The University of California is a national leader in sustainability and effective actions to reduce greenhouse gases to mitigate climate change. To reach our next goal, which is to bring the University to net energy neutrality by 2025, we will need to take bold efforts to change the fundamental profile of our energy sources. This initiative proposes four efforts that will enable us to become the first major university system to achieve net energy neutrality:

- **Wholesale electricity**: The University will create a shared service center which will manage the supply of wholesale electricity to the five campuses currently eligible for direct access. The service center will both own generation resources and purchase long-term forward contracts. This center will provide the University the flexibility to invest in and develop alternative energy sources or to purchase such power through long-term contracts. This group will also explore alternatives for extending renewable energy procured to all campuses, including those not currently eligible due to regulatory restrictions.

- **Campus Energy Efficiency and Renewable Energy**: Our campuses have been pioneers in the area of energy efficiency, investing nearly $250 million in the past five years in a partnership with statewide IOU’s, an effort that has resulted in reductions of over 136,000 metric tons of carbon. The University will continue these efforts on energy efficiency projects and expand them to small- to medium-scale renewable energy sources at our locations. These strategies are available at every campus, but are particularly important for campuses that are not direct access campuses. The University will also look to expand the funding sources available to fund these projects, particularly from the State sources through Proposition 39 funds and the Air Resources Board.

- **Natural Gas and Biogas Procurement**: Currently, natural gas accounts for approximately 73% of the University’s power supply. Due to the scale of the University’s natural gas purchases, UC will effectively manage the purchase of natural gas to mitigate risk tolerance to price changes. The University will also develop renewable natural gas, commonly referred to as biogas, to address the large proportion of campus emissions from natural gas consumption. These projects will include both direct development of biogas projects as well as the purchase of biogas contracts through outside producers.

- **Management of Environmental Attributes**: The University is engaged in the portfolio management of allowances and offsets and compliance with California’s cap and trade program and other environmental attribute programs. As these programs generate funds to be used for projects resulting in the reduction in greenhouse gas emissions, the University will actively solicit funds to support our initiatives.

These efforts will be governed by campus representatives who will set procurement strategies involving long-term financial exposure, changes to pre-determined price caps, or any change in strategy leading to a material impact on cost assumptions. Energy strategies such as those described above depend on regulatory restrictions, contracts, and operational constraints that govern the choice that campuses have. As a result, the specific set of strategies will vary by campus and by project.
The University of California welcomes all academically qualified students, whether they are documented or undocumented. Compared to other UC students, undocumented students are more likely to be from low-income families, to be the first in their families to attend college, and to lack access to resources (such as federal student aid) that are available to other students. This initiative seeks to improve the retention and graduation rates of undocumented students by expanding access to financial and student services support.

1. **Student Financial Support**
   - Provide campuses with $2.75 million for UC student loans and work-study positions for needy students who qualify for in-state tuition but who – through no fault of the student – are ineligible for federal loans or work-study.
     - The proposal provides no “extra” benefit (e.g., additional grant or scholarship assistance) to undocumented students beyond what UC provides to documented California residents – rather, it improves equity by ensuring that both populations have access to loans and work-study jobs.
     - The proposal would not fully backfill these students’ “missing” eligibility for federal loans (roughly $5 million to $7.5 million annually, assuming $5,000 per borrower and between 1,000 and 1,500 likely borrowers). However, it could provide short-term help while UC explores a State-funded program, which could be structured to be revenue-neutral over time.
     - UCOP could either establish common loan terms – interest rate, maximum amount, payment period, etc. – or allow campuses to add these funds to their existing loan programs (where they exist). UCOP would help any campus that currently lacks an institutional loan program to establish one (e.g., by creating a model promissory note and adding the loans to the systemwide student loan billing contract).
     - Each campus could choose how to allocate funding between loans and work-study positions (which would only be available to students with legal work authorization under DACA).
     - Students who do not qualify for in-state tuition, who already have access to federal aid, or who are ineligible for federal aid due to some action or inaction on their part (e.g., not registering for Selective Service or having a drug-related criminal record) would not be eligible.

2. **Student Services Block Grants**
   - Provide new resources to expand student services for undocumented UC students.
     - Campuses can use block grants to support staff and/or resource centers; individualized academic and social support; coordination with community-based legal and financial resources; courses on the undocumented/immigrant experience; targeted counseling and psychological services; undocumented student ally trainings; career and graduate school advising; etc. Each campus will identify a single staff member to serve as primary liaison and point of contact for undocumented students on that campus.
     - UCOP will conduct two systemwide, in-person trainings for campus staff who work with undocumented students; convene two in-person student advisory group meetings to advise the UCOP Vice President for Student Affairs on undocumented student issues; and develop a systemwide resource website for undocumented students that identifies points of contact at UC and provides links to campus and community-based resources.

**Total:** $5,000,000

Allocation of total available funds is proposed, pending campus input.

The UC Office of the President will release funds to campuses upon receipt of initial spending plans for undocumented student services and financial support provided over three years. Periodic progress reports will be requested. In year two, the University will make an assessment for moving forward.
The University of California is committed to training an academic graduate population that reflects the diversity of the State and the nation. Despite this commitment, the percentage of underrepresented minorities is substantially less for UC’s PhD students than for its undergraduates or the general population: currently, only about 3 percent of PhD students are African American, 1% are American Indians and 8% are Chicano/Latino, all less than the representation of these groups in California and the nation.

UC currently invests $1 million annually to support undergraduate students from Historically Black Colleges and Universities (HBCUs) as research interns with UC faculty. The program encourages these students to pursue research careers through graduate study at UC. The President will commit $2,000,000 to be used over the next three years to match campus support for UC-HBCU Initiative interns admitted to UC PhD programs. As a result of the UC-HBCU Initiative, which began hosting summer interns in 2012, UC has already enrolled 6 new PhD students, all of whom are from underrepresented groups.

Since 1989, the University has invested in the Diversity Student Support Program (formerly part of the Academic Career Development Program) consisting of the Eugene Cota-Robles Fellowships, Graduate Research Mentorship awards, and Dissertation-Year Fellowships. The President is committing $3 million to augment the Eugene Cota-Robles Fellowship. A particular objective of the Eugene Cota-Robles Fellowship Program is to release recipients from employment or loan obligations that might delay progress during their first years of graduate study. It is an important resource in establishing an environment supportive of success.

The President is committing $5 million to support increasing the diversity of UC’s academic graduate population with the goal of enhancing the pipeline of underrepresented minority students who earn advanced degrees.

1. **Fellowships for UC-HBCU Initiative interns admitted to PhD programs**

   Commit $2,000,000 to be used over the next three years to provide fellowships for students from the UC-HBCU Initiative who are admitted to UC PhD programs. The campuses will apply for the funds for specific candidates they wish to attract to their PhD programs from the HBCU interns. UCOP will distribute the funds on a first-come basis until the funds are spent.
   - UCOP will provide full funding for the first and third years of graduate school for HBCU fellows
   - Campuses will match that funding by supporting those students in the second and fourth years

2. **Fellowships for graduate students that enhance diversity**

   Commit $3,000,000 to be used over the next three years to increase the number of Eugene Cota-Robles Fellowships. The campuses use this money to support PhD students who experience situations or conditions which were an impediment to advancing to graduate study, such as the absence of a family member who attended college; matriculation at a school or schools with poor financial or curricular support; having a physical or learning disability; or having worked long hours while attending school; or academic research interests focusing on cultural, societal or educational problems as they affect educationally disadvantaged segments of society; or evidence of an intention to use the doctoral degree toward serving educationally underrepresented segments of society. Cota-Robles is an established program with a well-defined distribution of funding across the UC system. The augmentation will be added proportionately to the current distribution to enhance UC’s graduate diversity initiatives.

**Total:** $5,000,000

Allocation of total available funds is proposed, pending campus input.

We will consult with the Chancellors to solicit their input and approval before putting the initiative in final form.
The budget being submitted to the Regents provides full funding for the University's mandatory costs, for its high-priority needs, and for the first year of a reinvestment in academic quality, dedicated to initiatives like increased graduate student support, hiring of new faculty, and support for classroom technology.

Notably, this budget request does not include an increase in general tuition for undergraduates or graduate students, the third straight year without an increase.

However, the budget plan does include additional requests from the State of California, beyond the 5% base budget increase that the Governor has generously provided in his multiyear funding plan. The State appropriation currently represents only about 40% of the University’s general funds, so a 5% increase only yields a 2% increase in our general funds, and one-half of that increase has to immediately go into UCRP to address our unfunded liability.

The University’s additional requests of the State are three:

- First, the University requests additional funds for UCRP, our retirement system, to treat us equitably with CSU and the community colleges, who get direct pension funding from the State.
- Second, the University requests additional funds for enrollment growth. Our campuses have the physical capacity to take additional California students, but they can only do so if they have additional funds in the operating budget to support these students in their education.
- Finally, the University is working with the State on other sources of funding for needs outside our regular operating budget. In particular, we would like to access both “cap and trade” funds that the Air Resources Board allocates for energy purposes and/or Prop. 39 funds – an initiative the voters approved last year to continue our extensive program of energy efficiency and climate solution projects.

While we are looking to hold tuition flat in the coming year, we will also embark on a longer-range initiative to look at a more rational and predictable tuition policy for the University and our students. We have done a tremendous job of protecting our lower-income students, such that less than 50% of our students even pay tuition at our campuses. This protection will be further extended to the middle class through Speaker Perez’s new middle-class scholarship program.

What has been a problem at UC has been the volatility of our tuition policies, a pattern where we swing from flat tuition for several years to periods of double-digit growth in tuition. The University will work with all of it stakeholders to come up with a better way, a way to build in predictability and modest, inflation-based growth, so that our students and our campuses can know with greater certainty the cost of attendance when they start their education.
The President’s Postdoctoral Fellowship Program (PPFP) supports new scholars in all fields whose teaching, research, and service contribute to UC’s mission to serve the needs of our increasingly diverse state, nation, and world. Applicants are not restricted by race/ethnicity or gender. The fellows are selected from a highly competitive national pool and are interested in faculty careers at UC (about 5% of those who apply are awarded fellowships). A companion Faculty Hiring Incentive offers partial five-year salary support to campuses that hire former fellows as new faculty. Of the 109 former fellows hired into faculty positions since 2003, 90% are still at UC, and of those eligible for tenure since 1995, 55 of 56 have been tenured. The goal of this new President’s Initiative is to increase the hiring of President’s Postdoctoral Fellows into the UC ladder-rank faculty, after the completion of their fellowship. In FY14, the permanent addition of $518K to the PPFP budget was focused on additional support for fellows, and partially restores program cuts since FY10. Since this additional support increased the number of postdoctoral fellows, the options outlined below focus primarily on the Faculty Hiring Incentive and, to a lesser extent, on fellow and faculty success.

1. Hiring Incentive start-up budget
   Support 20% of start-up costs for former PPFP fellows hired into STEM ladder-rank faculty positions if total start-up costs exceed $400K, with a cap of $200K per hire. Include health sciences in the eligibility for this incentive. Support up to four hires per year for each for the next three years, FY15, FY16, FY17. Supports a total of 12 fellows newly hired as faculty in STEM disciplines.

2. Hiring Incentive salary budget
   Support up to five additional new ladder-rank faculty hires beginning with fall 2014 hires; this would be funding in addition to the current funding available for up to 12 hires per year. Each of five hires would get the $85K salary support for five years, at a cost of $425,000 for each hire.

3. Resources for mentoring and development
   Provide additional support and mentoring for fellows and new faculty members as well as for their new departmental colleagues:
   - Programming for mentors and chairs. During a three-year trial period, initiate seminars to educate mentors and department chairs of new fellows and faculty hires about the special challenges faced by many fellows (and faculty) of color or female sex, including sub-cultural differences that may be misinterpreted, implicit bias, etc. One seminar in north and one in south each year (same program, with some break-out sessions by discipline). This would complement current PPFP retreats (two annually) that focus on the needs and experiences of the new fellows and faculty.
   - Additional professional development support for current fellows and for former fellows in new faculty roles. Consider systemwide membership in an organization like the “National Center for Faculty Development and Diversity,” an organization that provides innovative forms of mentoring and support for new faculty (see http://www.facultydiversity.org/). Also three-year trial period.

Total: $5,000,000

Allocation of total available funds is proposed, pending campus input.

Campus consultation may result in slightly different fund distribution. Funds to be available for specific hires and programming beginning in early 2014.
As a University, we should explore innovative new approaches to unleash the full potential of UC’s research activities and connect the research talents of faculty with the needs of California and the world. This initiative will focus on finding new ways to optimize UC’s research and technology transfer activities to speed the translation of ideas and inventions developed by UC faculty, researchers, and students into products and services that all of society can benefit from. Additionally, last year’s Regents Working Group on Technology Transfer (2012) identified significant potential for increased revenue generation through investment in UC-generated innovations. This initiative also seeks to explore mechanisms that will allow UC to achieve a greater financial return by investing in UC-developed technologies and ventures, while providing more support to our faculty and graduate students and moving the benefits of our intellectual capital to the marketplace.

1. Key Program Elements

**While details of this program will be developed in the coming months, important elements will include:**

- **Increased funding for all elements of technology commercialization:** To further support innovation, UC must invest resources. Increased funding for all elements of technology commercialization – patents, proof-of-concept and early-stage investment in UC start-ups – will improve research productivity while enhancing the revenue potential of UC-developed inventions.

- **Further streamline existing processes:** We must explore ways to remove barriers that hamper technology transfer. To do so, we will benchmark best-in-class technology transfer practices at other research institutions and explore ways to streamline our own.

- **Develop an investment strategy as it relates to commercializing UC innovations:** We will explore the establishment of a UC investment fund or external partnership fund dedicated to supporting early-stage innovations.

- **Public-Private Partnerships:** Continue to pursue partnerships with groups outside UC – including business, industry, private and public organizations, and other academic institutions—to collaborate on research that advances UC’s mission and leverages external resources.

2. Other Considerations in Initiative Design

- **Establish Statewide Advisory Board** – Consider a senior level advisory group to work with OP to identify investment trends, opportunities, and provide direction/counsel for local advisory groups.

- **Local Advisory Boards** – Campuses should consider local boards of experienced faculty, alumni and business leaders who can educate and mentor faculty and student entrepreneurs, and when appropriate advise on commercial potential of new discoveries.

- **Internal “Diagnostic” and External Benchmarking** – We should explore our current systemwide processes around technology transfer and develop strategies to improve where opportunities for efficiency lie.

*Should a UC-Based Investment Fund be created, these would also be considerations:*

- **Initial Funding of Incubator & Increased Funding of Tech Transfer Offices** – Establish funding mechanism for the development of an incubator and additional funding for tech transfer offices.

- **Risk Profile** - More analysis on UC’s investment risk profile needs to be conducted. Risk assessment and investment need will both affect size of funding.

- **Allocation of Returns** – How would investment returns be allocated to stakeholders? For example, what level of return would be re-invested in the Incubator and Tech Transfer Offices?

- **Financial/Strategic Balance** – Governance and guidelines would need to be established to strike an acceptable balance between financial expectations and the strategic objectives of the program – to invest in and promote UC-generated ideas and technologies in a manner consistent with our fiduciary responsibilities.
Enhancing Community College Transfer at the University of California

**Background:** The University of California and the California Community Colleges share a unique partnership, one that offers access to the baccalaureate degree for thousands of community college students who might not otherwise have access to a 4-year degree. Despite this notable melding of academic excellence and diversity, the transfer function is vulnerable and its potential untapped. Overall UC transfer enrollment declined in 2012-13 and the proportion of underrepresented students transferring to a UC campus has seen only modest gains for a decade despite California’s growing ethnic and racial diversity. Moreover, California lawmakers are becoming increasingly impatient with the transfer process, which they often characterize as unnecessarily cumbersome and inefficient.

**Proposal:** Anticipating the pivotal need for a vibrant and more efficient transfer pathway, the President proposes a **University-Wide Action Team on Transfer Student Success** to examine, assess, and recommend enhancements to the transfer process. The action team will be small in number, engaging key UC Office of the Provost, academic senate, and student affairs leaders with expertise in transfer, but will consult widely with the University community and its education partners, such as the California Community Colleges, the California State University, and the business and philanthropic communities.

**Charge:** The Action Team will identify key areas where UC’s commitment to transfer students should be enhanced, focusing on components of institutional culture that affirm and advance community college student success at UC. The Action Team will renew UC’s transfer commitments under the Master Plan. Their work will:

- Review enrollment levels and increase the number of admitted and enrolled transfers;
- Formulate campus-based initiatives to increase outreach and advising activities at specific low-transfer community colleges with large numbers of students from underserved groups;
- Leverage UC faculty expertise in the development of on-line courses and other curricula designed to prepare community college students for transfer to UC;
- Identify effective programmatic innovations, such as summer bridge, student success courses, and orientation programs, to ease community college students’ transition to a UC campus;
- Streamline models of credit transfer and evaluation;
- Assess the feasibility of student financial aid packages that would provide transfer students with a guarantee of aid spanning two institutions, along with sufficient resources to study full-time;
- Accelerate the enhancement to on-line student planning tools that help students navigate the transfer process more easily, such as ASSIST Next Generation Project and the UC Transfer Academic Planner;
- Explore academic policies that acknowledge the associate’s degree as part of the University’s comprehensive admissions review and reward students for honors-level courses; and
- Recalibrate current campus transfer admission guarantee programs to include greater numbers of students from low-income and first-generation backgrounds.

The Action Team will identify partnerships with the philanthropic community and other funders to explore support for these and other transfer-focused initiatives. The Action Team will present its recommendations to the President, who will transmit them to the Regents for discussion and deliberation in March 2014.

UCOP Student Affairs