirmative support of the Study Group's findings would have national implications. Chair Estolano highlighted several of the Study Group's recommendations, such as building partnerships with the K-12 system, especially in areas that lacked resources or at non-ELC schools, and providing additional resources for and training on holistic review in response to generations of educational inequity. After eliminating the testing requirement, the University received a historic number of applications, which created more work for admissions officers. Prior to the presentation about artificial intelligence, she did not know that UC used AI in admissions decisions. Chair Estolano noted the recommendations of continuing to provide resources to UC

students, emphasizing the importance of State budget requests for Student Academic Preparation and Educational Partnerships (SAPEP) funding, as well as evaluating the efficacy of the admissions process and student success programs.

Regent Leib stated that many were not applying to UC because of perceived cost barriers. He and UCOP staff recently answered admissions questions at his local school district, and many were financial questions. UC should better communicate information about affordability.

7. **COMMITTEE REPORTS INCLUDING APPROVAL OF RECOMMENDATIONS FROM COMMITTEES**

Chair Estolano stated that Chairs of Committees and Special Committees that met the prior day and off-cycle would deliver reports on recommended actions and items discussed, providing an opportunity for Regents who did not attend a particular meeting to ask questions.

**Report of the Academic and Student Affairs Committee**

The Committee presented the following from its meeting of November 17, 2021:

A. *Update on Eligibility in the Local Context*

Regent Park reported that the Office of the President (UCOP) reached out to and surveyed schools to determine why they were not participating in the Eligibility in the Local Context (ELC) program. Student Academic Preparation and Education Partnerships (SAPEP) funding would be critical to ELC efforts. UC Legal was determining whether transcript authorization for ELC eligibility could be provided on an opt-out basis and would report back to the Regents. The Committee also discussed use of UC Scout.

B. *The Student Experience with Financial Aid*

Regent Park reported that student speakers shared their experiences with financial aid, such as translating documents for their parents. Financial aid offices provided great help, but students might not know to seek help there. The Committee discussed the need for more outreach and invitations to seek support, multiple places where information is provided, and crossover events with other programs.

C. *University of California Graduate Student Experience Survey*

Regent Park reported that the Committee heard a presentation on the results of the first systemwide survey on the graduate student experience. Financial support, faculty advising, mentorship, and program quality were top priorities for graduate students, and students needed more help with seeking employment, stress management, and grant writing. The Committee noted the correlation between rates

of depression and mental health issues with disciplines that offered less financial security. UC needed to communicate the range of career avenues to graduate students. Several chancellors made much commentary during the discussion. Regent Park encouraged the chancellors to review the survey results.

D. ***Growing Our Own: Graduate Enrollment and Diversifying Ph.D. Pathways***

Regent Park reported that the Committee heard a presentation on how programming could be changed to encourage undergraduate students to progress to graduate education and the professoriate, particularly the professoriate at UC, the California State University, and the California Community Colleges. Drawing from California's diversity would result in a more diverse professoriate. Goals set in the item were based on current resources and could be improved with more funding. Regent Park suggested looking into how these efforts could be better funded.

E. ***The Changing Landscape of Transfer Policy in California***

Regent Park reported that the Committee engaged in a robust discussion and noted the mention of Assembly Bill 928 during the public comment period. Student Observer Kyle Schmidt, also a transfer student, shared his suggestions for improving the transfer process. Regent Park stated that campus and systemwide intersegmental partnerships were key, and she hoped these discussions would culminate in a set of recommendations. According to Provost Brown, UC transfer students came primarily from nine California Community College campuses out of 116 campuses, and the Committee discussed partnering with community college campuses who did not have many students who applied to or were admitted into UC. In response to the issue of the distance of some community college campuses from UC campuses, Faculty Representative Horwitz suggested UC online course offerings at community colleges that did not have capacity to teach those courses every term.

**Report of the Compliance and Audit Committee**

The Committee presented the following from its meeting of November 17, 2021:

A. ***Ethics, Compliance and Audit Services Annual Report 2020–21***

Regent Elliott reported that the Committee expressed discomfort with rates of compliance for mandatory training programs for UC faculty and staff in the annual report. The Committee asked that next year's report include compliance rates from individual campuses.

B. ***Annual Report of External Auditors for the Year Ended June 30, 2021***

Regent Elliott reported that, in the annual report, the auditor identified information technology controls for the retirement system as an issue. This has been a longtime concern of the Committee and the Board.

### **Report of the Finance and Capital Strategies Committee**

The Committee presented the following from its meeting of November 17, 2021:

#### **A. *Consent Agenda:***

- (1) ***Preliminary Plans Funding for Entire Project, Working Drawings Funding and Scope for Site and Make-Ready Work Portion of the Project, and External Financing, the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights Project, San Francisco Campus***

The Committee recommended that:

- a. The 2021–22 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

From: San Francisco: New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights – partial preliminary plans – \$135 million funded from hospital reserves.

To: San Francisco: New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights – preliminary plans for the entire project and working drawings for Site and Make-Ready Work portion of the project – \$202 million funded from external financing (\$160.1 million) and hospital reserves (\$41.9 million).

- b. The scope of the Site and Make-Ready (SMR) work portion of the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights project shall provide abatement and demolition of Langley Porter Psychiatric Institute buildings and Long Hospital Magnetic Resonance Imaging Annex; grading and road improvements; relocation of existing utilities, new utilities and tie-ins at the central utility plant; renovation of the existing hospital loading dock; removal of existing oxygen and medical gas tanks and installation of new gas tanks; and select renovations in Moffitt and Long hospitals to facilitate this SMR work.
- c. The President of the University be authorized to obtain external financing for the New Hospital at the Helen Diller Medical Center at Parnassus Heights project in an amount not to exceed \$160.1 million plus additional related financing costs. The President shall require that:

- i. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
- ii. As long as the debt is outstanding, general revenues from UCSF Health shall be maintained in an amount sufficient to pay the debt service and to meet the related requirements of the authorized financing.
- iii. The general credit of the Regents shall not be pledged.
- d. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above.

(2) ***Preliminary Plans Funding, Folsom Medical Office Building, UC Davis Health, Davis Campus***

The Committee recommended that the 2021–22 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Folsom Medical Office Building – preliminary plans – \$6.9 million to be funded with hospital reserves.

(3) ***Construction Funding and Design Following Action Pursuant to the California Environmental Quality Act, Advanced Work Phase of the California Hospital Tower, UC Davis Sacramento Campus***

The Committee recommended that:

- a. The 2021–22 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

From: Davis: Hospital Bed Replacement Tower – preliminary plans and Advanced Work Phase working drawings – \$127,618,000 funded with hospital reserves.

To: Davis: California Hospital Tower – preliminary plans, Advanced Work Phase working drawings and Advanced Work Phase construction – \$234,218,000 funded with hospital reserves.

- b. Following review and consideration of the environmental consequences of the California Hospital Tower 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 to the Regents no less than

48 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:

- i. Certify the Environmental Impact Report (EIR) for the UC Davis Sacramento Campus California Hospital Tower project.
- ii. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Davis as identified in the Mitigation Monitoring and Reporting Program in connection with the UC Davis Sacramento Campus California Hospital Tower EIR.
- iii. Adopt the CEQA Findings and Statement of Overriding Considerations for the Advanced Work Phase of the California Hospital Tower project.
- iv. Approve the design of the Advanced Work Phase of the California Hospital Tower project.

(4) ***Approval of Business Terms for an Amendment of a Ground Lease with Irvine Campus Housing Authority, University Hills Area 12-1, Irvine Campus***

The Committee recommended that:

- a. The President of the University or his designee be authorized to approve and execute, after consultation with the General Counsel and following appropriate action pursuant to the California Environmental Quality Act, an amendment to the Ground Lease and any related documents between the Regents, as Lessor, and the Irvine Campus Housing Authority (ICHA), as Lessee, to add land to the existing land covered by the Ground Lease as follows:
  - i. Add approximately four gross acres (Area 12-1) of the Irvine Campus Inclusion Area, for a total Ground Lease area of approximately 307 acres (Property).
  - ii. All costs associated with the future development of Area 12-1 and ongoing operation of the Property, including maintaining the landscaped area and road improvements, shall be the obligation of the Ground Lessee during the term of the Ground Lease.

- iii. The Regents' reversionary interest in the land shall not be subordinated, and no encumbrances of the Ground Lessee's interest in Area 12-1 shall extend beyond the term of the Ground Lease.
- iv. The President or his designee, after consultation with General Counsel, shall be authorized to approve and execute any additional documents necessary to implement the Ground Lease amendment and to facilitate the development of Area 12-1 by ICHA.

**B. *Long Range Development Plan Amendment and Design of University Hills Area 12-1 Following Action Pursuant to the California Environmental Quality Act, Irvine Campus***

The Committee recommended that:

- (1) The scope of the University Hills Area 12-1 project (Project) shall consist of approximately 102 for-sale stacked flats in eight four- and five-story buildings to facilitate the recruitment and retention of faculty and staff at the Irvine campus. Each home would contain three bedrooms, two full bathrooms, a two-car garage, and a private outdoor patio. The Project includes supporting streets, utilities, trails, and other community infrastructure. The scope also includes the demolition of 50 vacant apartment units on the Area 12-1 site.
- (2) Following review and consideration of the environmental consequences of the proposed University Hills Area 12-1 project and Long Range Development Plan (LRDP) Amendment No. 4, 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 48 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:
  - a. Adopt the Initial Study and Mitigated Negative Declaration for the University Hills Area 12 project and LRDP Amendment No. 4.
  - b. Adopt the Mitigation Monitoring and Reporting Program for the University Hills Area 12-1 project and LRDP Amendment No. 4, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UC Irvine.
  - c. Adopt the CEQA Findings for the University Hills Area 12-1 project and LRDP Amendment No. 4.
  - d. Approve LRDP Amendment No. 4.

- e. Approve the design of the University Hills Area 12-1 project, Irvine campus.

C. ***2021 Long Range Development Plan Following Action Pursuant to the California Environmental Quality Act, Riverside Campus***

The Committee recommended that, following review and consideration of the environmental consequences of the UC Riverside 2021 Long Range Development Plan (2021 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 48 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 UC Riverside 2021 LRDP Environmental Impact Report (2021 LRDP EIR).
- (2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Riverside as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2021 LRDP EIR.
- (3) Adopt the Mitigation Monitoring and Reporting Program for the 2021 LRDP.
- (4) Adopt the CEQA Findings and Statement of Overriding Considerations for the 2021 LRDP.
- (5) Approve the 2021 LRDP (November 2021), Riverside campus.

Regent Cohen reported that there was consensus in the surrounding community regarding this LRDP.

D. ***University of California 2021–27 Capital Financial Plan***

The Committee recommended that the University of California 2021–27 Capital Financial Plan be approved.

Regent Cohen reported that there was a gap between identified needs and identified funding due largely to seismic upgrades. UC was working to meet its capital obligations, needs, and demands.

E. ***University of California Financial Reports, 2021***

The Committee recommended that the Regents adopt the 2020–21 Annual Financial Reports for the University of California, the University of California Retirement System, and the five University of California Medical Centers.

Regent Cohen reported that UC financial data had improved because of last fiscal year's investment returns.

F. ***Approval of the University of California's 2022–23 Budget for Current Operations***

The Committee recommended that the Regents approve the proposed budget plan shown in Attachment 1, *University of California 2022–23 Budget Plan for Current Operations*.

Regent Cohen reported that President Drake recommended an amendment to the proposed budget during the meeting, changing the salary increase to 4.5 percent for policy-covered staff and to four percent for faculty. UC was making a sizable request from the State General Fund, but the California Legislative Analyst's Office predicted another year of State budget surpluses.

G. ***Academic Seismic Replacement Building (Evans Hall Seismic Replacement), Berkeley Campus***

This item was not summarized.

H. ***Kresge College Non-Academic, Santa Cruz Campus***

This item was not summarized.

I. ***Annual Actuarial Valuations for the University of California Retirement Plan and Its Segments and for the 1991 University of California-Public Employees' Retirement System Voluntary Early Retirement Incentive Program***

This item was not summarized.

J. ***Authorization to Decrease the University Employer Contribution Rate and Make Additional Contributions through Transfers from the Short Term Investment Pool and/or External Financing to the University of California Retirement Plan***

The Committee recommended that:

- (1) The University contribution rate on behalf of active members in the Campus and Medical Centers and Lawrence Berkeley National Laboratory segments of the University of California Retirement Plan (UCRP) and on behalf of active participants in "Savings Choice" be decreased from 15 percent and seven percent (effective for fiscal year 2021–22), respectively to 14 percent

and six percent for two years, beginning in 2022–23. Absent further Regents’ action, employer contributions would return to 15 percent in 2024–25 with half a percent (0.5 percent) increases in subsequent years until reaching 17 percent, as previously approved in 2019. The contribution rates are summarized in the table below:

Effective Date	University Contribution Rate to UCRP	
	UCRP Active Members <sup>2</sup>	Savings Choice “UAAL Surcharge” <sup>3</sup>
July 1, 2022	14.0%	6.0%
July 1, 2023	14.0%	6.0%
July 1, 2024	15.0%	7.0%
July 1, 2025	15.5%	7.5%
July 1, 2026	16.0%	8.0%
July 1, 2027	16.5%	8.5%
July 1, 2028	17.0%	9.0%

- (2) The Regents’ July 2017 action, *Authorization to Increase the University Employer Contribution Rate and Make Additional Contributions to the University of California Retirement Plan*, be amended by adding Sections L, M, N, and O as follows:

**Additions shown by underscoring**

- L. Transfer funds from the Short Term Investment Pool (STIP) to UCRP in FY 2022–23 and FY 2023–24 in amounts equal to \$500 million each year. Should STIP have insufficient funds, funds will be transferred from the Total Return Investment Portfolio (TRIP) to STIP. These transfers shall satisfy the requirements below and will not exceed \$500 million in FY 2022–23 and \$500 million in FY 2023–24:
- (1) Maintenance of rating agency STIP and TRIP liquidity requirements at all times.
  - (2) The creation of an internal note receivable (“STIP Note”) for the amounts above, owned by STIP participants.
  - (3) The ability to set the repayment terms on the STIP Note, which will have a final maturity no later than FY 2041–42.

<sup>2</sup> Excludes UCRP member class known as “Tier Two”, which is a frozen group that had three active members as of July 1, 2021. For Tier Two, employer rates are one-half of the rates for non-Tier Two members.

<sup>3</sup> The “UAAL Surcharge” is an employer contribution to UCRP on behalf of active employees who elected “Savings Choice” as their primary retirement benefit and are current participants in the Defined Contribution Plan. The UAAL Surcharge helps pay down UCRP’s Unfunded Actuarial Accrued Liability (UAAL).

- (4) Assessment of all University fund sources making UCRP payments to include an additional amount for principal and interest payments on the STIP Note, divided proportionally based on covered compensation.
- (5) For funding sources, such as federal contracts and grants, where interest payments for the STIP Note are not billable as direct program costs, the campuses will be required to pay these charges using non-federal sources.
- M. Obtain external financing not to exceed \$1 billion, plus additional related financing costs in lieu of or in addition to the STIP transfers, for the purpose described above in Section L if it is expected that this option could be accomplished at a lower cost or is more practical for the University. The repayment of external financing is anticipated to be from the same University fund sources that would be responsible for making payments on the STIP Note as outlined above.
- N. For Sections L and M above, the total amount of the STIP transfers and external financing shall not exceed \$1 billion plus additional related financing costs.
- O. Take all actions as appropriate and execute all documents necessary as appropriate in connection with Sections L through N above.

Regent Cohen reported that the Committee wished to ensure that the pension was well-funded and did not wish to lose the momentum from the last several years. The Committee was presented with a strategy that UC has used for the last decade, borrowing from the Short Term Investment Pool (STIP), which earned less than one percent in returns per year, to contribute to the pension, which was targeted to earn 6.75 percent per year. This strategy has improved the funded status of the pension by 11 percent. The Committee amended the proposal such that, if there were no additional Regental actions after two years, the previous policy of increasing the employer contribution by 0.5 percent every year would be reinstated. He stated that chancellors should account for these costs in campus budgets in multi-year planning. An experience study of the pension would be presented to the Board at a future meeting.

K. ***Annual Actuarial Valuation of the University of California Retiree Health Benefit Program***

This item was not summarized.

L. ***Amendment of the Fiscal Year 2021–22 Budget for the University of California Office of the President***

The Committee recommended that the Regents approve the amendment of the Fiscal Year 2021–22 Budget for the University of California, Office of the President totaling \$1,006.6 million, as shown in Attachment 2.

Regent Cohen reported that this amendment would conform the FY 2021–22 UC Office of the President budget to the 2021 State Budget Act.

M. ***Report of Budget to Actual Expenditures for Fiscal Year 2020–21 for the Office of the President and First Quarter Fiscal Year 2021–22 Results***

This item was not summarized.

Upon motion of Regent Cohen, duly seconded, the recommendations of the Finance and Capital Strategies Committee were approved, Regents Anguiano, Cohen, Drake, Elliott, Estolano, Hernandez, Kounalakis, Lansing, Leib, Lott, Park, Pérez, Reilly, Sherman, Sures, and Zaragoza voting “aye” and Regent Ortiz Oakley voting “no.”

**Report of the Health Services Committee**

The Committee presented the following from its meeting of October 20, 2021:

A. ***Update from the Executive Vice President of UC Health***

This item was not summarized.

B. ***Approval of Incentive Compensation Using Health System Operating Revenues for Fiscal Year 2020–21 for Carrie Byington, M.D. as Executive Vice President – UC Health, Office of the President as Discussed in Closed Session***

The President of the University recommended that the Health Services Committee approve the Clinical Enterprise Management Recognition Plan (CEMRP) incentive award for Carrie Byington, M.D. as Executive Vice President – UC Health, Office of the President, in the amount of \$260,940, which is comprised of a short term incentive award for the 2020–21 CEMRP plan year. The total recommended incentive award is 30 percent of Dr. Byington’s base salary as of June 1, 2021 (\$869,800).

The incentive compensation described shall constitute the University’s total commitment regarding incentive compensation until modified by the Regents or the President, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

C. ***UC Riverside School of Medicine Strategy, Riverside Campus***

This item was not summarized.

D. *Speaker Series – The Impact of COVID-19 on the Latino Community in California, Los Angeles Campus*

This item was not summarized.

E. *Debt Capacity Framework and Affordability Review*

This item was not summarized.

F. *Update from the University of California Health Clinical Quality Committee*

This item was not summarized.

G. *Overview of the Clinical Enterprise Management Recognition Plan (CEMRP)*

This item was not discussed by the Committee.

Upon motion of Regent Pérez, duly seconded, the recommendation of the Health Services Committee was approved, Regents Anguiano, Cohen, Drake, Elliott, Estolano, Hernandez, Kounalakis, Lansing, Leib, Lott, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Sures, and Zaragoza voting “aye.”<sup>4</sup>

**Report of the Investments Committee**

The Committee presented the following from its meeting of November 16, 2021:

***Review of First Quarter Performance for Fiscal Year 2021–22 of UC Pension, Endowment, Retirement Savings Program, Blue and Gold Pool and Working Capital***

Regent Sherman reported that UC investments’ performance was flat for the first quarter of FY 2021–22. The endowment had \$19.1 billion, the UC Retirement Plan had \$90.8 billion, the Blue and Gold Pool had \$1 billion, and working capital had a total of \$22.3 billion. As of mid-November, the endowment grew 4.3 percent, the pension grew four percent, and the Total Investment Return Pool grew 2.5 percent. Total assets grew from \$168 billion to \$173.5 billion.

**Report of the National Laboratories Committee**

The Committee presented the following from its meeting of November 16, 2021:

***Status of Southern California Hub***

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<sup>4</sup> The Health Services Committee has the authority to approve this recommendation per its Charter, without further action by the Board. However, a Regent requested that a subsequent vote be taken by the Board.

Regent Sures reported that the Committee heard a presentation on the Southern California Hub, which launched remotely in 2020 and provided opportunities to UC students from the southern campuses. Presenters shared the Hub's plans as in-person interaction resumes. Representatives from the Hub would return to discuss options for a physical location, likely at UC Irvine, at a future Committee meeting.

### **Report of the Public Engagement and Development Committee**

The Committee presented the following from its meeting of November 17, 2021:

A. ***UC Center Sacramento: Bridging the University of California and the Capital Community for the Public Good***

Regent Reilly reported that the Committee heard a presentation on UC Center Sacramento (UCCS), which disseminated UC research to inform public policy and educated students for public service and careers. UCCS interns came from all nine undergraduate campuses and did not necessarily come from a public policy or political science background. UCCS experienced significant growth after threat of a potential closure in 2009, and, in 2019, the University purchased a property across the street from the State Capitol for the new UCCS location. Presenters included State Senator Scott Wiener, who has hosted a number of UCCS interns at his office, and two UCCS alumni who shared the impact of UCCS on their lives and careers.

B. ***Conversation with State Senator John Laird***

Regent Reilly reported that State Senator John Laird shared with the Committee his insights on UC working with State government to pursue policies that benefit students, staff, faculty, and the state. Senator Laird's district included UC Santa Cruz, where he was an alumnus and has maintained a longtime partnership. President Drake and the Committee expressed their gratitude for Senator Laird's commitment to the University and looked forward to UC's continued partnership with him.

C. ***State Government Relations Update***

This item was not discussed.

D. ***Federal Government Relations Update***

Regent Reilly reported that the Committee heard a presentation about the "Double the Pell" campaign. Presenters shared that more than 78,000 UC undergraduate students, or 35 percent, received the Pell Grant. Doubling the Pell Grant would help students address basic needs. The Committee heard from two Pell Grant recipients, one of whom shared that she had slept in her car as a student.

**Report of the Special Committee on Innovation Transfer and Entrepreneurship**

The Special Committee presented the following from its meeting of October 21, 2021:

A. ***Innovation Transfer and Entrepreneurship Transformation: Project Governance and Planning Update***

Regent Leib reported that the University needed a business and cultural transformation to ensure innovation. Provost Brown and Vice President Maldonado had developed four work streams to achieve these ends.

B. ***Overview of Royalty Audit Program***

Regent Leib reported that the Special Committee heard a presentation on licensing enforcement. Though auditing, the University has discovered a significant amount of money that could be recovered. The Office of the General Counsel (OGC) has begun reviewing enforcement techniques.

C. ***Realignment of Legal and Policy Compliance for Equity and Licensing Contracts***

Regent Leib reported that the Special Committee discussed the need for realignment so that campuses could have more say in legal decisions. OGC has begun reviewing related policy.

D. ***Speaker Series: UC Innovation – From Laboratory to Marketplace***

This item was not summarized.

E. ***Update on Innovation and Entrepreneurship Funding Strategies***

Regent Leib reported that the Committee discussed a UC proof of concept fund, which was being explored by the Office of the Chief Financial Officer (CFO) and the Office of the Chief Investment Officer. The Special Committee has consulted advisors regarding the campuses' needs. Some campuses needed more funding than others, and the Office of the CFO has allotted additional money to UC Santa Cruz, UC Merced, and UC Riverside.

F. ***The UC Investments Way – The Ten Pillars Culture***

This item was not summarized.

**Report of the Special Committee on Nominations**

The Special Committee presented the following from its meeting of November 17, 2021:

***Appoint of the Vice Chair of the Compliance and Audit Committee***

The Special Committee recommended that Regent Sures be appointed as Vice Chair of the Compliance and Audit Committee, effective immediately through June 30, 2022.

Upon motion of Regent Elliott, duly seconded, the recommendation of the Special Committee on Nominations was approved, Regents Anguiano, Cohen, Drake, Elliott, Estolano, Hernandez, Kounalakis, Lansing, Leib, Lott, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Sures, and Zaragoza voting “aye.”

**8. RESOLUTION IN APPRECIATION – LAPHONZA BUTLER**

Upon motion of Regent Cohen, the following resolution was adopted, Regents Anguiano, Cohen, Drake, Estolano, Hernandez, Kounalakis, Lansing, Leib, Lott, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Sures, and Zaragoza voting “aye.”

WHEREAS, the Regents of the University of California wish to express their heartfelt appreciation to Laphonza Butler for the keen insight, integrity, and passion for creating a more inclusive University, serving all of the citizens of California, that she brought to the deliberations of the Board of Regents from 2018 to 2021; and

WHEREAS, she provided distinguished and thoughtful leadership to the University with a calm demeanor, incisive questions, and the deft touch of a master facilitator as the Vice Chair of the Academic and Student Affairs and Compliance and Audit Committees and as a member of the Public Engagement and Development Committee; and

WHEREAS, she has gone above and beyond the typical duties of a Regent, serving as an indispensable member of the Special Committees on Basic Needs, Innovation Transfer and Entrepreneurship, and Nominations, and as Chair of the Working Groups on Proposition 16 and Board and Committee Restructuring; and

WHEREAS, her influence on the Board greatly transcended her formal roles, she was instrumental in shaping the Board’s views and University policy that aims to ensure that low-income and underrepresented students achieve college success, including helping to forge the University’s response to meeting the unprecedented challenges posed by COVID-19, and to fundamentally shift the University’s approach to admissions and standardized testing in order to create a more equitable institution, always placing student needs and perspectives at the center; and

WHEREAS, she achieved great professional distinction in multiple fields as an advocate for women, children and working people, a labor organizer, a communications and public policy consultant, a political campaign strategist and leader in Democratic politics, and now as president of the nationally renowned electoral organization, EMILY’s List; and

WHEREAS, in recognition of her devoted service as a member of the Board of Regents of the University of California and in the hope of her continued contributions to the welfare of the students of the University of California and the success of the University, the Regents do hereby confer upon Laphonza Butler the title Regent Emerita;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their deep appreciation and admiration for Laphonza Butler, who has enriched the University in countless ways as a member of the Board of Regents, extend to Laphonza their affectionate best wishes for success in her future endeavors, and direct that a suitably inscribed copy of this resolution be presented to her as an expression of the Board's profound gratitude and friendship.

Regent Cohen stated that Regent Emerita Butler, who served only three years as Regent, was now President of EMILY's List, and he expressed joy that the Board and the general public had an opportunity to experience her intelligence, insight, and compassion. In his view, California was sharing its talent with the rest of the country. He wished her and her family the best in Washington, D.C.

Chair Estolano shared that she and Regent Leib joined the Board at the same time as Regent Emerita Butler. She commended Regent Emerita Butler's presence and ability to navigate complex issues while never losing sight of core issues, highlighting her work on the Special Committee on Basic Needs.

9. **REPORT OF MATERIALS MAILED BETWEEN MEETINGS**

Secretary and Chief of Staff Shaw reported that, on the dates indicated, the following were sent to the Regents or to Committees:

**To the Regents of the University of California:**

- A. From the Secretary and Chief of Staff to the Regents, the Summary of Communications Received for August, 2021. September 26, 2021.
- B. From the Executive Vice President of UC Health, an article titled "Transition to Endemicity: Understand COVID-19." September 27, 2021.
- C. From the Secretary and Chief of Staff to the Regents, forwarding an email from Regent Butler informing of her resignation from the UC Board of Regents due to her new position and out-of-state move. September 27, 2021.
- D. From the Executive Vice President of UC Health, a COVID-19 and Coronavirus Update. October 8, 2021.
- E. From the President of the University, the University of California Executive Order – Flu Vaccine Mandate. October 8, 2021.
- F. From the President of the University, a letter to the UC Lecturers' bargaining unit and a fact sheet providing an update on the negotiations with the University Council-AFT (American Federation of Teachers). October 12, 2021.

- G. From the Secretary and Chief of Staff, an email informing the Regents of the appointment of Regent Hernandez to the Special Committee on Innovation Transfer and Entrepreneurship. October 20, 2021.
- H. From the Associate Vice President, External Relations and Communications, the Federal Update, 2021, Issue 9. October 29, 2021.
- I. From the Secretary and Chief of Staff to the Regents, the Summary of Communications Received for September, 2021. November 3, 2021.

**To the members of the Governance Committee:**

- J. From the President of the University, the *Annual Report on Compensated Outside Professional Activities Completed during calendar year 2020*. October 27, 2021.
- K. From the President of the University, the *Annual Report on Uncompensated Outside Professional Activities completed during calendar year 2020*. October 27, 2021.
- L. From the President of the University, the *Mid-Year Report on Outside Professional Activities undertaken between January 2021 and June 2021*. October 27, 2021.

The meeting adjourned at 11:20 a.m.

Attest:

Secretary and Chief of Staff

**University of California**  
**2022-23 Budget Plan for Current Operations**

**Attachment 1**

(dollars in millions)

**2021-22 CORE FUNDS FOR CURRENT OPERATIONS**

Total Core Funds (State General Funds, Student Tuition and Fee Revenue, and UC General Funds) **\$ 10,527**

**PROPOSED CHANGES IN EXPENDITURES**

**PROPOSED CHANGES IN REVENUE / RESOURCES**

**Sustaining Core Operations**

<i>Proposed Investments</i>		<i>University Sources</i>	
Faculty compensation (policy-covered)	\$ 86.8	Reduce UCRP employer contribution rate by 1%	\$ 27.9
Faculty merit program	\$ 35.0	Procurement savings	\$ 10.1
Staff compensation (policy-covered)	\$ 66.7	Nonresident enrollment growth, net (200)	\$ 3.7
Contractually committed compensation	\$ 30.5	Tuition/Student Svcs Fee Adjustment (net of aid)	\$ 27.7
Retirement contributions	\$ 30.8	Nonresident tuition adjustment (net of aid)	\$ 13.6
Employee health benefits	\$ 23.0	Subtotal	\$ 83.0
Retiree health benefits	\$ 6.3		
Non-salary price increases	\$ 40.4	<i>State General Funds</i>	
Debt service for AB 94 capital projects	\$ 15.0	Base budget adjustment (6.3%)	\$ 251.5
<b>Subtotal</b>	<b>\$ 334.5</b>		<b>\$ 334.5</b>

**Funding the UC 2030 Framework: Student Access and Success**

<i>Proposed Investments</i>		<i>University Sources</i>	
State share of unfunded CA growth, 19-20 to 21-22	\$ 48.8	Tuition/fees from enrollment growth (net of aid)	\$ 14.2
2022-23 enrollment growth (2,000 UG/500 GR)		Return-to-aid from enrollment growth	\$ 7.1
Enrollment marginal cost (1,100 UG/500 GR)		Subtotal	\$ 21.3
From State support	\$ 17.9		
From Tuition/Fees	\$ 14.2	<i>State General Funds</i>	
Convert 900 nonresident to resident UG		State share of unfunded CA growth, 19-20 to 21-22	\$ 48.8
Lost nonresident tuition revenue	\$ 27.2	2022-23 enrollment growth (1,100 UG/500 GR)	\$ 17.9
Financial aid		Offset to lost nonresident tuition revenue	\$ 27.2
Enrollment growth (1,100 UG/500 GR)	\$ 7.1	Aid for 900 add'l CA residents	\$ 3.9
900 add'l aid-eligible CA residents	\$ 3.9	Eliminate equity gaps in graduation rates	\$ 31.3
Eliminate equity gaps in graduation rates	\$ 31.3	Subtotal	\$ 129.1
<b>Subtotal</b>	<b>\$ 150.3</b>		<b>\$ 150.3</b>

**Other High-Priority Investments**

<i>Proposed Investments</i>		<i>University Sources</i>	
Financial aid from Tuition/Fee/NRST adjustments	\$ 26.6	Financial aid: Tuition/Fee adjustments	\$ 23.2
Convert one-time SAPEP funds to ongoing	\$ 22.5	Financial aid: NRST adjustments	\$ 3.4
Foster/Undoc/Carceral system-impacted youth	\$ 15.0	Subtotal	\$ 26.6
UC Cancer Consortium	\$ 4.0		
		<i>State General Funds</i>	
		Convert one-time SAPEP funds to ongoing	\$ 22.5
		Foster/Undoc/Carceral system-impacted youth	\$ 15.0
		UC Cancer Consortium	\$ 4.0
		Subtotal	\$ 41.5
<b>Subtotal</b>	<b>\$ 68.1</b>		<b>\$ 68.1</b>

**EXPENDITURES TOTAL**

**\$ 552.9**

**REVENUE / RESOURCES TOTAL**

**\$ 552.9**

**ADDITIONAL REQUESTS FOR ONE-TIME STATE FUNDS**

<i>Psychiatric Mental Health Nurse Practitioners</i>	\$ 9.0
<i>Deferred Maintenance, Energy, and Capital Investments</i>	\$ 600.0

Figures may not sum to totals due to rounding.

**Schedule A**  
**Sources and Uses by Year**  
**Total UCOP**  
*\$ in millions*

	FY21-22		Variance: Incr. / (Decr.)
	FY21-22 May Regents	FY21-22 Nov Amended	
<b>SOURCES</b>			
<b>Unrestricted Sources</b>			
State General Funds	222.4	7.1	(215.2)
Investment Income	26.0	26.0	0.0
Other Unrestricted Sources	20.1	20.1	0.0
UCOP Campus Assessment	0.0	215.2	215.2
Undesignated Fund Balance	4.5	4.5	0.0
<b>Subtotal - Unrestricted</b>	<b>\$273.1</b>	<b>\$273.1</b>	<b>\$0.0</b>
<b>Designated Sources</b>			
Regents-Designated	49.4	49.4	0.0
Program-Designated	237.1	247.8	10.7
UCPath Fee-For-Service	46.2	98.6	52.4
UCPath State General Funds	52.4	0.0	(52.4)
UC ANR State General Funds	73.6	108.9	35.3
<b>Subtotal - Designated</b>	<b>\$458.8</b>	<b>\$504.8</b>	<b>\$46.0</b>
<b>Restricted Sources</b>			
Gifts and Endowments	13.3	13.3	0.0
Contracts and Grants	45.5	45.5	0.0
Federal and State Appropriations/Regulations	189.0	189.0	0.0
<b>Subtotal - Restricted</b>	<b>\$247.8</b>	<b>\$247.8</b>	<b>\$0.0</b>
<b>Total Sources</b>	<b>\$979.7</b>	<b>\$1,025.6</b>	<b>\$46.0</b>
<b>USES</b>			
<b>Programs and Initiatives</b>			
State/Federal Programs	289.6	331.9	42.3
Systemwide Programs	102.5	105.7	3.2
<b>Subtotal - Programs and Initiatives</b>	<b>\$392.1</b>	<b>\$437.6</b>	<b>\$45.5</b>
<b>Central and Administrative Services</b>			
Academic Affairs	54.9	55.4	0.5
Ethics & Compliance	6.8	6.8	0.0
External Relations & Communications	18.9	18.9	0.0
Finance	56.2	56.2	0.0
Operations	147.0	147.0	0.0
President's Executive Office	5.4	5.4	0.0
Secretary of the Regents	4.2	4.2	0.0
Systemwide Academic Senate	2.3	2.3	0.0
UC Health	31.2	31.2	0.0
UC Investments	40.1	40.1	0.0
UC Legal	65.5	65.5	0.0
<b>Subtotal - Central and Administrative Services (excl UCPath)</b>	<b>\$432.5</b>	<b>\$433.0</b>	<b>\$0.5</b>
<b>Strategic Priorities Funds</b>	<b>38.8</b>	<b>38.8</b>	<b>0.0</b>
<b>SUBTOTAL USES</b>	<b>\$863.4</b>	<b>\$909.3</b>	<b>\$46.0</b>
<b>UCPath</b>	<b>97.2</b>	<b>97.2</b>	<b>0.0</b>
<b>TOTAL USES</b>	<b>\$960.6</b>	<b>\$1,006.6</b>	<b>\$46.0</b>
<b>NET MARGIN SURPLUS (DEFICIT)</b>	<b>19.1</b>	<b>19.1</b>	<b>0.0</b>
<b>Included in Sources and Uses Above</b>			
Pass-Throughs	341.2	386.7	45.5
Fee-For-Service	310.9	310.9	0.0
<b>Total Fee-For-Service and Pass-Throughs</b>	<b>\$652.1</b>	<b>\$697.6</b>	<b>\$45.5</b>

**Schedule C**  
**Budget by Programs and Initiatives**  
**Programs and Initiatives**  
*\$ in millions*

	FY21-22		Variance: Incr. / (Decr.)
	FY21-22 May Regents	FY21-22 Nov Amended	
<b>PROGRAMS AND INITIATIVES</b>			
<b>State/Federal Programs</b>			
Agriculture and Natural Resources (ANR)	167.0	202.3	35.3
California Breast Cancer Research Program	9.7	9.7	0.0
California Subject Matter Project (CSMP)	8.6	15.6	7.0
Gaining Early Awareness and Readiness for Undergraduate Programs	3.5	3.5	0.0
Graduate Medical Education	1.9	1.9	0.0
Office of the National Laboratories (UCNL)	8.6	8.6	0.0
Other State/Federal Programs	0.6	0.6	0.0
Tobacco-Related Disease Research Program (TRDRP)	87.0	87.0	0.0
UC Research: Cancer Research Coordinating Committee (CRCC)	2.7	2.7	0.0
<b>Subtotal - State/Federal Programs</b>	<b>\$289.6</b>	<b>\$331.9</b>	<b>\$42.3</b>
<b>Systemwide Programs</b>			
California HIV/AIDS Research Program (CHRP)	8.3	8.8	0.4
Eligibility in the Local Context (ELC)	1.0	1.0	0.0
Historically Black Colleges and Universities (HBCU) Fellowship Initiative	2.0	2.0	0.0
Historically Black Colleges and Universities (HBCU) Summer Research Initiative	2.0	2.0	0.0
Innovative Learning Technology Initiative (Online Education)	5.8	8.1	2.3
Natural Reserve System (NRS)	2.5	2.5	0.0
Other Systemwide Programs	1.9	1.9	0.0
San Joaquin Valley PRIME program	1.9	1.9	0.0
SAPEP	8.1	8.6	0.5
UC Astronomy: University of California Observatories (UCO)	7.5	7.5	0.0
UC Astronomy: W.M. Keck Observatory (Keck)	8.8	8.8	0.0
University of California Press	21.9	21.9	0.0
UC Research: Laboratory Fees Research Program (LFRP)	15.2	15.2	0.0
UC Research: Multi-Campus Research Programs and Initiatives (MRPI)	8.5	8.5	0.0
University of California Washington Center (UCDC)	7.2	7.2	0.0
<b>Subtotal - Systemwide Programs</b>	<b>\$102.5</b>	<b>\$105.7</b>	<b>\$3.2</b>
<b>TOTAL USES</b>	<b>\$392.1</b>	<b>\$437.6</b>	<b>\$45.5</b>

**Schedule E**  
**UC ANR Budget within UCOP**  
**Budget by Program and Unit - All Funds**  
*\$ in millions*

	FY21-22		Variance: Incr. / (Decr.)
	FY21-22 May Regents	FY21-22 Nov Amended	
<b>SOURCES</b>			
Federal AES	8.2	8.2	0.0
State UCCE	73.6	108.9	35.3
Federal UCCE	12.4	12.4	0.0
Endowment Payout	9.5	9.5	0.0
Extramural Funding	35.1	35.1	0.0
Other Sources	28.1	28.1	0.0
<b>TOTAL UC ANR Budget within UCOP</b>	<b>\$167.0</b>	<b>\$202.3</b>	<b>\$35.3</b>
<b>USES</b>			
<b>Unrestricted Sources</b>			
<b>AES Campuses</b>			
Other Campus-Based Academics	0.7	1.0	0.3
UC Berkeley	7.8	8.5	0.7
UC Davis	23.0	26.0	3.0
UC Riverside	6.0	6.9	0.9
<b>Subtotal - AES Campuses</b>	<b>37.5</b>	<b>42.4</b>	<b>4.9</b>
<b>Statewide Programs &amp; Institutes</b>			
Agriculture Issues Center	0.3	0.2	0.0
California Institute for Water Resources	1.1	1.2	0.1
Elkus Ranch Youth Development Center	0.5	0.8	0.3
Informatics & Geographic Information Systems	1.1	1.1	0.0
Integrated Pest Management	5.6	5.7	0.1
Nutrition Policy Institute	4.4	4.5	0.1
Statewide Programs & Initiatives	2.9	5.0	2.0
Sustainable Agriculture Research & Education	0.8	0.9	0.1
Volunteer Based Programs (MFP, MGS, Naturalist)	0.9	1.0	0.1
Youth, Family & Communities	2.7	3.0	0.3
<b>Subtotal - Statewide Programs &amp; Institutes</b>	<b>20.2</b>	<b>23.3</b>	<b>3.1</b>
<b>Research and Extension Centers (RECs)</b>	<b>17.0</b>	<b>23.5</b>	<b>6.5</b>
<b>County-Based Research and Extension</b>	<b>66.0</b>	<b>74.8</b>	<b>8.8</b>
<b>Administration</b>			
General Administration	19.2	22.3	3.2
UCPath and Systems Implementation	1.7	6.3	4.6
<b>Subtotal - Administration</b>	<b>20.9</b>	<b>28.6</b>	<b>7.7</b>
<b>Institutional Support</b>	<b>5.4</b>	<b>9.7</b>	<b>4.3</b>
<b>TOTAL UC ANR Budget within UCOP</b>	<b>\$167.0</b>	<b>\$202.3</b>	<b>\$35.3</b>
<b>NET MARGIN SURPLUS (DEFICIT)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>