

**President Mark G. Yudof
Regents Overview Report, Wednesday, July 16, 2008**

Chairman Blum, thank you for your kind remarks, and I want to say to all the Regents, although I haven't had the opportunity to visit individually with all of you, many of you I have, and I really appreciate your enthusiastic support. I have been president exactly one month. It seems like a lot longer. People are asking why I'm dragging my feet on various issues. I say it's because I was out of the country for one of the four weeks, so that's the reason.

I have had an opportunity to talk with many of the stakeholders. I visited with the Lieutenant Governor in my office, and I visited Governor Schwarzenegger in his tent, which for a Texas person was a bit of an exotic experience, but I enjoyed it immensely and smoked a cigar and was very impressed, I must say, with his support for higher education and his grasp of its importance. I've met with legislators, alumni, students, and of course, with the Academic Senate and Michael Brown and his colleagues, and they've been very helpful with the rookie president. I think in another three to four years I'll even understand the faculty scales.

This is a remarkable institution, and that's what brought me here. Every day, I come across some initiative or some campus-based activity that is genuinely first-class in every way and is among the world leaders, whether it's in nanotechnology or medical research or any number of other fields. So I feel very excited about our future.

I also want to take the opportunity to echo the Chairman's remarks about Provost Hume for his yeoman's work over the last 10 months. He will be greatly missed. As I told Rory, usually it takes people a week to determine that they don't want to work with me, but I thought two hours was a record, even for me, two hours, I usually get more of a grace period than that.

One of my tasks as president is to help the Board focus on setting policy for the University. And that is your highest function as Board members. You have compliance functions and related audit functions and hiring and firing functions. The thing I want to push in the months ahead is to make sure that no matter how much minutiae appears on your agenda, that there is always time for you to engage in the serious, serious policy issues. It may be the question of fees, it may be the question of access, it may be diversity, it may be the quality of the educational offering, it may be how well our development officers are doing or any number of things. And of course, you can control that agenda. I have some ideas about how to do that, and I'll probably suggest that in our September meeting.

I always tell people, to do these jobs like the one that I hold, you at least need a half-hour a day to actually think and reflect on the big issues as opposed to just signing papers and having meetings and answering phone calls and sort of keeping the place running. And I feel the same way about your job. No meeting should go by where there isn't at least a block of an hour or an hour and a half where you seriously discuss policy issues, and by the way, where the staff had done its homework to provide you with the data so that you have some data before the meeting that you can focus on and therefore you're better informed in terms of that discussion.

I have a number of immediate priorities. The first one is to develop a program of accountability to the state and the public-at-large. I've seen one draft of that report. I'm going to discuss that in Regent Kozberg's committee in a little bit more detail, I believe

that's tomorrow. I've set a deadline of September 1, and that tells you that a lot of work had been going on already before I arrived. But I've put some real emphasis on it, and they're working on to do that. I am an avid fan of accountability. We should be accountable to the legislature, to parents, to taxpayers, to students and all sorts of people.

My general philosophy is captured in the phrase: In God we trust, all others bring data. That is in general my view. If someone says, "Did you have a good year at UC Santa Barbara?" or "Did the Office of the President have a good year?" or "How is a particular research program doing?" we ought not to get away with, "Oh, we're doing great, we had a great year, if you'd just send more money, we'd be in fabulous shape." People deserve an honest answer to the question of how you're doing, and it needs to be backed up by statistical data. As I like to say, it doesn't mean that there aren't qualitative aspects to all this. Someone may get turned on to poetry by an English course at UC Davis, and it may change their life and compel them to run for public office to be a public servant. The Lieutenant Governor thinks that's not such a big plus, I'm not sure.

So you can't measure everything. But the fact that you can't measure everything doesn't mean you don't measure anything. I want the University of California to be a leader. I want a report on what are the success of our students, the success of our faculty, how are we doing in fund-raising compared to our peers, how are we doing in sponsored research, how are we doing in diversity, gender equity, and all the other issues that are out there. Frankly, I think we're going to have a very good story to tell in most if not all of these areas, and we ought to tell our story.

This report, by the way, should not only be made public in a Board meeting, it should be online. People should be able to access it through our Website; we ought to mail hard copies out to people. You know, you take a certain chance. People always tell me, "You know, some political leader might pick out one isolated number and try to do you in." Well, that's the risk you take. We still have open meetings laws, open records laws; the Securities and Exchange Commission still requires disclosures by corporations. Of course, there's a danger that it will be distorted. But on the whole, for America and for our institutions, transparency has worked better than trying to hide your dirty laundry or fearing that someone will misinterpret the data. So that's one area.

Second is the ongoing dialogue with the Chancellors and to learn their views of the role of the central office in Oakland and how we add value or don't add value. I've talked a little bit about that in the past. I've talked to the Academic Senate about it, and they've been very collaborative. My philosophy is sort of summed up by a former university president of Texas who said, "It's important for the Office of the President to know that it is not a university." And it's not. It's very ethereal. There are no students, there are no faculty, there are no classrooms, no residence halls. But it's important for each of the campuses to know they're not the only university, that we can be stronger as a group of ten than we are as highly atomized, balkanized individual campuses.

I want to take a very hard look at that view. I don't believe that by just cutting our budget, I know the Chairman agrees with this, 10 or 20 percent or some arbitrary number, that's not the total answer. The question is, what businesses are we in that we ought to get out of entirely, and maybe there are other areas where we're understaffed, where we really need to have more people working on what makes sense in terms of initiatives for the system.

This also depends upon the concept, and remember I'm a law professor, of federalism. We are a federalist system just like the United States is a federalist system. We're not a neat federalist system. We're more like a marble cake than a layer cake. We've got all sorts of

things jutting up and down. So when the Board thinks about something, when I think about something, a major policy decision, you really have to ask yourself two questions, and that's what I want to explore as the year goes on. You have to ask, "What is the right decision?" What should our policy be on diversity? How should we deal with what I think are quite compelling claims by some of the workers on our campuses? How are we going to get there in terms of their compensation? How are we going to deal with study abroad or whatever?

So there is the question of what is the right decision. But the other part of it is, "Who should make the decision?" And sometimes very important decisions should not be made by the Board of Regents, and maybe they shouldn't be made by the President. Maybe they should be made by the deans. It's probably pretty consequential who's employed in the chemistry department or who's employed in the economics department. But I think we all agree that we're not the right people to make that decision for UCLA or UC Berkeley or any of the other academic institutions. And we're sure not qualified to pick surgeons who are going to be at UCSF.

So we need to think about two questions: "What is the right answer?" and also, "Who is in the best situation, with accountability, who should be making that decision?" In that sense, what I'd like move toward is away from what I'll call "transactional accountability" of which you have a great deal today. I'm sitting there with piles of papers about 11 percent raises, 12 percent raises, and all the rest of that. You need more "outcome accountability." That doesn't mean you don't have auditors and you don't have compliance people. But is the system working on the whole? Even the IRS does not audit 100 percent of all tax returns. It would be unable to do its business if that's the way it conducted it. And so, we need to have a balance on that, and we need to think about the locus of decision-making.

The third thing we need to do is to educate the public about the importance of the University of California to the state. You've heard me say this before. We have, I think the Chairman said, 38,000 freshman students coming in, and that's very important, and we have over 200,000 students, tens of thousands of employees. And we have 37 or 38 million Californians. We have to explain ourselves better. We cannot take it for granted that they appreciate the University of California. They may not associate us with quality health care. They may not think about the technology transfer that we do. They may not think about the creation of companies. They may not think about how important the universities are to the arts and the culture of the state.

I'm pleased to say that, as you know, assuming that it's all approved, that I've hired Alan Hoffman, who brings great experience as chief of staff to Senator Biden and was vice president for external relations at RAND, to really reorganize that operation. As properly understood, you want to be well-represented in the Capitol, and we have Steve Juarez here doing a wonderful job. You certainly want to respond to media inquiries. But what's most important is to have a strategic communications plan. What is our plan for reaching these millions and millions of Californians without, in effect, really not having the sort of budget that a major corporation would have to pay for advertising? I don't know that we would be able to get a minute at the Super Bowl game to sing the praises of the University of California, not without closing one of the campuses, in any event.

So I'm pleased to say that Alan Hoffman will figure all that out for us, and then we will move forward on strategic communications. Because ultimately, there is a higher authority, with all deference to the Lieutenant Governor, than the Lieutenant Governor or the legislature, and that's the people of California. If they feel that the legislature is not treating the University appropriately, they will let you know. They are a powerful constituency. So in a sense, I'm recommending that we go over the heads of the legislature, which is directly to

the people. It's tough; it's hard, because of the costs of communicating with so many people. But that's really what we need to do. And by the way, it will never end, it just will never end, that has to be ongoing.

The last thing I wanted to mention is that I need to complete the streamlining and transformation of the Office of the President. I think a lot of work has been done, and I don't want to take too much credit because I think particularly Katie Lapp has worked very, very hard on this issue and made some excruciatingly difficult decisions and toughed it out. But there is more to do, and I guess what I want to say is that I'm completely behind those changes. In the weeks and months ahead, we're going to be working methodically to go through each and every office in the Office of the President. It's absolutely essential. I like to quote, as the Chairman said, I am not in favor of cutting the education budget, but I am in favor of cutting the Office of the President's budget because every dollar we save in Oakland is another dollar that can be spent on the campuses for whatever those programmatic needs are. And that's what I'm interested in, and that's what we'll be working toward.

The last thing I wanted to say is that I did not accept this job because I wanted to be the University of California president. I accepted it because I wanted to do the job of the University of California president. I think it's not holding the office; it's doing the things that effective presidents should do that attracted me to this job. The philosophy that I bring is that this is a 140-year institution, and it's massive in size. But the idea is that when I arrive in the morning, I can make the University a little bit better than it was the day before. It may be in small ways; on some good days, it may be in big ways. But you can honestly look in the mirror and say, "I did my best today, and it is a little bit better than it was yesterday," and then year by year, the same thing. It may be that we're not as efficient as we'd like, our faculty salaries are not as competitive as we'd like, we're not paying the workers what we really would like to pay them in terms of a living wage. But we have made some progress in addressing their needs. And we could look back, and we could say to that question, "How are we doing?", we could say, "The world's not perfect. But this July, the University is in better condition than it was last July. And this August, it's a little bit better than it was in July." That's the type of philosophy I would like to bring you.

I look forward to making many other reports to you, and I'm pleased with the progress we've made so far, and I really thank you for your cooperation and support.