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Meeting of the Executive Committee - Open Session Book 09/05/ 2024

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Executive Committee Meeting

University of California College of the Law, San Francisco
Willkie Farr & Gallagher 333 Bush St. San Francisco, CA 94104
2024-09-05 14:00 - 15:00 PDT

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1. Roll Call

Director Albert Zecher, Chair Courtney Greene Power, Vice Chair Director Shashi Deb Director Andrew Houston Director Chip Robertson

2. Public Comment

(10 minutes) This is an opportunity for members of the public to comment on agenda items. Public comment on any agenda item will be limited to no more than three minutes per speaker and 10 minutes total. Groups or organizations that wish to comment on a particular item are encouraged to have a single representative speak for no more than three minutes. These limits can be varied at the discretion of the Chair. Persons who wish to speak on matters not on the agenda should make their request in writing to the General Counsel and Secretary of the College.

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6. Legal Updates

6.1. AFSCME

6.1.1. Action Item: Me-Too Arbitration

6.2. UAW – Student Union

6.3. Sidewalks Litigation

6.4. Name Change Litigation

7. Structural Deficit Plan

8. Adjournment



Monthly Executive Committee Meeting - Open Session Minutes

University of California College of the Law, San Francisco
August 19, 2024

Willkie Farr & Gallagher 333 Bush St. San Francisco, CA 94104. Participants and members of the public were also able to join the open session via the web link or dial-in numbers listed in the public notice of this meeting linked here: <https://www.uchastings.edu/our-story/board-of-directors/board-meeting-notices-agendas-and-materials/>.

1. Roll Call

In the absence of the Chair, the Vice Chair served as acting Chair. The Vice Chair called the open session to order at 9:05 a.m., and the Secretary called the roll.

Committee Members Present

Director Courtney Greene Power, Vice Chair
Director Shashi Deb
Director Andrew Houston
Director Chip Robertson

Committee Members Absent

Director Albert Zecher, Chair

Other Directors Present

Director Simona Agnolucci

Staff Participating

Chancellor & Dean David Faigman
Chief Operating Officer Rhiannon Bailard
General Counsel & Secretary John DiPaolo
Legal & Executive Assistant Yleana Escalante
Chief Communications Officer John Kepley
Assistant Chancellor & Dean/Chief of Staff to the Chancellor & Dean Jenny Kwon
Deputy Chief Financial Officer Sandra Plenski
Provost & Academic Dean Morris Ratner
Chief Financial Officer David Seward
Deputy General Counsel Laura Wilson-Youngblood

2. Public Comment

The Vice Chair invited public comment. No member of the public offered comment.

3. Approval of Prior Meeting Minutes

Motion:

The Vice Chair called for a motion to approve the open session minutes of the Committee's July 8, July 15, July 26, and August 1, 2024 meetings.

Motion made and motion seconded. The motion carried.

4. Action Item: McAllister Tower Seismic Upgrade Project - Budget Change

Mr. Seward said that with the completion of the design development drawings for the Tower, the costs came in higher than expected, leading to a \$19 million gap between the projected costs and the \$94 million in available funding. To address this, the project team, including architects, builders, and project managers engaged in value engineering. Despite limited scope for value engineering, given that Phase 1 primarily involves a seismic upgrade, the team managed to redesign the structural solution, reducing construction costs by \$13.9 million, or 12 percent. However, a \$5.1 million gap remains, so Mr. Seward requested that the Executive Committee approve an augmentation of \$5.1 million to cover this gap, to be funded from the McAllister Tower building reserve and ensure the completion of Phase 1.

Mr. Seward then presented on the project more broadly. The project, focused on seismic retrofitting, supports the Academic Village and historic preservation objectives and will provide additional campus housing at affordable rates. He emphasized that state funds totaling \$90 million are allocated for seismic work, and by the end of Phase 1, the building would achieve the building code of the City and County of San Francisco and for the building core from top to bottom (i.e., elevator shafts), and foundation, basement through floor 3, and floors 14 through 29 would also meet UC seismic standards. The mid-rise portion of the structure (i.e., floors 4 through 13) would be upgraded to the UC standard in Phase 2 by overlaying additional thickness to the mid-rise sheer walls such that at the end of the work the entire building would conform to the higher UC/UC Law standard. He also shared that the National Park Service had approved eligibility for up to \$34 million in historic tax credits, a significant milestone for the project. The approval allowed for a more flexible approach to the preservation of the Great Hall, which is currently in poor condition and contains asbestos. He said the project would result in three distinct price points for student housing, with lower-cost options available in the Tower. He said that if the College can secure financing for Phase 2, the project would continue seamlessly; otherwise, it would conclude at the end of Phase 1. Finally, he shared some images of the ongoing demolition.

Vice Chair Power asked for clarification on how the work being done in Phase 1 aligns with the UC standards, particularly in terms of accommodating potential UC tenants, whether they be students or others, and whether the portions of the building that will meet the UC requirements in Phase 1 would be sufficient to allow tenants to occupy the space or the College would have to wait until the completion of Phase 2 to ensure the entire structure is UC compliant.

Mr. Seward explained that the building would not be occupied at the end of Phase 1, because, while it would be seismically upgraded to City standards and meet most of the UC standards, the floors from 5 to 13 would not yet meet the required structural enhancements. These enhancements, such as the addition of shear wall thickness, would be addressed in Phase 2.

Director Agnolucci said that he and the whole team should be very proud of what they've accomplished.

Motion (made after item 6):

The Vice Chair called for a motion to approve the Tower Seismic Upgrade Project - Budget Change and start the work.

Motion made and motion seconded. The motion carried.

5. Budget Planning - 2024-25 and 2025-26

Mr. Seward said the College received a \$2.2 million increase from the State to support a workload budget. However, the plan also includes a 7.95 percent cut for the College in 2025-26. The College is advocating against this, as that funding is crucial. He said that the 2025-26 cut is subject to future legislative action, so it may or may not happen depending on the State's finances. He noted that the College was able to preserve previously appropriated funds for several special projects, but there was no augmentation or replenishment for Urban Alchemy. The College has preliminarily closed its books for 2023-24, ending with roughly \$29.8 million operating reserve and \$6.3 million in State plant funds for building needs. He further noted that the 2024-25 budget is \$3.9 million in deficit and that carrying such a deficit, particularly in light of the potential for a 7.95 percent reduction (a \$1.8 million reduction), was ill-advised. He said that reducing costs significantly would be difficult without affecting salary and benefits. He presented payroll data from 2017 to 2024 showing that a greater proportion of total payroll is now going towards support staff, which includes librarians, fiscal personnel, and others. There is also a trend of more staff being funded by non-State funds, which he hopes will continue.

Mr. Seward said the five-year plan projected a \$3.1 million deficit for 2024-25, which could grow in 2025-26 if the State implements the 7.95 percent cut. The actual deficit for 2024-25 is \$3.9 million, higher than initially projected. Despite this, the base budget preserves the three percent compensation pool for both represented and unrepresented staff, though there will be pressure for more in the upcoming collective bargaining agreements.

Mr. Seward emphasized that the College is not in a state of distress or panic, but there is a need to realign spending priorities to match available resources. The \$3.9 million deficit will be addressed with a two-year plan, including revenue increases such as raising student fees by 7.5 percent, increasing nonresident tuition by 16 percent, and

making nonstructural cost reductions. He noted that it would be necessary to cut payroll costs, suggesting a target of \$2.5 million over two years. He also highlighted the importance of being competitive with the faculty employment marketplace, especially as the College brings on 11 faculty members. The College aims to increase compensation pools for faculty, narrow the gap with UC law and other public benchmark institutions, address compensation needs of adjuncts, and tackle faculty compensation deficiencies by being aggressive with cost-shifting and redirecting funds. He concluded by stating that the plan would be discussed further at the upcoming Finance Committee meeting, with the goal of authorizing the two-year spending reduction plan.

Director Houston asked whether the retirement of some of the longer-tenured employees would help the budget and if there was any possibility of enticing these employees to retire. Mr. Seward pointed out that an early retirement program has to be made available to everyone, which could result in losing people the College wants to keep. He stressed that they are trying to keep the cuts focused rather than implementing them College-wide, as most departments are within the staffing levels of their benchmark institutions. He also noted the faculty lines have been reconstituted well through Dean Ratner's efforts. While there might be more retirements, he expects the number to be relatively small.

Dean Faigman noted that the College is not really that top-heavy in terms of senior employees anymore. Because of this, it would be difficult to make up a large number from encouraging retirements.

6. Student Success Strategies

Dean Ratner updated the Committee on plans for the September 13 retreat. He said they are sending out a substantial package to the faculty this week describing all the proposals discussed during the summer Board meetings. The package includes data supporting those proposals, with peer school comparisons and statistical analysis of College data. A survey will be sent to faculty at the same time, and they are being asked to respond within two weeks. He will share the survey responses from faculty and program directors with the Board and all retreat participants before the retreat.

The retreat will be in person at the Alumni Reception Center, featuring round tables for small group discussions. Board members will be dispersed among the tables, and faculty will be randomly assigned to create a representative cohort at each table. The Academic Standards Committee, which will carry these proposals forward during the academic year, will also be dispersed among the tables. He believes it will be a meaningful discussion and appreciates the Board's engagement throughout the summer and at the retreat.

Vice Chair Power thanked Dean Ratner and the team for all the preparation that went into the materials provided over the summer and for sending them out to the faculty.

She mentioned that she and others are looking forward to hearing from the faculty and others about their thoughts on the proposals.

The Committee entered closed session at 9:38 a.m. pursuant to Education Code Section 92032(b)(5) &(6).

The Vice Chair reconvened the open session at 10:07 a.m.

The Vice Chair reported the Executive Committee approved the closed session minutes.

7. Adjournment

The Vice Chair adjourned the open session at 10:07 a.m.

Respectfully submitted,

John K. DiPaolo, Secretary