

## UC ALL-AUDITORS CONFERENCE

**President Robert C. Dynes**  
**Monday, February 7, 2005 – Newport Beach**

[REMARKS AS PREPARED FOR DELIVERY]  
[NOT AN OFFICIAL TRANSCRIPT]

I'd like to start by thanking Pat Reed for inviting me to this gathering, and for his leadership in the UC system. We count on Pat to do a great deal of heavy lifting, and he continues to perform remarkably under often-difficult circumstances.

I'm also pleased to be joining all of you. Normally, being hauled in front of a group of auditors wouldn't sound like such a pleasurable experience, but I place a great deal of value in what you do for the University.

Ours is a tremendously large and varied and complicated enterprise. We really do need the services of people like you to help us address real concerns and avoid real problems. So, let me take this opportunity to thank you for all of your contributions to the effective functioning of the University.

I thought I would spend part of my time giving you a slightly broader perspective, from where I sit, about the University today, where it's headed, and how you fit in.

I came into this job in October of 2003, and I spent a good part of my first year traveling the state, visiting regions with a UC campus as well as several without, and getting a better feel for the full operations of the University of California. I thought I knew this system pretty well, having been in it since 1991 and having served as chancellor of UC San Diego. But this tour has been eye-opening.

I've met with faculty, students, staff, business and community leaders, elected officials, alumni, editorial boards, and many others throughout the state. I've visited hospital emergency rooms, agricultural extension sites, public school classrooms, and companies on the cutting edge of innovation.

And I have been amazed at the tremendously deep impact this university has on every aspect of life in California – its economy, its health, its educational opportunities, its quality of life.

I hope you've noticed that this is what I have spent much of the first year talking about: that yes, we perform a critical service for California and the nation through our world-class teaching and research. I actually believe firmly that this is the best university in the world, because our quality is so high and, at the same time, our breadth is so enormous.

But our impact does not stop at the classroom door or at the campus boundary. This is an institution that affects every Californian, whether they know it or not.

We train 60% of the state's medical students. We run the 4-H program for 144,000 youth. We produce an average of three new inventions every single day -- the kind of innovations that lead to new companies and new jobs. And we provide a highly educated workforce to help fill those jobs.

With the state budget cuts over the last several years, I think there has been some reason to begin questioning whether this deep impact of the University of California would be sustained. We've lost 15 percent of our state funding over a period when we've absorbed a 19 percent increase in enrollments.

Over a longer period, the picture is even more troubling. In 1970, about 7 cents of every state dollar went to UC, and today it's about 3½ cents. In 1985, the state contributed about \$15,000 (in today's dollars) to the cost of educating each UC general-campus student, but today that figure is \$9,000.

The cuts mean we've had substantial fee increases without students being able to see anything new they've gained. Our faculty and staff compensation has fallen significantly behind the competition. Important programs like our K-12 academic preparation programs have been cut very severely. And we have lacked an ability to really plan for the future.

The good news, at long last, is that we have now achieved a compact with the governor, and he has funded it in his budget for the coming year. The compact promises some stability and growth in our budget – not achieving everything we need all at once, but finally at least getting a solid floor under our feet.

We're using the opportunity provided by this new stability to engage in a long-term planning effort. The idea is to look out 10, 15, 20 years, figure out what we want the University of California to look like in order to serve California's needs, and then make the decisions needed today in order to get us there. Put another way, a major goal for the University over the next two decades is to sustain that "impact" I talked about – and to help keep

California competitive in the global economy. We need to figure out what strategies will help us do that.

We've been gathering input from many different constituencies around the University community, and I've just appointed a systemwide committee to think about producing some plans from the input we've been gathering. It's too early to talk in many specifics, but a few key themes have emerged.

First, of course, we're going to continue focusing on excellence in teaching, research, and public service, and we're going to continue finding ways to preserve broad access for all the diverse communities of California. These are a big part of what UC has always been about, and they go to our core values.

The fact that we are opening UC Merced this fall – the first new UC campus in 40 years – is tremendously exciting. The faculty at Merced are putting together some very innovative academic programs, and the campus has received 9,000 applications for this fall's entering class of 1,000 students. So excellence and access are very much alive at our newest campus.

We're also looking at some brand-new initiatives.

We have determined that the University of California needs to get much more engaged in helping prepare more highly qualified math and science teachers for California's schools, and we're working on such an initiative right now.

The global economic competition is intensifying, and we need to be worried in America, and in California, about the number of scientists and engineers we're training to sustain our technology miracle and keep us competitive. Doing that starts in the public schools – in getting students excited about math and science and then keeping them on track to, ultimately, a science and technology degree.

The problem is that our state's colleges and universities are not training enough highly qualified math and science teachers to get the job done, and they are not evenly spread across the state. Many students in many schools are simply being left behind. The California State University does much of the teacher training in California, and we intend to work in full partnership with them, but we believe our global leadership in science and technology puts us in a good position to really make a contribution to addressing this problem for our future.

A second thing we will be looking at is support for graduate education, and graduate students, at the University. Our undergraduate numbers have grown dramatically as the state's population has grown over the last few decades, but you may not know that our graduate enrollments have been largely flat. That's a problem, given the international economic pressures I mentioned a moment ago. So even as we keep our commitments to undergraduates, we're going to be looking at strategies to grow our graduate enrollments and ensure there is adequate support for the graduate education enterprise.

We're also going to be looking at entirely new ways of meeting the state's needs. One example is a program at UC Irvine called Prime-LC, which stands for the Program in Medical Education for the Latino Community. This is an M.D. degree program that trains new doctors who will be experts and leaders in providing health services to the underserved in the Spanish-speaking community.

The students are selected through a competitive admissions process. Race is not a factor, but applicants must show a prior record of service and commitment to underserved communities in general, and to the Latino community in particular. The program is small right now, but we hope to expand it so we can continue identifying and training students who will make a difference in serving the needs of California's communities.

And finally, we're going to be working in this next period to make the most efficient use of our resources and to streamline our operations wherever possible. One example is the "strategic sourcing" initiative that, under Senior Vice President Joe Mullinix's leadership, already is saving significant amounts of money for the University.

Everything that I have been talking about – the entire academic enterprise of the University of California – is dependent on a sound, strong, ethical, and effective business operation. We must have integrity – both the reality and the perception of it – or we have nothing at all.

And that is where you come in. You play a critical role in sustaining the integrity of the institution, and that is a function that supports, in a critical way, our academic mission.

We are in an increasingly challenging environment. Sarbanes-Oxley, the Wall Street scandals, and the external environment we live in today all have brought increasing expectations and higher stakes for the University's operations.

I very much appreciate the work that has been done to develop the Statement of Core Values and the Standards of Business Conduct for the University of California. These documents, which are now being reviewed by The Regents, will send a very clear message to the entire University community that our standards are high and we expect full, consistent compliance with them.

We have a very talented, committed group of people in this room and across the University to identify the issues, address them before they become problems, and help us navigate those that do become problems. You play a critical role in sustaining our institutional integrity, and for that, I want to thank you once again.