

The Regents of the University of California

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE  
FINANCE AND CAPITAL STRATEGIES COMMITTEE**

January 20, 2022

The Academic and Student Affairs Committee and the Finance and Capital Strategies Committee met jointly on the above date by teleconference meeting conducted in accordance with California Government Code §§ 11133.

Members present: Representing the Academic and Student Affairs Committee: Regents Elliott, Hernandez, and Lansing; Ex officio members Drake and Estolano; Advisory members Blas Pedral, Cochran, and Timmons; Chancellors Block, Larive, May, and Yang; Staff Advisor Tseng

Representing the Finance and Capital Strategies Committee: Regents Cohen, Kounalakis, Leib, Lott, Makarechian, Ortiz Oakley, Pérez, Reilly, Sherman, and Zaragoza; Ex officio members Drake and Estolano; Advisory members Pouchot and Horwitz; Chancellors Christ, Gillman, Hawgood, Khosla, Muñoz, and Wilcox; Staff Advisor Lakireddy

In attendance: Regent Guber, Secretary Shaw, General Counsel Robinson, Provost and Executive Vice President Brown, 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 Brown, and Recording Secretary Lyall

The meeting convened at 2:10 p.m. with Finance and Capital Strategies Committee Chair Cohen presiding.

**1. APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of November 18, 2021 were approved, Regents Cohen, Drake, Estolano, Hernandez, Lansing, Leib, Makarechian, Ortiz Oakley, Pérez, Reilly, Sherman, and Zaragoza voting “aye.”<sup>1</sup>

**2. STRATEGIC CAMPUS OVERVIEW, 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.]

Chancellor May, UC Davis’ seventh chancellor, presented an overview of the University of California, Davis’ strategic vision. He provided information on the campus’ rankings

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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.

and highly regarded programs, such as the Schools of Veterinary Medicine and Agriculture.

UC Davis' "To Boldly Go" strategic plan is a ten-year plan which is in its third year of implementation. The five goals of the plan are to prepare students to succeed in a diverse and global workforce; to enable research that helps to solve the world's great challenges; to make UC Davis a role model for diversity, equity and inclusive excellence; to create impactful partnerships that align with the university's mission; and to bolster the University's innovative and entrepreneurial culture to extend the benefits of the campus' research activities beyond the boundaries of the university.

Chancellor May presented a chart outlining the campus' 2021-22 budgeted revenue and financial profile. Revenues have nearly doubled in ten years from 3.4 billion in 2010-11 to 6.2 billion dollars projected for 2021-22. UCD Health, including the medical center and the academic programs associated with health, account for more than half of this revenue. State unrestricted funds and tuition are approximately 17 percent of the budget, \$1.06 billion. Additional revenue derives from a variety of sources, most of which are designated or restricted, including grants and contracts, student fees, gifts, endowments, and interest.

Despite generous funding from the State, the campus has a budget shortfall due to increased compensation and enrollment growth costs. In 2020, the campus recognized that reliance on State funds is not sustainable and identified the goal of reducing core funds by \$100 million by 2025. Campus schools and departments have been assigned core fund savings targets to accomplish this goal.

UC Davis has received support from the CARES Act provider relief fund and smaller grants from State agencies and private parties to mitigate some of the financial impacts of the COVID-19 pandemic. The Davis campus received federal institutional relief funds and is currently pursuing Federal Emergency Management Agency (FEMA) claims as well as one-time funds and multi-year bridging strategies to assist with financial gaps due to the pandemic.

Chancellor May described the significant strain on the campus workforce. Clinical activity is at or near capacity on a daily basis and staff recruitment and retention has been challenging during the COVID-19 pandemic.

The campus experienced its greatest fundraising year in 2020-21 with philanthropic donations of \$269.4 million and the highest number of gifts and pledges ever received in the campus' history. The campus has raised nearly 75 percent of its goal of \$2 billion by 2024.

The faculty received an unprecedented \$968 million in 2020-21 in extramural research awards, an increase of 30 percent over the past ten years. UC Davis distinguished professor of public health sciences Marc Schenker received a \$51 million award from the Department of Health and Human Services' Centers for Disease Control and Prevention to improve

public health outcomes for Californians by providing disease surveillance and prevention. Biomedical engineering professor Karen Moxon received a \$22 million grant from the U.S. Department of Defense to lead a consortium of universities, biomedical startups and nonprofit organization to develop interventions for spinal cord injuries.

Since 2010, the Davis campus has enrolled the most California resident undergraduates in the UC system. The diverse student body comes from 57 of the State's 58 counties. The campus' modest enrollment growth plan allowed for Davis to enroll 40,050 graduate, undergraduate and professional students in the fall 2020-21 quarter.

Over the past decade, UC Davis has met the two-to-one freshmen to transfer student ratio; the one exception was in fall 2021, when it over-enrolled 800 freshman. However, the campus is confident it will be able to achieve the two-to-one ratio in the future.

The campus has worked diligently and collaboratively with external partners to establish solid relations and create growth opportunities. In September 2018, UC Davis signed a memorandum of understanding with the City of Davis and Yolo County. In addition, the campus has effectively partnered with Sacramento and Davis in addressing housing, transportation, development and other issues. The campus continues to work with these partners to explore other academic space beyond the main Davis campus.

Chancellor May remarked that the campus has made substantial progress on its 2018 Long Range Development Plan, with the addition of 3,175 students in the past year, nearing the goal of an additional 5,175 students by 2030-31. Campus enrollment capacity is predicted to be 39,000 in 2030-31.

The Health Davis Together program is a joint initiative between the City of Davis, Yolo County, and UC Davis to keep the community healthy through free, widespread COVID-19 testing. This initiative has been noted as a successful national model for university and community collaboration. The campus' Genome Center has processed more than 1.7 million COVID-19 tests with the goal of producing test results within 24-hours. In 2020-21, the campus COVID-19 positivity rate was under one percent.

Chancellor May reported that the Aggie Square project has the full support of City of Sacramento. The City encouraged participation with nearby neighborhoods, establishing a \$50 million affordable housing fund to address displacement concerns, and participated in the developer selection process. The project is expected to create 5,000 construction jobs, approximately 4,000 on-site jobs, and will establish opportunities for student, startup, and industry partnerships in the City of Sacramento.

UC Davis has almost completed its most ambitious student housing expansion in the campus' history. Approximately 15,000 students attend the Davis campus each year and of those, 5,000 are first-year students living on-campus. Per the campus' long range development housing plan, the campus added 4,000 new beds, nearing the projected target of 5,200. An additional 1,500 new beds are under construction for completion in fall 2023.

With the increased on-campus housing, the campus hopes that off-campus single family homes will be available for staff and faculty.

Chancellor May reported that UC Davis has contributed \$2.3 million for local traffic improvements adjacent to campus due to the increased housing. The campus also contributed funds to the City of Davis for a rental resources program

Since 2018, 2,300 classroom seats have been added, a 24 percent increase. In 2021-22, the campus is projected to add an additional 1,500 seats, 850 of which will be in the state-of-the-art Teaching and Learning Complex. For the past five years, the campus has invested \$5 million each summer to renovate general assignment classrooms and update technology. The focus over the next several years will be to address gaps in teaching laboratories.

UC Davis was named number one in the nation for campus diversity, inclusiveness, and internationalization in the QS World University rankings. The campus developed an inclusive strategic vision in 2017 and has made strategic investments to achieve this vision. In 2019, the campus established the Office of Diversity, Equity and Inclusion to lead these efforts by providing workshops and trainings, and promoting resource centers across campus.

For the sixth consecutive year, the campus achieved the 2021 GreenMetric ranking as the most sustainable university in North America. UC Davis has the nation's largest solar installation on a university campus, which provides 14 percent of the campus' electricity needs and reduces the university's carbon footprint by 9 percent. Its West Village student housing project is among the largest net zero communities in the nation and houses the campus' energy and transportation research centers. The campus on target to meet the UC carbon neutrality initiative goal by 2025.

Regent Cohen asked if the campus anticipates future growth in terms of student enrollment. Chancellor May responded that the campus has grown significantly over the last decade and expects modest future growth to allow for the development of necessary infrastructure to support this growth. He remarked that the campus is focused on credentialed online programs, increasing graduate student enrollment, and developing off-campus locations to provide growth opportunities.

Regent Reilly asked what factors contributed to the campus' successful fundraising year. Chancellor May praised development staff for their work, noting that the campus is effectively communicating with potential donors, including foundations and corporations.

Regent Reilly asked what the top three challenges are for the campus this year. Chancellor May shared his concerns about opportunity gaps and the campus' commitment to ensuring that all students obtain the same level of success. Second, he stated concern over student employment outcomes and the need for an increase in professional opportunities at graduation for students. Third, he underscored the need to ensure that the Aggie Square project has positive impacts on the surrounding community.

Regent Oakley asked if the campus envisions opportunities to partner with private or non-profit colleges or universities, given the enrollment challenges that these institutions are facing. Chancellor May stated that the campus currently has no plans to do this but he is open to discussion if the collaboration is beneficial for all parties.

Regent Drake praised Chancellor May for his leadership and cultivation of the Davis campus, specifically noting the successful fundraising efforts. He remarked that the level of community support, engagement, and excitement in Davis, from the students to the civic leaders, is remarkable.

The meeting adjourned at 2:40 p.m.

Attest:

Secretary and Chief of Staff