

The Regents of the University of California

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

March 17, 2022

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

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

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

In attendance: Regents Guber and Sures, 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 Gullatt, and Recording Secretary Lyall and Sheridan

The meeting convened at 12:30 p.m. with Academic and Student Affairs Committee Chair Park presiding.

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

Upon motion duly made and seconded, the minutes of the meeting of January 20, 2022 were approved, Regents Cohen, Drake, Elliott, Hernandez, Leib, Lott, Makarechian, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Torres and Zaragoza voting “aye.”

**2. FINANCIAL AID UPDATES ON DEBT FREE AND ADDITIONAL POTENTIAL REFORMS**

[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 stated that the University’s goal is to create a debt-free path to an education for as many students as possible. To that end, he has approved a debt-free pathway program for a subset of students. Currently, all undergraduate students provide approximately

\$10,000 in “self-help” funds per year through work and loans. Starting in fall 2022, the self-help component will be decreased to \$7,900 for approximately 3,800 students. This will enable many to reduce or eliminate loans. These students come from the most under-resourced high schools, identified by the State’s Local Control Funding Formula (LCCF). The University is also exploring how to apply these benefits to community college transfer students. This is an important first step to creating a debt-free path for all UC undergraduates. He said he anticipates the number of eligible students to increase as a result of increases in Pell Grants, Cal Grants, the expansion of the State’s Middle Class Scholarship, and in UC increases in UC return-to-aid funds available as a result of the tuition stability plan approved by the Regents.

Executive Director for Student Financial Support Brick highlighted three policy changes that impact the University’s financial aid strategy. First, the tuition stability plan approved by the Board in July 2021 increases the total cost of attendance used as a basis to award financial aid and increases the proportion of tuition set aside for financial aid to 45 percent. This, in combination with Cal Grant aid, covers the additional tuition for financially needy students. Second, the Middle Class Scholarship program is being reformed to set a goal of \$7,900 in self-help and to buy out the parental contribution for low- and middle-income students and Governor Newsom has proposed increasing funding for the MCS in 2022-23. Finally, in alignment with federal policy, the University is changing the way it assesses financial need from an “Expected Family Contribution” to a “Student Aid Index,” which can be less than zero. This will allow the University to provide up to \$1,500 in additional grant dollars to students who have an Expected Family Contribution of zero, even if this exceeds the total cost of attendance.

He displayed a chart depicting the amount and sources of funding that a hypothetical low-income student would receive under each of the programs described above. He then showed a chart depicting the combined impact of the amended Middle Class Scholarship and Student Aid Index. Once it is fully implemented, the Middle Class Scholarship will meet the need of all students, but President Drake’s proposal will provide a debt-free path for a subset of the neediest students beginning this fall.

The University is able to fund this through a combination of increases to financial aid as a result of the tuition stability plan and anticipated increases to Pell Grants, Cal Grants and the Middle Class Scholarship Program. The total additional aid in 2022-23 is estimated to be \$74 million. He cautioned that these estimates may change, as the University awaits details on these federal and State programs.

Provost Brown outlined actions that the Regents could take to advance this plan. The Regents could endorse using UC grant monies to offset a negative student Aid Index. He noted that this practice can be implemented without a change to Regents Policy. In addition, two changes to Regents Policy 3201 – The University of California Financial Aid Policy would be needed to effectuate the plan. First, the Policy should be amended to codify the goal of reducing student borrowing, when possible. The aim is for students to afford a UC degree through part-time work, alone, although borrowing should remain an option to

provide maximum flexibility and accommodate students' varying circumstances. Second, based on student feedback, it is proposed that Regents Policy be amended to incorporate the student experience as a metric by which to assess the success of UC's financial aid programs.

Regent Cohen thanked the staff for their efforts. He inquired about the distinction between "need-based self-help" and "non-need self-help." Executive Director Brick replied that need-based self-help includes federal subsidized loans and work study that require the demonstration of financial need. Non-need self-help anticipates that if the State buys out the parent contribution, these students would not be eligible for subsidized federal loans and would have to resort to non-subsidized loans or non-work study jobs. Regent Cohen suggested using different language to explain the distinction between the federal and State/UC definitions of "need-based." He then asked if students will borrow to meet their reduced self-help requirement and if the University understands why students take out loans. Executive Director Brick replied that students would still have the opportunity to borrow and the University will carefully craft messages to communicate to students about their options and the effect of their financial decisions. He noted that during the pandemic in 2020-21, borrowing declined partly because students received federal relief money. He noted it is reasonable to assume that if students receive additional grant money, they will borrow less.

Regent Perez praised all those who worked to reimagine the concept of financial aid, including staff at the campuses and UCOP, students, and the Governor and Legislature. He noted that when he joined the Board, financial aid was discussed only in terms of tuition and did not include the totality of costs students face. The evolution to considering total cost of attendance is a monumental step in the right direction. He agreed with Regent Cohen about changing the terminology so that it makes sense to students. In addition, he requested that UCOP develop scenarios for different types of students (e.g., DACA and non-DACA students), including service learning opportunities with stipends to provide students with paid experience that is similar to work study without running afoul of federal law.

Regent Ortiz Oakley added his thanks and emphasized the need to examine how this program could apply to transfer students. He noted that the community colleges are happy to help UC identify transfer students with the greatest need.

Regent-designate Blas Pedral asked if the tuition stability plan is included in the "UC Grants" category. Executive Director Brick affirmed that it is. She also asked when student expense budgets are updated and how they are communicated. Executive Director Brick replied that the student expense budget for undergraduates is updated annually and is posted on websites in early February. The individual campuses set budgets for graduate students. In addition, a graduate cost of attendance survey will be administered this spring and will help inform future budgets.

Regent Zaragoza asked if UC receives information on students' private loans. Executive Director Brick noted that most private student loans must be certified by the financial aid

office and that less than one percent of students have private loans. However, the University does not know if students or parents take out non-educational loans. Regent Zaragoza offered that until a few years ago, community college students could not take out educational loans so instead students took out private loans and carried that debt with them to UC. She asked if there is any way to collect this information. Executive Director Brick responded that the State's cradle to career database will help better reveal how much debt students have. The University also could consider conducting a survey on the subject.

Regent Zaragoza asked how the total cost of attendance is updated and whether it is tied to inflation. Mr. Brick offered to send her a report on how the total cost of attendance is set and how it has evolved over time. He affirmed that inflation rates are used to update the total cost of attendance. Regent Zaragoza provided a hypothetical example of when the cost is not realistic and although she acknowledged there is a process to request a cost adjustment, it is not always successful. She questioned why the graduate allowance for food is double the allowance for undergraduate students and asked if students agree that the model accurately reflects the lived experience of students.

Regent Park thanked Regent Ortiz Oakley for offering to partner with the University in identifying community college transfer students with the greatest need. She also suggested taking a research-oriented approach to understanding total cost of attendance.

### 3. **STRATEGIC CAMPUS OVERVIEW, SANTA CRUZ 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 Larive presented a map of the various campus sites and described the distinct function of each site. There are three locations in Santa Cruz - the 2,000 acre residential campus, Westside Research Park, and Coastal Science Campus, and several locations situated outside of Santa Cruz including the Scotts Valley Center, Silicon Valley Campus, and Monterey Bay Education, Science, and Technology Center (MBEST) in Marina, California. The campus is also networked in the Cloud through online and remote instruction.

Over half of UC Santa Cruz undergraduates, nearly 57 percent, are either from an underrepresented group, are first-generation students or are Pell Grant recipients. She stated that UCSC is a student-focused research University and one of only two universities that hold the distinction being designated as a Hispanic-Serving Institution, an Asian American and Native American Pacific Islander-Serving Institution, and as a member of the Association of American Universities.

UCSC was recently ranked number three in The Princeton Review of green colleges and number three among public universities for students focused on making a difference in the world. The campus also has highly acclaimed programs that include earth and planetary sciences, computer and video game design, and linguistics.

Chancellor Larive emphasized that housing continues to be the campus' greatest challenge. Several factors influence the availability of housing, including the recent loss of nearly 1,000 homes from wildfires and increased location flexibility for Silicon Valley professionals. The campus has developed a strategic plan for increasing housing opportunities in alignment with its future growth. UCSC's 2021 Long Range Development Plan (LRDP) for the main campus and Westside Research Park plans to provide housing for 100 percent of in-person new student enrollment, above the 19,500 specified by the previous LRDP. She reported that substantial projects are intended to add additional beds, including 500 beds in the Kresge College renewal project and 3,000 beds in the Student Housing West project.

Chancellor Larive commented that faculty are foundational to student success as instructors, curriculum innovators, mentors, and advisors. One of the campus' greatest opportunities is to increase the number of faculty to reach the systemwide average student/faculty ratio. The campus plans to add 100 faculty over the next decade in addition to a projected 200-250 faculty openings due to retirements and separations. She stated that these new hires will allow the campus the unparalleled chance to increase faculty diversity and achieve gender parity.

Chancellor Larive outlined the campus' goals of advancing student success by improving retention and graduation rates and closing equity gaps, increasing UCSC's research profile and impact, fostering an inclusive campus climate, and improving the effectiveness, resilience, and sustainability of campus operations.

UCSC is focused on closing equity gaps and going beyond traditional metrics to advance student success. Their Center for Innovations in Teaching and Learning uses research and equity-minded practices to strengthen teaching and help prepare faculty as practitioners and leaders in educational equity and student success. The campus has established regional partnerships to support higher education pathways through grants and collaborations with community colleges and California State University campuses.

Chancellor Larive discussed the ways in which the campus has established mentorship programs. It has partnered with the Mentor Collective, a leader in developing large-scale, structured mentorship programs, to develop programs to help students successfully transition to the University. To strengthen graduate support services, the campus has implemented a five-year funding plan for Ph.D. students and a two-year funding plan for Master of Fine Arts students. For first year students, initiatives to support the college transition include a required online credit-bearing orientation course. To further support student success, the campus has increased summer quarter enrollments to improve time-to-degree and is a system leader in three-year graduation rates. The campus has raised \$10 million this academic year to assist with student financial support and provided additional resources to help students navigate the university experience.

Interdisciplinary research is highly regarded at UCSC and is expected to further flourish

through collaborative initiatives. Researchers at UCSC have been influential in sustainability and climate change policy, technology-driven solutions, and discoveries surrounding social change and challenges. She shared that the 2021 Highly Cited Researchers list includes 20 UCSC scientists and engineers. Advanced innovation and entrepreneurship opportunities are provided through the new Innovation and Business Engagement Hub and the work of the Center for Innovation and Entrepreneurial Development. The continued growth in faculty over the next decade is anticipated to increase the campus' research, funding, innovation and mentoring capacity.

Chancellor Larive described the increased research impact at UCSC and presented a chart showing the expansion of the campus' contracts and grants support, noting that external funding for research has grown 50 percent over the last five years. The campus has made focused investments that have provided substantial federal funding. The UCSC Center for Agroecology has expanded its research, education, and outreach in sustainable organic agriculture, including aquaculture.

She stated that UCSC is a participant in the California Institute for Quantitative Biosciences (QB3), the University's hub for innovation and entrepreneurship in life sciences, and the Center for Information Technology Research in the Interests of Society (CITRIS), creating information technology solutions for pressing social, environmental and healthcare problems. State funding has been provided for these California Institutes for Science and Innovation research centers which helped to provide workforce training and internship opportunities.

UCSC is second only to UC Merced in faculty diversity systemwide, increasing the number of underrepresented faculty over the past decade from 12.6 to 17 percent. In order to be more reflective of its student body and community at large, the campus' intention is to obtain gender parity and 25 percent underrepresented faculty by 2032. UCSC has leveraged UC Advancing Faculty Diversity grants, established faculty community networking groups and staff affinity groups to support inclusivity, and provided faculty equity advocates programs to focus on recruitment and retention to achieve faculty diversity objectives. By utilizing American Association for the Advancement of Science STEM Equity Achievement guiding principles, the campus is creating an environment of transformation with a focus on development of UCSC's first diversity, equity and inclusion strategic plan. These goals are being supported by the retention of the campus' first Vice Chancellor for Diversity, Equity and Inclusion.

Chancellor Larive described the ways in which UCSC is working to make its operations more efficient, effective, resilient and sustainable. She explained that staff are vital to the campus but the salaries of non-represented staff are under market, noting that 38 percent of staff currently have salaries below the 25th percentile of their salary range. The campus intends to invest \$5.5 million over three years to address this problem.

Remote work and hybrid schedules, where appropriate, have advanced sustainability and optimized space utilization to assist in efficiency. The campus is diligent in its work on

information security and has worked with UCOP to provide cloud-based data security through threat detection and identification.

Other efforts include leveraging grants for infrastructure improvements and climate resiliency, creating a cloud-based common data platform to centralize and secure enterprise data and implement automated data pipelines, establishing solar power and batteries microgrids, and creating new revenue sources to increase financial stability.

Regent Pérez thanked Chancellor Larive for her commitment to serving all students, specifically those in underrepresented groups, and praised the campus' boldness in setting a significant goal related to faculty diversity with a measurable timeline. He noted that student success rates are shown to be greater when campus leadership is reflective of the student population. He asked how the campus determined its goal of obtaining a 25 percent underrepresented faculty ratio by 2032. Chancellor Larive remarked that this is an ambitious goal for UCSC that the campus would ideally like to exceed. She explained that faculty demographics are difficult to alter but increasing faculty size will be helpful to achieving this goal. With the campus' expected new faculty positions and anticipated faculty retirements, she believes this goal is attainable, supported by UCSC's diversity-minded hiring practices.

Regent Pérez asked what the Regents can do to assist the campus in meeting these goals. Chancellor Larive responded that the tuition stability plan and the increased State support have been beneficial for the campus. She shared that the campus needs additional financing flexibility from the UCOP to address the campus housing situation and secure funding.

President Drake highlighted the need for housing at UCSC and remarked that the Office of the President is happy to work with the campus on this matter. He stated that student success is greater when residing on campus. He thanked Chancellor Larive for noting the beneficial effects of the tuition stability plan on the campus.

President Drake also appreciated the campus' intention to increase faculty diversity and suggested that its goal should be that half of new hires meet the projected targets. He encouraged the campus to hire new staff within the 50th percentile salary range and review the method of reporting percentages in comparison with market salaries to ensure that the University's robust benefits package is included in the analysis. Chancellor Larive agreed with President Drake's comments on staff salary ranges and stated that the initial three-year investment in staff salaries will be evaluated every year and adjusted as necessary.

Regent Torres shared that as a Regent and alumnus of the Santa Cruz campus, he has had a wonderful partnership with Chancellor Larive and praised her for her commitment to diversity. He shared that the Governing Board of the California Institute for Regenerative Medicine (CIRM), on which he serves as vice chair, has contributed over \$27 million total and \$5 million in the last year, to assist the campus with pre- and post-doctoral training for researchers, doctors, and scientists. Regent Torres encouraged the Board to visit UCSC's Genomics Institute.

Regent Leib congratulated Chancellor Larive on her leadership and bold goals. He asked how the Santa Cruz campus might obtain research funds from the Governor's commitment of \$185 million allocated for climate change. Executive Vice President Brostrom explained that \$100 million is designated for research grants, \$50 million is for innovation hubs and accelerators, and \$35 million is for workforce development. He shared that the campus' MBEST Center, located adjacent to California State University, Monterey Bay, serves as an ideal intersegmental partnership to establish a climate change accelerator with this potential State funding. Chancellor Larive noted that UCSC faculty have the intellectual capacity and research strength to be leaders in this area.

Regent Hernandez recalled a recent meeting he had with UCSC students who explained that their greatest concern is housing insecurity. He recalled that the students requested more on-campus work opportunities but noted a policy restricts the number of allotted hours. Chancellor Larive remarked that recent information from UCOP regarding student success pathways includes additional opportunities for work. One of the objectives of the Student Success Initiative is to raise funds to provide on and off-campus scholarships, fellowships, and internships for students to obtain experience while also earning money.

Regent Reilly asked to what attributes the campus' success in improving time-to-degree rates and increased summer school enrollment. Chancellor Larive responded that the campus has been focused on increasing summer enrollment, specifically on-line summer classes. The UCSC Faculty Senate has been supportive of this path, which has helped increase summer enrollment.

The meeting adjourned at 1:55 p.m.

Attest:

Secretary and Chief of Staff