

12-2-2016

Board of Directors Meeting Minutes 12/02/2016

UC Hastings Board of Directors

Follow this and additional works at: https://repository.uchastings.edu/board_materials_2016

Recommended Citation

UC Hastings Board of Directors, *Board of Directors Meeting Minutes 12/02/2016* (2016).
Available at: https://repository.uchastings.edu/board_materials_2016/92

This Board of Directors is brought to you for free and open access by the Board of Directors Agenda and Materials at UC Hastings Scholarship Repository. It has been accepted for inclusion in 2016 Board of Directors Agenda and Materials by an authorized administrator of UC Hastings Scholarship Repository.



**UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW**

BOARD OF DIRECTORS

**OPEN SESSION MEETING MINUTES
DECEMBER 2, 2016**

1. ROLL CALL

Chair Tom Gede called the meeting to order and ordered the Secretary of the Board to call the roll for the Board of Directors meeting.

Chair Thomas Gede
Director Simona Agnolucci
Director Donald Bradley
Director Marci Dragun
Director Claes Lewenhaupt
Director Courtney Power

2. PUBLIC COMMENT PERIOD

None.

3. REPORT OF ASUCH PRESIDENT

ASUCH President Sammy Chang 2L

Notable Students

ASUCH President Sammy Chang reported on and passed out the ASUCH Fall semester report. He highlighted the following notable students: 2L Andre Ramos, a Democratic Party Presidential Elector for the Electoral College of California; Peter Stevens, who was elected to the Board of Directors for the Tenderloin Community Benefit District; and Liz Surmach and Kate Stearns, who were both poll observers on Election Day in Florida and Ohio respectively. ASUCH President Sammy Chang also mentioned the Moot Court Team's advancing to the National Moot Court Competition and the Trial Team advancing to the National Trial Advocacy Competition.

Student Initiatives

ASUCH President Sammy Chang reported on student initiatives from fall semester. He noted that an event at Hastings attorneys in wine law was successful. He also reported on the lucrative UC Hastings merchandise sale.

ASUCH President Sammy Chang commended the administration and faculty on their response to the presidential election. There was a somber atmosphere post-election and many students

were in need of answers and support. He also commended the administration on its response to the death of recent graduate Brian Grauman. The response sparked conversation among students about seeking help and discussions about mental health coverage for students and mental health resources for students taking the bar exam.

He gave a report on the success of Barristers' Ball and the creation of four new taskforces, one of which was created for rewriting the ASUCH constitution and another to address student fees. ASUCH President Sammy Chang followed up that there is some concern about GAAP fees and whether or not the annual fee should continue since GAAP is now under Bay Area Legal. He further discussed possible changes to other fees including the Tower and Fitness Center fees and the Childcare Rebate fee. The last two task forces discussed were the Taskforce for Extension for Credit which seeks to allow paid externships to receive credit and the taskforce seeking to make UC Hastings a sanctuary campus.

ASUCH President Sammy Chang also mentioned that the student committee would work on drafting reports about the interviews for faculty and dean finalist candidates.

***4. GENERAL CONSENT CALENDAR**

The following items are presented as the Consent Calendar. Anyone wishing to remove any item from the Consent Calendar for discussion and/or consideration may request that the Chair remove the item from the Consent Calendar. All remaining Consent Calendar items shall be approved by the Board of Directors in a single vote without discussion.

***4.1 Approval of Minutes: September 16, 2016**

Chair Tom Gede called for approval of the September 16, 2016 minutes. The minutes were approved.

***5. FINANCE COMMITTEE CONSENT CALENDAR**

The Finance Committee Meeting was held at UC Hastings in the A. Frank Bray Conference Room, San Francisco, California, on Thursday, November 10, 2016, at 10:00 a.m. By unanimous vote, the Finance Committee submits the following Consent Calendar. Anyone wishing to pull any item from the Finance Consent Calendar may request the Chair to remove the item from the Finance Consent Calendar for discussion. All items on the Finance Consent Calendar shall be approved by the Board of Directors in a single vote.

Chair Tom Gede called for approval of the following items on the Finance Committee consent calendar. The items were approved.

***5.1 State Contracts in Excess of \$50,000**

***5.1.1 Engineering Services – MKThink
(McGinnis Chen Associates, Inc.)**

***5.1.2 2017 Commencement – BGCA Management, LLC
(Bill Graham)**

***5.1.3 Hastings Magazine - Diablo Communication Partners**

- *5.2 Nonstate Contracts in Excess of \$50,000
 - *5.2.1 Grant - Washington Center Equitable Growth – WLL Schedule Stability Project
 - *5.2.2 Alumni Reunions – Palace Hotel 2017
- *5.3 Fund Transfer from Cash Account to GEP Investment Pool
- *5.4 Approval of Agency Statement - Climate Adaptation in the 2017 California Five-Year Infrastructure Plan

Director Donald Bradley asked that the following agenda item be removed from the Finance Consent Calendar for discussion. Chair Gede removed the agenda item from the consent calendar.

*5.5 Shared Platform Proposal - UC Davis Graduate School of Management
Chief Financial Officer David Seward and Acting Chancellor and Dean David Faigman reported on the proposal to enter into an agreement with the University of California, Davis Masters of Business Analytics program whereby Hastings will serve as the sole location for the program. The program will begin Fall 2017 on Fridays and Saturdays with a projected initial enrollment of 45 to 50 students. Chief Financial Officer Seward noted that the agreement aligns with Hastings' strategic goals of using the Hastings footprint as a shared common platform campus that is multi-institutional and multi-programmatic. Acting Dean and Chancellor Faigman explained the evolution of the proposal, noting that Acting Provost and Academic Dean Evan Lee was contacted by the dean of UC Davis School of Business and Management School, Rao Unnava. UC Davis School of Business and Management is interested in having a footprint in San Francisco and Chief Financial Officer Seward was brought in to negotiate an agreement with UC Davis. Dean Unnava has offered to allow some of Hastings' J.D. students to participate in the program going forward. Acting Chancellor and Dean Faigman continued the discussion and noted that other collaborations with UC Davis where UC Davis will provide greater skill sets in business and finance for professionals like doctors and lawyers.

Chair Gede asked about student rates and degrees for this program. Chief Financial Officer Seward responded that students will make payments directly to UC Davis and UC Davis will confer the degree upon completion of the program. He also clarified that the approved site license will cover premises liability and typical commercial liability associated with the space rental.

Chair Gede called for approval of the site license agreement with UC Davis School of Business and Management. The license was approved.

6. **REPORT OF THE CHIEF FINANCIAL OFFICER**

6.1 Investment Management – Presentation by UC Treasurer's Office
Chief Financial Officer Seward introduced Edmond Fong and Kris Ostrander, representatives from the Office of the Chief Investment Officer of the University of California, who presented on investment management. The presentation discussed the following: performance of the last fiscal year, performance of the last quarter, and investment opportunities.

Performance of the Last Fiscal Year

Mr. Fong noted that fiscal year 2016 was a difficult year with a number of international events that impacted investments. The Treasurer's Office wanted to be conservative and have cash

rather than some treasuries which performed well. As such, investment underperformance--seen mostly in public equities and hedge fund portfolios--was largely due to the active management in public equities. Performance in equities depended on sector and geography, with U.S. equities being the best-performing equities in terms of geographies, while utilities, telecoms and consumer staples were the best-performing sector equities. The underperformance was due to a third of the public equities being in non-US equities, including China and another one-third was due to investment in sectors that underperformed such as technology, finance, and biotech. Lastly, manager selection of underperforming stocks accounted for the last one-third of total portfolio underperformance.

Performance of the Last Quarter

Mr. Fong explained that the trends described in the last fiscal year have reversed themselves as of the end of the quarter on September 30, 2016. At the end of the quarter, the portfolio is up four and half percent, making up for losses for the fiscal year. However, October was a difficult month as a result of the election. However, to date, there is roughly five percent in cash on hand.

Investment Opportunities

Mr. Fong noted that about 46 percent of UC Hastings' investment capital is in public equities and roughly 11 percent is in private equities, numbers which are half of where the top 20 endowments are in terms of asset allocation. As such, Mr. Fong explained that there may be room to move some capital to more private assets, though it may be difficult to achieve this.

Mr. Fong ended his presentation explaining possible fiscal policy/market trends in the coming months. He noted that the Treasurer's Office has been preparing for a likely prolonged period of low growth and low returns across multiple asset classes—a challenging investment environment for the next several years. They have also been rethinking asset allocation across all pools of capital, specifically working this year on a new asset allocation for the endowment.

Acting Chancellor and Dean Faigman asked about investing in public-private partnerships. Mr. Fong said they are open to that investment and will be looking for ways to participate while maintaining risk discipline.

The following reports were discussed at the Finance Committee Meeting on November 10, 2016. These are listed below as informational items, and distributed in the agenda packet.

- 6.2 Investment Report as of September 30, 2016
- 6.3 State Budget Report as of September 30, 2016
- 6.4 Auxiliary Enterprises Budget Report as of September 30, 2016
- 6.5 Update on Moss Adams Engagement - HR and Payroll Processing

Chief Financial Officer Seward gave an update on the new processes to address issues highlighted by Moss Adams. He also noted that the IRS is continuing its audit of the 403-B and 457 plans. UC Hastings is working with the University of California to manage the informational requests.

- 6.6 Listing of Checks and Electronic Transfers over \$50,000

7. REPORT OF THE EDUCATIONAL POLICY COMMITTEE

- 7.1 Report: UCSF/UC Hastings Consortium Law, Science & Health Curriculum Presented by Associate Dean & Consortium Director Jaime King
Acting Provost & Academic Dean Evan Lee gave a brief summary of Associate Dean & Consortium Director Jaime King's presentation during the Educational Policy Committee meeting. He reported that the Health Policy and Law online program is successful so far and has enrolled a little over 30 students in the program. Acting Chancellor and Dean Faigman further discussed the Consortium and UC Hastings' rank—20th place—in *US News and World Report* for top health law programs.

Chair Gede asked about outreach to the biotech industry and Acting Chancellor and Dean Faigman responded that there has been some outreach and suggested that the Consortium collaborate with the Institute for Innovation Law to develop other opportunities.

He also summarized the report from the Career Services office stating that because the employment environment has changed, the Career Services office faces new challenges in assisting students in finding employment and that UC Hastings will have to invest in this resource-intensive world in order to compete. A lengthy discussion ensued about getting students engaged in their career development. Jessica Ourk from the Career Services office noted that getting faculty members more involved and contributing to employer relations and outreach would be helpful.

8. REPORT OF THE CHANCELLOR & DEAN

Acting Chancellor and Dean David Faigman acknowledged the following award winners: Barry Reynolds for the 2016 Rummel Award; Professor David Takacs' 2016 Rutter Teaching Award, and Chief Financial Officer David Seward's 2016 Visionary Award.

- 8.1 Discussion of Non-JD Graduate Programs at UC Hastings: LLM, MSL, HPL, and Other Permutations and Possibilities (Report with Acting Provost & Academic Dean Evan Lee)

Acting Chancellor and Dean Faigman discussed non-JD degree programs and certificate programs.

MSL Program

The MSL program is a one year law degree. It was originally created to help health science and health policy students navigate legal processes. This program may need to be reinvigorated. The challenge has been to fit the MSL into graduate training or into professional development in some way. A part-time MSL may be beneficial so that those in a PhD program or those who are working can sign into an online program at night and take the necessary classes. Acting Chancellor and Dean Faigman said he would be meeting with BRCOE in a week to talk about MSL opportunities.

LLM Program

The LLM is for foreign students who are typically undergraduate law students attending UC Hastings for a graduate law degree with the hope that it will benefit them in their home countries or that they can remain in the U.S. and take a bar exam.

While the LLM program is a perceived revenue stream, it shares a limited and competitive market. There are 153 foreign LLM programs in the U.S. Last year there was a total number of 7,000 applicants worldwide for U.S. LLM programs. This would breakdown to 45 students per program if the numbers were equally distributed, however, this is not the case—Harvard alone has upwards of 200 LLMs and Berkeley has upwards of 200 LLMs and growing because of its new summer LLM program. UC Hastings currently has 30 LLMs and about 22 to 23 are full time.

Acting Chancellor and Dean Faigman and Acting Provost & Academic Dean Lee led the discussion on expanding the LLM program. Acting Provost & Academic Dean Lee highlighted three ways in which the LLM program could expand: (1) hire a full time recruiter; (2) adopt an online program; and (3) use a wholesale versus retail approach. All of these methods come with some risk.

1) Hiring a Full Time Recruiter

A full-time recruiter would travel the world several months out of the year, go to bar associations, go to law schools and go to foreign judiciaries in order to encourage enrollment. A full-time recruiter may be expensive because of salary, benefits, and travel costs. A lengthy discussion then ensued about whether or not other universities have a full-time recruiter along with possible ways to target certain markets without using a full-time recruiter—perhaps using faculty with degrees from foreign institutions.

Acting Provost & Academic Dean Lee noted that there are a few countries that are most interested in LLM programs, however because of our English language skills requirement, UC Hastings LLM students may not be entirely reflective of these markets. However, what draws LLM students to UC Hastings is its position in San Francisco, the diversity of the LLM students, and that LLM students are integrated into the JD program, which may assist in bar passage.

2) Adopting an Online Program

Acting Provost & Academic Dean Lee noted that there are not many online LLM programs, possibly because of reputational dangers in offering online courses. An online LLM program would require front-end investment because it would require needs its own curriculum and the curriculum has to be relatively similar for all students. An online program could be successful if it encompassed an on campus, in-residence component—even if just for a few weeks. However, an in-residence component requires housing, which is currently difficult to obtain in the city for a reasonable price and is a factor that already impacts some prospective LLM students' decisions.

3) Wholesale vs. Retail Approach

Acting Provost & Academic Dean Lee explained that a retail approach refers to individual students around the world finding out about the LLM program through the UC Hastings website or by word of mouth and then applying. A wholesale approach would require a prepackaged deal where a judiciary or bar association overseas might gather a group of interested students and UC Hastings might develop a “group deal.” A wholesale approach may also allow for UC Hastings to establish a language program in which LLM students could learn legal English in order to aid in their success in the program and for discounted aggregate housing. This exact approach was discussed with the head of the Tokyo Daini Bar Association.

Chair Gede suggested that exploration of this option continue, specifically looking into housing, and readdress this topic at the next committee meetings or the next Board of Directors meeting.

The discussion ended with a dialogue about marketing the LLM and MSL programs.

8.2 Other Informational Items: Academic Programs, Bar Passage, Student Services, External Relations and Personnel

Acting Chancellor and Dean Faigman discussed the California Bar Exam overall passage rate of 43 percent in California. The ABA accredited first-time taker rate was 62 percent. He noted that there would be further discussion during the closed session. He also mentioned the unfortunate passing of a recent graduate.

9. **REPORT OF THE ADVANCEMENT & COMMUNICATIONS COMMITTEE**

Chief Development Officer Eric Dumbleton gave a quick update about a successful Giving Tuesday. Chief Development Officer Dumbleton's office reached out to close donors and encouraged them to make payments on pledges and to make straight gifts. 103 donations were received for about \$120,000 in total in just one day. For comparison, on Giving Tuesday the previous year, about \$30,000 was received in donations, and about \$10,000 the year before that. Chief Development Officer Dumbleton noted that the Giving Tuesday campaign had already exceeded the initial goal of \$50,000 by midday.

9.1 Building UC Hastings Campaign Update – Eric Dumbleton, Chief Development Officer

As of the end of October, the Building UC Hastings campaign has garnered 182 gifts, including verbal commitments, totaling \$2.4 million. In November, the Building UC Hastings campaign received about \$56,000, bringing the total to \$2.47 million. Chief Development Officer Dumbleton noted that his office is following up on some outstanding asks and continuing to cultivate and engage with other prospects. He further discussed the brick project—where donors can purchase a brick used for the new building at \$500 each—may help in reaching the \$3 million goal. Chief Development Officer Dumbleton will send an e-mail the following week to all alumni about Building UC Hastings campaign inviting them to make a gift to the campaign, hoping at least for donations for the brick project.

9.2 Overall Fundraising Update – Eric Dumbleton, Chief Development Officer

Chief Development Officer Dumbleton gave an update on overall fundraising as of the first part of November. Unrestricted donations are pacing well ahead of last year and the capital facilities number is up because of targeted fundraising. He noted there is a significant decline in scholarship donations compared to last year, due in part to the fact that there were large payments that came in during the past couple fiscal years.

Chief Development Officer Dumbleton noted that received donations are down a modest amount. He expressed that he is not concerned about the current amount as there is about \$300,000 in receivables that he expects on the building. He also noted that traditional and annual year-end push donations campaigns will begin soon.

Director Courtney Power asked about a standard form on file that Hastings uses for corporate matching programs and suggested that there be a systematic way to check for

past employers with UC Hastings alumni employees who have donated to UC Hastings.

9.3 Community Relations Update - Director of External Relations,
Alex A.G. Shapiro

Director of External Relations Alex Shapiro discussed ways in which UC Hastings is building public understanding and support of UC Hastings specifically through neighborhood relations. Neighborhood relations are important because it aids in having public support UC Hastings—like when the Market Street for the Masses coalition conferred good neighbor status on the UC Hastings development project.

A lengthy discussion ensued about public involvements that increase visibility in the neighborhood including students handing out cookies to members of the community every third Friday, connecting with 826 Valencia with student volunteers to work with and educate middle and high school aged youth who do not have access to after school or additional educational resources. Director of External Relations Alex Shapiro also mentioned another avenue of public involvement whereby students have interacted with the Tenderloin Economic Development Project for a “Restaurant of the Week” review.

10. **REPORT OF THE GENERAL COUNSEL**

10.1 Annual Legislative Update with Mr. Michael Belote of California
Advocates

Legislative advocate Mike Belote issued his report on legislative updates. He noted that bills that were not enacted in the previous 2016 year are not carried over into 2017 and that there are about 30-40 bills out of 2,000 introduced that affect UC Hastings if enacted. Such bills include those that relate to fee waivers, veterans’ issues, eligibility for immigrant populations, and training in sexual harassment and sexual violence. Access to these proposed bills are available to all members of the Board of Directors on a password-protected basis. With the support of Senator Leno and Assembly Member Ting, there has been continued support in the budget for the campus plan. He discussed his meeting with Director of Finance Michael Cohen and Mr. Cohen’s concerns about state revenue and how the election will have an effect on California, specifically in terms of Medi-Cal where the state is responsible for about \$20 billion and there are between \$15 billion and \$20 billion new enrollments as a result of the Affordable Care Act, most of which is paid by the federal government. Despite this, Mr. Cohen expressed his continued support for the campus plan.

Mr. Belote explained the possible impact of the state Assembly and Senate two-thirds supermajorities noting that the legislature will likely push the envelope in terms of preemption issues with the federal government. The state legislature will also be able to raise taxes, override vetoes, and put things on the ballot all without a Republican vote, though Mr. Belote finds this may be an unlikely occurrence. Senator Leno has been termed out as budget chair in the Senate and there is no known replacement at this time. The subcommittee within the budget committee who has jurisdiction for UC Hastings—Senator Marty Block—has also been termed out and will be replaced. He also reported that Republican Assembly member Young Kim, who was quite supportive of UC Hastings, lost her election.

Governor Brown is reportedly pleased that Proposition 55 passed, which extended the surcharge on high income people. Had it failed it would have created an \$8 billion hole in the budget which in turn would have created a hole in the UC Hastings budget.

Mr. Belote also reported that there has been some legislative wrangling about the Bar Association and the Bar Exam, specifically regarding the Bar Association's authorization to collect yearly bar dues, which was denied by the legislature. The Bar Association had to request authority to collect dues from the state Supreme Court, which was granted, but the California legislature is not happy with the direction of the Bar Association. There may be an attempt of separation within the Bar Association.

Chair Gede asked about other bills that affect UC Hastings. Chief Financial Officer Seward explained that the fee waivers granted to dependents of disabled veterans are mandated by state law and cost about \$600,000 to \$700,000 a year. General Counsel Elise Traynum also clarified that surviving spouses and surviving children of law enforcement or firefighters who are killed in the performance of their active duties or those who die because of an industrial illness or injury are also eligible for fee waivers through an unfunded mandate.

11. DIRECTOR COMMENTS AND BOARD ANNOUNCEMENTS

This is a time reserved for Directors who wish to briefly comment on Board matters, provide a reference to staff or other resources for factual information, or direct staff to place items on future agenda.

Chair Gede brought up and the Board of Directors discussed the following items: a request that all the directors cooperate with General Counsel Elise Traynum in creating an up-to-date roster of directors' contact information and the schedule of meetings; identification badges for the Board of Directors to be used to enter the building; a successful alumni event in Washington DC; and the transition to the UCSF Police Department.

12. THE BOARD WILL GO INTO CLOSED SESSION AT APPROXIMATELY 11:00 A.M.

The Board will adjourn to the closed session to consider the items listed on the Closed Session Agenda. At the conclusion of the Closed Session, the Board will reconvene the Open Meeting prior to adjourning the meeting, to report on any actions taken in Closed Session for which a report is required by law.

***13. ADJOURNMENT**

There being no further business to come before the Board of Directors, the Open Meeting was meeting was adjourned.

Respectfully submitted,

Elise K. Traynum, Secretary