

Board of Directors Quarterly Meeting

University of California College of the Law, San Francisco
333 Golden Gate Ave., San Francisco, CA 94102, Suite 501 Deb Colloquium Rm.
2024-06-07 08:30 - 12:30 PDT

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Board of Directors Quarterly Meeting Open Session Minutes

University of California College of the Law, San Francisco
March 15, 2024

198 McAllister, San Francisco, CA 94102, Auditorium. 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-notice-agendas-and-materials/>.

1. Roll Call

The Chair called the meeting to order at 9:07 a.m., and the Secretary called the roll.

Board Members Present

Director Simona Agnolucci, Chair
Director Albert Zecher, Vice Chair
Director Shashi Deb
Director Andrew Giacomini
Director Andrew Houston
Director Claes Lewenhaupt
Director Mary Noel Pepys
Director Courtney Greene Power
Director Chip Robertson

Staff Participating

Chancellor & Dean David Faigman
Chief Operating Officer Rhiannon Bailard
General Counsel & Secretary John DiPaolo
Chief Development Officer Eric Dumbleton
Legal & Executive Assistant Yleana Escalante
Alumni Association Executive Director Meredith Jaggard
Assistant Chancellor & Dean/Chief of Staff to the Chancellor & Dean Jenny Kwon
Chief Diversity Officer Mario Lopez
Deputy Chief Financial Officer and Controller Sandra Plenski
Provost & Academic Dean Morris Ratner
Dean of Enrollment Management June Sakamoto
Chief Human Resources Officer Andrew Scott
Chief Financial Officer David Seward
Deputy General Counsel Laura Wilson-Youngblood
Director of Web and Digital Media Lydia Xia

Others Participating

President of UCLAS Kyle Freeman

2. Public Comment Period

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

3. Approval of Prior Minutes

Motion:

The Chair called for a motion to approve the minutes of the December 1, 2023 open session meeting.

Motion made and seconded. The motion carried.

4. Report of the UCLAS President

Mr. Freeman said that this year, he noticed a significant lack of funding for student activities, both social and academic, which are largely financed by the student government through the student activity fee. UCLAS receives \$40 from the \$157 activity fee paid by each student as part of their tuition. He proposed increasing this fee by \$10 or \$20 per student, which would provide an additional \$10,000 to \$20,000 annually for their budget. This increase would help host more events and support student organizations more effectively.

Mr. Freeman said that the process to change the fee is complex, requiring a 250-person petition, a vote by 25 percent of the student body with a two-thirds majority approval. He added that despite holding a town hall and sending emails, he encountered significant pushback and low student engagement, making it nearly impossible to implement this change this year. Additionally, newer students, who would be most affected, may not yet understand the benefits of a well-funded student government and may resist fee increases. Mr. Freeman asked the Board to consider changing the process so that the elected student government can adjust fees as necessary. This would allow them to better represent their constituents and ensure adequate funding for essential student activities and programming.

Chair Agnolucci asked Mr. Freeman if he was talking about increasing the \$157 fee or just increasing the portion of that \$157 allocated to UCLAS from \$40 to some other number. Mr. Freeman said it was the former. He said he had spoken to student services about increasing the allocation, and they were hesitant to commit to regularly giving a larger percentage because they anticipated needing the money, especially with the new construction and more students wanting access to recreational spaces.

Chair Agnolucci asked how the rest of the \$157 fee, which was not going to the student government, was used. Mr. Freeman responded that \$100 of the fee goes toward the wellness fee, which can be used by Student Services for anything related to

the overall well-being of the student body. This includes student organization events and school-wide programs like a subscription to ClassPass, which gives access to different workout classes. The remaining \$17 is split between childcare services and a Bay Area Legal Aid Clinic.

Mr. Freeman said that he was hoping the elected representatives could change the fee rather than having to get a student vote. He acknowledged that there would likely be some school oversight, whether from Student Services, the Board, or another group of faculty, administrators, or directors.

Chair Agnolucci said that it felt undemocratic to remove the petition and voting process and then tell people they owe more money without their agreement.

Mr. Seward stated that the wellness fee allocation historically has been underutilized. He believed there was a way to address the immediate need through the wellness fee until a more systemic, procedurally solid approach could be adopted. He suggested that Student Services look at the disposition of the wellness fee and determine if there were ways to earmark a greater amount of that existing fee to support wellness-related activities. He offered to work with Student Services and UCLAS so they could return in the May-June Board meeting cycle with a longer-term recommendation.

There was further discussion about the importance of transparency regarding student fees and the fact that student fees at the College are low compared with other institutions. Mr. Seward said he would do a presentation to the Board at a later meeting detailing the history and derivation of the student fees and benchmarking them against other institutions. He acknowledged that the ultimate authority with student fees rests with the Board.

Mr. Freeman said that getting a significant portion of the student body to agree to a fee increase would be challenging, given the nature of other increases that occur without their direct vote. He emphasized the importance of reallocation in the short term, noting that he does not intend to make changes to the allocation for childcare services.

5. Report of the Board Chair

5.1. Report of the Chair of the Advancement and Communications Committee

Director Deb acknowledged with gratitude Dean Kwon's contributions and asked her to present on the report items.

5.1.1. Report on Communications

Dean Kwon, participating remotely, expressed how wonderful it was to see everyone in the new auditorium and that she was looking forward to joining them in person soon. She thanked Director Deb for the

thoughtful outreach during her leave, which meant a lot to her. She also extended her thanks to the Chair Agnolucci for her outreach. She emphasized how much she missed the sense of purpose that her work provided and how supportive her colleagues had been. She noted that Director of Web and Digital Media Lydia Xia and Senior Writer Nick Iovino had kept things running smoothly. She also thanked Andrew Scott, the Chief Human Resources Officer, for his support. She said that they had hired a new Chief Communications Officer, John Kepley, who would start on April 1. Mr. Kepley has already reached out to her and his team. She shared his impressive background, including his experience in executive communications in higher education and at the Gates Foundation. She also provided an update on their marketing efforts, mentioning that they had hired Underground, a local firm, to assist with the marketing of the name change. Despite her leave putting the project on pause, they were picking it back up and planning to launch the next round of marketing. She noted that banners had been placed in San Francisco neighborhoods showcasing the new name, UC Law SF. She said that with the help of an alum who worked at Caltrans, they managed to get the new freeway sign up quickly. She shared a photo of the new sign, which Ms. Xia had posted on social media.

Ms. Xia explained the search engine optimization (SEO) Project. She shared that Communications was working with consultants to improve the College website's rankings on search engines like Google. The goal was to ensure that when someone searches for "San Francisco Law School," the College website appears on the first page of results. Ms. Xia elaborated that vendors were not only helping the College rank higher for certain keywords but also analyzing competitors' strategies to increase their standing and visibility. This process included improving website pages by adding tags and refining language, which would enhance their website's search engine performance.

Dean Kwon shared some social media posts and news stories.

5.1.2. Report on Advancement

5.1.2.1. Endowment Overview

Mr. Seward said that he had presented this information to the Finance Committee previously and would provide an abbreviated version for the current meeting. He planned to supplement his presentation with some recent information from the UC Office of Investments.

Mr. Dumbleton added that the purpose of the endowment overview was to provide further information to the Board about the existing endowment and its importance, especially in the context of the comprehensive campaign's quiet phase.

Mr. Seward said the primary value of an endowment was to be a financial anchor and institutional bedrock that helps buffer the institution through periods of financial distress. He explained that endowments are driven by gifts with restrictions to ensure long-term stability and growth. He said that the school has adopted an annual payout of 4.75 percent to support the endowment, preserving the rest to grow and maintain the purchasing power of the original gift. He also discussed how endowments have been used in the past, such as the development of professorships and chairs under Dean Kane's administration to reconstitute the faculty. He noted a strong correlation between the size of one's endowment and prominence in the legal world, citing examples like Harvard Law's \$2 billion endowment, which provides significant flexibility in achieving institutional goals. He emphasized the need for growth, which he indicated would be a focus of the capital campaign.

Chair Agnolucci asked whether the public or private nature of the institution played a role in these rankings. Mr. Seward said that the University of Michigan is a state school, but it receives minimal state support and substantial private support due to its history of academic excellence, which has been bolstered by its ability to attract students from regions like New England and New York City, which lack strong public education systems. This dynamic creates an inverse relationship between the number of out-of-state students a school enrolls and the amount of support it receives from the state. Michigan and Virginia share similarities in this regard, operating as quasi-public schools with broader missions beyond solely serving residents of their respective states.

Chair Agnolucci pointed out that these are public schools that resemble private schools in terms of their student body. She mentioned that this pattern places UC law schools at the bottom of the list, with the exception of Berkeley, as they are generally considered regional public schools.

Mr. Seward emphasized the importance of managing endowments effectively, noting that it is crucial to balance the payout rate with capital preservation and growth, while also supporting the institutional objectives for which the gifts were made. He mentioned that a high payout rate, such as seven percent, could indicate questionable financial management. He also discussed the significance of stewardship, stating that people are more likely to make gifts to endowments if they have confidence that the funds will be properly administered. Mr. Dumbleton highlighted the donor reporting process for endowed funds, explaining that donors receive an annual report detailing the financial status of their endowed fund. This report includes the beginning balance, net contributions, net payout, and ending balance for the fiscal year. Additionally, the report contains a narrative section outlining how the funds were used and how this aligns with the donor's intentions. These reporting elements are key aspects of stewardship associated with endowed funds.

Mr. Seward said the College invests its funds with the Office of the Chief Investment Officer of the Regents and said that while we are not required to, statutorily, we are mandated to invest our funds in a manner consistent with the investment practices of the Office of the Chief Investment Officer of the Regents. This requirement dates back to some issues from the 1980s. He showed a graph showing investment performance over a 30-year period by UC's different funds. He explained that the general endowment pool has had a total return of 18.6 percent over the last fiscal year. Looking at the 30-year timeframe, the average annual return is 8.7 percent, with an average annual payout of 4.75 percent. Thus, the funds are protected against inflation of roughly two to three percent, and the balance goes to capital appreciation, allowing the endowment to grow. The key is to increase the inflow of dollars while maximizing the return on those dollars through wise investment. He then showed the endowment of UC Law SF, including the Foundation, at \$59.9 million. In terms of use of funds, the split between instruction, institutional support, and financial aid is heavily weighted toward financial aid awards, which is typically favored by donors. Additionally, there are professorships allocated at \$19.3 million. He concluded the presentation by showing the growth of the endowment since 2012, noting that it is primarily driven by investment gain, not by new endowments. The key to accelerating the growth of the endowment, he emphasized, is to

preserve the investment gain and attract additional new endowments to supplement the existing amount.

Dean Faigman mentioned a strategic question regarding donor conversations about whether to give to an endowment or to current use. While there is a great need currently, there is also a desire to build for the future. Balancing these conversations is crucial, as donors may have preferences in that regard. He noted that this is an ongoing conversation that he has had with Mr. Dumbleton and Mr. Seward about how to balance between current use and the endowment.

Director Giacomini asked about the strategic approach in any targeted ratio of current use vs. endowment gifts. Dean Faigman explained that while there is not an explicit ratio, there is a general guideline that leans towards 60 percent for current use and 40 percent towards the endowment. However, the comprehensive campaign has a more directed focus on the endowment, aiming to build for the future. As a result, the allocation may vary annually, possibly around 60:40 for endowment vs. current use but shifting towards 75:25 during the comprehensive campaign.

Mr. Dumbleton added that significant gifts in support of the endowment often come through estate gifts. In fiscal year 2022, the College received a little over \$7 million in endowed funds, with the majority coming from Chancellor & Dean Emeritus Mary Kay Kane's estate.

Director Deb asked Mr. Dumbleton if the College gets gifts that are split between endowment and current use. Mr. Dumbleton shared an example where a stock gift from Rob Soll resulted in \$262,000, with \$62,000 going to the Dean's Priority Fund and \$200,000 establishing an endowment. While not typical, this option highlights the flexibility donors have in structuring their gifts. He expressed his enthusiasm for blended gifts, where a donor can make a significant current use gift to see immediate impact and then leave an endowed gift in their estate plan to support a fund they established while alive.

5.1.2.2. Campaign Update

Mr. Dumbleton discussed the importance of ongoing conversations with Board members about their campaign commitments. Against a \$100 million goal, the College has raised

\$46.7 million through February 15, but recent commitments bring the College closer to \$50 million. The goal is to raise the remaining \$10 million by next year. Campaign priorities include scholarships, faculty chairs and professorships, and program enhancements. The campaign is currently in its quiet phase, aiming to expand the donor base and secure major gifts. They are also working on a communications plan in preparation for the public launch. He is optimistic about securing major gifts to reach their goal. He emphasized the importance of leadership involvement, through current use, planned, or blended gifts, hosting events, and connecting with potential donors, especially alumni. He suggested focusing more on engaging San Francisco stakeholders who may not have direct ties to the law school but have an interest in the City's and neighborhood's well-being. This approach aims to showcase UC Law SF's impact and encourage support from a broader audience.

Chair Agnolucci encouraged all directors to consider making both planned and non-planned gifts, highlighting the importance of including the College in their estate plans. She expressed hope for 100 percent director participation in this effort, noting that the amount of the gift can be flexible and tailored to individual preferences.

Mr. Dumbleton clarified that planned gifts count toward the campaign goal. Director Houston suggested that a presentation on planned giving could be beneficial for the Board. Educating the Board in this way would also enable them to better inform other alumni about planned giving opportunities.

Mr. Dumbleton said he has a comprehensive document that outlines different ways to give, including non-traditional forms of planned giving such as appreciated assets like securities or real estate. He offered to share this document with the Board to provide a better understanding of the various options available for supporting the College.

5.1.2.3. Naming Opportunities

Mr. Dumbleton presented a document that outlined naming opportunities, including the types of spaces available, their locations, and the starting negotiation points for naming rights. He mentioned that the listed amounts are negotiable. He also noted that if someone prefers not to be public with their support, they can name a space in honor of someone else.

5.1.2.4. Foundation Board Initiatives Update

Mr. Dumbleton described the Foundation board's "top ten program," where each board member is assigned ten individuals to reach out to who are highly rated in terms of donor potential but currently disengaged or disconnected. He also highlighted the Foundation board's renewed focus on fundraising and engagement. Additionally, he mentioned the class agent program and the recent gift anniversary email initiative, which resulted in three gifts from 27 opened emails out of 44 sent.

5.1.2.5. Alumni Engagement Update

Ms. Jaggard shared updates on the expansion of alumni association chapters, mentioning the 22nd and 23rd chapters in Portland, Oregon, and Seattle, Washington, respectively. She also mentioned that tickets for Spring Week are on sale, and they are on track to sell out of their two major events at City Hall and the Giants game. She expressed her excitement for Spring Week and encouraged everyone to attend.

Ms. Jaggard said the Justice Wiley Manuel dedication event on February 28 was lovely. She also mentioned the upcoming Black Alumni Council event on April 11, celebrating the endowment of their scholarship led by Director Houston, with contributions from many in the room. This event will be held on the Sky Deck. Additionally, she mentioned working with Black Law Student Association (BLSA) students to launch a mentorship program for BLSA students and the Black Alumni Council, inviting everyone to join them.

5.2. Report of the Chair of the Educational Policy Committee:

Director Houston said that they had a great recent committee meeting and then gave the floor to Dean Ratner to discuss the details.

Dean Ratner said there was a robust and detailed conversation at the committee level, so his oral report would focus on three voting items. These items were joint proposals from the Chancellor & Dean and himself related to recommendations made at the committee level. The proposals asked the Board to approve the College's supplemental Strategic Plan on Artificial Intelligence, approve two sabbaticals for research faculty next year for one semester each, and approve a lateral hire with tenure. He also noted that they would be available to answer any questions when they reached the reporting items, but he would otherwise rest on his written reports.

5.2.1. Voting Items

5.2.1.1. Supplemental Strategic Plan re Artificial Intelligence

Dean Ratner said that both the faculty and the Board had retreats that addressed artificial intelligence, with the Board's including the Faculty Executive Committee and other invited faculty and staff. Following these retreats, discussions and follow-up conversations led to the development of a full supplemental strategic plan on artificial intelligence. The core feature of this plan is to position the institution as a leader in generative AI and other emerging technology at the intersection of law. There are eight other core plan elements outlined in the written materials.

They have already started implementing elements of the plan. For example, they began an asynchronous training program on how to use AI as a legal research tool and developed new courses on the intersection of artificial intelligence and the law. Additionally, the Center for Innovation launched an initiative to bring together policymakers, legal scholars, and those in emerging technology businesses to explore how the law can facilitate and regulate new technologies. The Educational Policy Committee has recommended that the board approve this new strategic plan.

Motion:

Director Houston called for a motion to approve the Supplemental Strategic Plan for Generative AI.

Motion made and motion seconded. The motion carried.

5.2.1.2. Academic Year 2024-2025 Faculty Sabbaticals

Dean Ratner explained that faculty sabbaticals are semesters during which faculty are not teaching or doing service work, allowing them to focus on approved research projects to advance the research element of the institution's mission. The Board has a role in approving sabbaticals, and

at the last Educational Policy Committee meeting the committee voted to recommend that the Board approve sabbaticals for two professors who are owed the sabbaticals as part of their lateral hire contracts. These professors, Ming Chen and Thalia González, submitted interesting and important research proposals that are described in the written materials.

Motion:

Director Houston called for a motion to approve these Academic Year 2024-2025 Faculty Sabbaticals.

Motion made and motion seconded. The motion carried.

5.2.1.3. Tenure for New Lateral Hire

Dean Ratner explained that the Board has a role in approving tenure hires. The faculty conducts a hiring process through the Faculty Appointments Committee when a lateral faculty member is hired. The Faculty Appointments Committee and full faculty first vote to determine if the faculty member meets the College's hiring standards. Then they apply their tenure standards, which focus on research, scholarly accomplishment, teaching, and service accomplishment and capability, to determine if the faculty member should be awarded tenure using the Faculty Rules.

The faculty voted to offer a position with tenure to Kate Weisberg, a professor at George Washington University, who is an expert in criminal law and civil rights, an award-winning scholar, and an accomplished practitioner and developer of clinical programs before becoming a research faculty member. He said that while this was not raised at the committee level, he was hoping the Board would approve the award of tenure as part of her hire package.

Director Power asked how common it is to offer tenure in connection with a lateral hire. Dean Ratner said it is very common, especially in recent years when there has been a focus on the lateral hiring market. Many laterals can be recruited with or without tenure, depending on their qualifications.

Motion:

Director Houston called for a motion to approve tenure for the new lateral faculty hire, Kate Weisberg.

Motion made and motion seconded. The motion carried.

5.2.2. Reporting Items

Dean Ratner rested on his written reports on the following items.

5.2.2.1. Bar Success

5.2.2.2. Employment

5.2.2.3. Faculty Hiring

5.2.2.4. Sponsored Research

6. Finance Committee Consent Calendar

This item was addressed after items 7, 8 and 9.

Director Agnolucci invited Mr. Seward to present this agenda item. Mr. Seward said that on February 22, the Finance Committee discussed a wide range of topics, with a particular emphasis on campus development and the expansion of the Academic Village. The meeting was thorough, delving into details and addressing key issues. He provided an overview of the consent calendar , highlighting important decisions and discussions that occurred.

Motion:

Mr. Seward called for a motion to approve the Finance Committee Consent Calendar. Motion made and motion seconded. The motion carried.

- 6.1. State Budget Report as of December 31, 2023, and Mid-Year Changes
- 6.2. Auxiliary Enterprises Budget Report as of December 31, 2023, and Mid-Year Changes
- 6.3. State Contracts and Grants in Excess of \$100,000
 - 6.3.1. Technology Consulting Services – T5 Solutions
 - 6.3.2. Debris and Waste Removal – Tower Seismic Upgrade Project - Suddath
- 6.4. Nonstate Contracts and Grants in Excess of \$100,000
 - 6.4.1. Underwriting Services – Raymond James and Loop Capital – Term Extension
 - 6.4.2. Grant – Kellogg Foundation – Center for Work Life Law
 - 6.4.3. Land and Site Surveying Services – Martin M. Ron Associates
 - 6.4.4. Security Upgrade – AVS Systems
- 6.5. The Academe at 198 McAllister – Operations, Marketing Plan, and Residential Rate Subsidy for 2024-25
- 6.6. The Academe at 198 McAllister – Budget Report as of December 31, 2023, and Mid-Year Budget Changes
- 6.7. Endowment Management – Spending Rate for 2024-25
- 6.8. MSL/CSL Employee Scholarship

7. Report of the Chief Financial Officer

7.1. Investment Performance Report as of December 31, 2023

Mr. Seward provided an update on the investments, noting that they have scheduled all Board meetings for the calendar year. He plans to invite the Office of the Chief Investment Officer at the University of California to make a presentation to the Board on the new reporting format on investments. Additionally, his team is diligently monitoring the 2020 Indenture Agreement and cash flow, with the next payment of \$8.8 million due on July 1, 2024. The College appears to be on track to have sufficient cash on hand to make that payment, which will be the first time it does so without the benefit of capitalized interest reserve funds.

They are hoping for a 95 percent occupancy rate in the Academe at 198 next year, as compared with this year's 60 percent, which will make meeting the payment obligation easier.

Ms. Bailard gave an update on occupancy renewal data for the Academe at 198. There has been lots of activity, with all information expected to be available to potential residents by April 4th. The housing team is addressing each renewal personally, including room change requests. They have received three renewal offer rejections, but there is no clear pattern. There are 13 applications that have been started and one completed request, indicating strong interest, despite concerns about the neighborhood. They are preparing for lease-up for year two and are working closely with Admissions to ensure new applicants have paid their deposits. They have also finalized rental rates with UCSF and are ready to start the UCSF renewal process. Marketing efforts include Google ads, a dedicated website, virtual tours, open houses, and outreach to Academic Village partners and other housing platforms.

8. Report Items: Finance Committee Reports

Mr. Seward rested on the written reports on the following items.

- 8.1. Investment Report as of December 31, 2023
- 8.2. McAllister Tower Seismic Upgrade Project – Status Report
- 8.3. State Budget Update for 2024-25
- 8.4. Five-Year Budget Plan – Review and Discussion
- 8.5. Addition of New Ladder Faculty Steps
- 8.6. Ripples – Rotating Art Program – Program Summary
- 8.7. Listing of Checks and Wire Transfers over \$100,000

9. Report of the Chancellor and Dean

9.1. General Updates on the State of the Campus, Academics

Dean Faigman expressed pride in how the campus community has navigated challenges, noting the positive and supportive environment fostered by leaders like Dean Ratner and Dean of Students Tiffany Gabrielson. He mentioned a recent visit to Sacramento, where he and Mr. Seward appeared before the Senate Subcommittee on the Budget to advocate for the Governor's budget, including a \$2.2 million augmentation. He shared that while tax receipts were fluctuating, they remained hopeful about the budget's outcome. He also mentioned an upcoming appearance before the Assembly Subcommittee on Budget in May and the media attention to the College's motion to enforce the stipulated injunction with the City of San Francisco regarding encampments in the Tenderloin, including a front-page article in the Chronicle. Despite some less favorable comments from the Mayor's Office, he expressed confidence in their support, citing friendships within City Hall and a nonpartisan commitment to the community.

He praised the efforts of Dean Kwon for her work on the name change and Ms. Bailard's efforts in managing the name change internally. He concluded by expressing excitement about the upcoming changes and readiness to address any questions from the Board.

9.2. Annual Report of AB 1936 Initiatives to the Legislature and Select Committee on Native American Affairs in progress

9.2.1. Dean Kwon will prepare this report by June 2024 and will share with the Board once complete.

9.3. Ombudsperson Teddy Albiniak started in January

9.4. Diversity, Equity and Inclusion (DEI) Efforts

Dean Faigman emphasized the importance of DEI principles in higher education. He acknowledged that DEI can have different interpretations depending on the region but clarified that his view, shared by Chief Diversity Officer Mario Lopez, is centered on being as inclusive as possible. He highlighted the diverse range of professionals the law school produces, including public defenders, corporate lawyers, environmental advocates, and more, emphasizing that DEI means being open to all legitimate viewpoints within the framework of the law. He expressed a commitment to welcoming students and alumni from various political perspectives and value orientations, underscoring the College's dedication to inclusivity and openness. He mentioned an exciting display in the Kane Hall, specifically on the second floor, where approximately 150 portraits of community members are accompanied by statements about why they enjoy being at UC Law SF. He described the

exhibit as inspirational and highly recommended it to the Board as a wonderful display of community engagement and pride.

9.4.1. Report of Chief Diversity Officer Mario Ernesto Lopez

Mr. Lopez began by acknowledging the challenges of polarization nationally and internationally and highlighted the campus's relatively optimistic and positive culture. He thanked Dean Faigman, Dean Kwon, and Dean Ratner for their significant contributions to DEI efforts. He then shared updates on various initiatives, including the Diversity in Legal Thought and Practice Speaker Series, featuring California Attorney General Rob Bonta, which drew over 200 students. He praised Dean of Enrollment Management June Sakamoto and her team for their work at the California Law Pathway Summit, where they met with over 100 community college students to promote a pipeline to law school for underrepresented students. On the academic side, he highlighted the success of the third annual mixer with UCSF, aimed at building connections between students from various schools. He also showcased the community portraits initiative, displaying over 150 portraits of faculty, staff, and students along with their statements about why they enjoy being at UC Law SF. He mentioned the ongoing Diversity Week, which includes various events such as panel discussions, cultural nights, and arts and crafts sessions. He expressed excitement about the week's activities, including a panel on justice through a queer lens and the diversity arts and crafts session. He concluded by thanking Ms. Wilson-Youngblood, Associate Director for Student Life and Inclusion Miguel Zavala, and the entire Diversity, Equity, and Inclusion Working Group for their efforts in organizing Diversity Week. He announced the distribution of Diversity Week shirts to Board members, inviting them to pick up their shirts after the meeting.

Director Power said she loves Mr. Lopez's presentations and his ability to manage the many ongoing initiatives and looks forward to next week's events.

Dean Faigman concluded his report and thanked the Advancement Office for their instrumental support of the Dean's Priority Fund, which has been vital for the school's initiatives. He noted that a significant portion of the fund is allocated to retention scholarships, ensuring that high-performing students can continue their studies at UC Law SF. The fund also supports general scholarships and has increased funding for summer public interest internships to \$5,000. Another substantial portion of the fund goes towards long-term and short-term bridge scholarships, totaling more than half a million dollars annually. Additionally, funds are allocated for miscellaneous initiatives, including

merit stipends for staff. He expressed gratitude to the Advancement Office for their continued support and collaboration, highlighting the fund's critical role in supporting important initiatives for students, staff, and faculty.

10. Director Comments and Board Announcements

No comments.

The Board entered closed session at 11:03 a.m. pursuant to Education Code Section 92032(b)(3),(5)&(7) and returned from closed session at 1:01 p.m.

Dean Faigman reported that in closed session the Board voted to approve tenure for Professor Emily Murphy and approved prior meeting minutes and the establishment of three new funds.

11. Adjournment

The Chair adjourned the meeting at 1:02 p.m.

Respectfully submitted,

John K. DiPaolo, Secretary



Special Board Meeting Minutes

University of California College of the Law, San Francisco
May 14, 2024

UC Law SF, 333 Golden Gate Avenue, LL04. 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

The Chair called the open session to order at 9:38 a.m., and the Secretary called the roll.

Board Members Present

Director Simona Agnolucci, Chair
Director Albert Zecher, Vice Chair
Director Andrew Houston
Director Claes Lewenhaupt
Director Mary Noel Pepys
Director Courtney Greene Power
Director Chip Robertson

Board Members Absent

Director Shashi Deb
Director Andrew Giacomini

Staff Participating

Chancellor & Dean David Faigman
Director of Accreditation & Assessment Andrea Bing
General Counsel & Secretary John DiPaolo
Legal & Executive Assistant Yleana Escalante
Dean of Students Tiffany Gabrielson
Chief Communications Officer John Kepley
Assistant Chancellor & Dean/Chief of Staff to the Chancellor & Dean Jenny Kwon
Provost & Academic Dean Morris Ratner
Dean of Enrollment Management June Sakamoto
Chief Financial Officer David Seward
Deputy General Counsel Laura Wilson-Youngblood
Director of Student Life, Student Leadership and Belonging Miguel Zavala

2. Public Comment

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

The Board moved to closed session at 9:38 a.m. pursuant to Education Code Section 92032(b)(7). The Committee returned to open session at 10:37 a.m. and reported that no actions were taken in closed session.

3. Adjournment

The Vice Chair adjourned the meeting at 10:37 a.m.

Respectfully submitted,

Laura M. Wilson-Youngblood, Deputy General Counsel

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF CALIFORNIA
COLLEGE OF THE LAW, SAN FRANCISCO
CONFERRING THE STATUS OF *DIRECTOR EMERITUS* UPON DIRECTOR
MARY NOEL PEPYS**

JUNE 7, 2024

WHEREAS, this Resolution is adopted in special recognition of the distinguished service of Mary Noel Pepys to the University of California College of the Law, San Francisco (UC Law SF); and

WHEREAS, Mary Noel Pepys is an alumnus of UC Law SF, earning her Juris Doctor from UC Law SF in 1981; and

WHEREAS, Mary Noel Pepys was appointed to the UC Law SF Board of Directors by California Governor Edmund G. “Jerry” Brown in 2012 for a twelve-year term; and

WHEREAS, Mary Noel Pepys served faithfully as a Director from 2012 to 2024; and

WHEREAS, Mary Noel Pepys during her term made outstanding contributions that have supported the aims and functions of UC Law SF, including serving as chair and member of the Educational Policy Committee, Board representative on the Committee to Create the 2020 Strategic Plan, and member of the Advancement and Communications Committee, the Hastings Legacy Review Committee, and the Chancellor & Dean’s Restorative Justice Advisory Board;

NOW, THEREFORE, BE IT RESOLVED, that in honor of her long service and contributions to UC Law SF, the UC Law SF Board of Directors hereby conveys its deepest respect and appreciation to Director Mary Noel Pepys and, with best wishes, hereby confers upon her the title of DIRECTOR EMERITUS.

<Signature>
Simona Agnolucci, Chair
Board of Directors

Attest: <Signature>
John K. DiPaolo, Secretary

John Kepley

Chief Communications Officer

June 7, 2024



Onboarding priorities

- Gain working understanding of the College's communications ecosystem and challenges
- Assess where we're at vis-à-vis needs
- Chart an initial course for aligning priorities, resources and current and emerging needs

What we do

The Office of Communications supports UC Law SF's mission to “provide a rigorous, innovative, and inclusive legal education that prepares diverse students to excel as professionals, advance the rule of law, and further justice” by promoting excellence in teaching, scholarship, and public impact.



What we do

The Communications team is responsible for externally directed website content, branding, news stories, expert requests for media, media outreach, and the law school's social media channels.



What we do

- Strategic partner for advancing the mission and priorities of UC Law SF
- Maximize the impact of available resources
- Support key development and alumni engagement efforts



Initial priorities

- Align name-change tactics across external-facing work
 - Rebranding efforts
 - Reputation campaign
 - Additional touchpoints
- Strengthen UC Law SF's reputation
- Develop a comprehensive communications strategy



Key actions taken on initial priorities

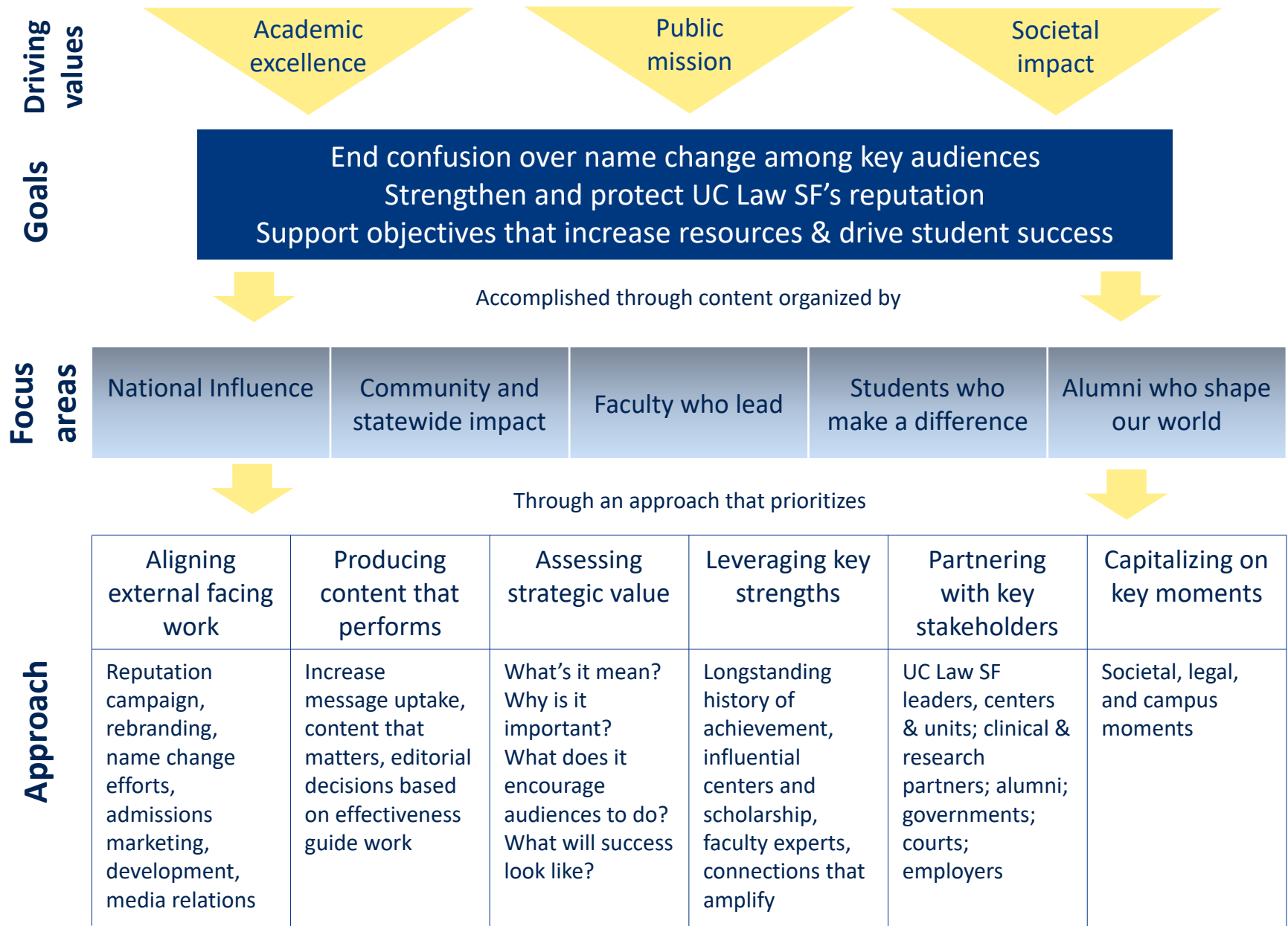
- Unifying visual language of renaming and reputation campaigns
- Highlight name change in key assets
- Launch rankings information resources



Key actions taken on initial priorities

- Comprehensive Communications Strategy
 - Expresses our guiding values
 - Outlines top goals
 - Established content taxonomy
 - Defines approach





The Campaign for UC Law San Francisco

Foundation Board Meeting
June 8, 2024



UC Law San Francisco

COMPREHENSIVE CAMPAIGN SUMMARY

- \$100 million goal
- Focus on building the school's endowment
- Currently in the quiet phase of fundraising (began July 1, 2021)
- \$50.6 million raised through May 30, 2024
- Target of minimum \$60 million raised by Spring 2025
- Concentrate stakeholders on key priorities associated with expected outcomes
- Supporting the school and the neighborhood/SF (expanding prospective donor base)

CAMPAIGN PRIORITIES

- Student Scholarships – Attract and retain the best & the brightest students
 - Ease student indebtedness
 - Enhance competitive position for student recruitment
 - Retention of highest achieving students
 - More competitive recruitment/higher retention = higher bar passage
- Faculty Chairs & Professorships – Attract and retain renowned faculty
 - Enhance competitiveness of salaries to better attract and retain faculty
 - Funding for travel, research assistants, and release time for scholarly work
- Program Enhancements – Capitalize on our location & cutting-edge issues
 - Enhance the cutting-edge research and work being spearheaded by our Centers via increased funding of faculty and students
 - Attract and retain talented Center directors

CAMPAIGN TIMELINE

Campaign Phase	FY22	FY23	FY24	FY25	FY26	FY27
Preparation Phase & Campaign Counting Begins	↔					
Principal & Leadership Gift Phase (Quiet Phase)		←————→				
Public Phase					←————→	

Public
Announcement

CAMPAIGN PROGRESS

Gift Period (Campaign Phase)	Total \$
FY21 (<i>Reach Back - 2 gifts</i>)	\$1,250,000
FY22 (<i>Prep Phase & Counting Begins</i>)	\$16,925,660
FY23 (<i>Quiet Phase</i>)	\$10,168,726
FY24 (<i>Quiet Phase</i>)	\$9,323,628
FY25 (<i>Quiet Phase</i>)	
FY26 (<i>Public Phase</i>)	
FY27 (<i>Public Phase</i>)	
Total Current Gifts	\$37,668,014
Total Planned Gifts	\$12,926,300
Total	\$50,594,314
Working Goal	\$100,000,000
% Current	74%
% Planned*	26%
% to Goal	50%

*Target of Planned Gifts: 25%-35%

KEY OBSERVATIONS

- UC Law SF's \$100M campaign requires seven- and eight-figure gift commitments.
- The College will likely need 16 gift commitments of \$1M and higher for a \$100M campaign, including eight at \$5M and up.
- The campaign total currently stands at approximately \$50.6M

HOW YOU CAN HELP

- Help make connections to potential supporters
- Host and/or attend donor cultivation events
- Make a campaign commitment
 - Current-use gift or pledge
 - Planned gift
 - Blended gift

Thank you!

Questions?



UC Law San Francisco

Report 6.2.1 – Faculty Hiring and Tenure (Voting Item)

By Chancellor & Dean David Faigman and Provost & Academic Dean Morris Ratner

This report provides an update on Ladder Faculty hiring in academic year 2023-2024 and asks the Board of Directors to approve the faculty's vote to grant tenure to an accomplished colleague.

I. Ladder Faculty Hiring (Reporting Item)

We have previously reported regarding faculty hiring this year.¹ The one update is that international law scholar Moria Paz, a pre-tenure, entry-level, Ladder Faculty member, accepted UC Law SF's offer to join our faculty starting July 1. That means we now have five new Ladder Faculty members starting in academic year 2024-2025, though our numbers are still below historical numbers of Ladder Faculty as a result of the law school's move in the past decade to include a larger number of contract faculty (Lecturers) on its roster than was the case in previous decades, a pattern evident across law schools nationally.

Professor Paz is a Visiting Scholar at the Helen Diller Institute for Jewish Law and Israel Studies at UC Berkeley School of Law since 2022. Previously, she was a Visiting Scholar at Stanford Law School from 2015 to 2022. She also held positions as a Fellow in International Law from 2011 to 2013 and from 2014 to 2015. Additionally, she served as a Lecturer and Teaching Fellow at the Stanford Program in International Legal Studies from 2007 to 2011. She was a Fellow in International Security at the Center on National Security and the Law, Georgetown University Law Center, from 2016 to 2019, and continued as a Non-Resident Fellow from 2019 to 2020. She worked as a Visiting Researcher at TRAFFLAB: Labor Perspective to Human Trafficking, Tel-Aviv University, in Fall 2018 and Summer 2022. Furthermore, she served as a Visiting Scholar at the Freeman Spogli Institute for International Studies at Stanford University from 2014 to 2015. Earlier, she was a Law and International Security Fellow at the Center for International Security and Cooperation from 2013 to 2014.

Professor Paz's educational background includes an S.J.D. from Harvard Law School in 2007, where her dissertation, "The Rise and Fall of Ethnic Transnationalism: The Case of the Alliance Israélite Universelle," garnered the Laylin Prize for best public international law dissertation. During her time at Harvard, she also served as a Fellow at the Hauser Center for Non-Profit Organizations and received the Byse Fellowship. Additionally, she was a Graduate Student Associate at the Weatherhead Center for International Affairs.

¹ See, e.g., Provost & Academic Dean Morris Ratner, Report 5.2.2.3 ("Faculty Hiring"), submitted for the March 15, 2024 Board of Directors meeting.

Moria completed a Certificate in Mandarin studies from Tsinghua University and UC Berkeley in 2001. She earned her LL.M. from Harvard Law School in 2000, focusing her thesis on "International Law, Religion and Nationalism: A Theoretical Encounter and the Case Study of Tibet." Prior to this, Professor Paz attained a B.A. in Law and Mandarin from the University of London, School of Oriental and African Studies, where she studied from 1994 to 1998. She also completed a Diploma in Mandarin from Beijing Shi Fan Da Xue between 1996 and 1997.

Professor Paz's scholarly contributions include several books and numerous articles. She has authored or edited three books, with one forthcoming in 2024, and has published extensively in academic journals. Paz's book titles include "The Failed Promise of Language Rights" and "Jewish Lawyers and International Law: A Sphere Between Nations." She has also contributed articles to prestigious publications such as the Harvard International Law Journal and the European Journal of International Law. In total, Paz has authored or co-authored 3 books, 13 articles and 3 book chapters – a remarkable body of work for an entry level tenure-track professor.

Professor Paz's hire partly fills a gap left by retirements in recent years of faculty members such as Ugo Mattei, Joel Paul, and Naomi Roht-Arriaza.

II. Tenure for Jonathan Abel (Voting Item)

At its April 24, 2024 year-end faculty meeting, the faculty voted to award tenure effective January 1, 2025 to Associate Professor Jon [Abel](#). Pursuant to the procedures and standards for tenure set forth in the Faculty Rules and Procedures, the faculty Rank & Tenure Committee recommended tenure for Professor Abel, and the full faculty agreed.

Professor Jonathan Abel joined the faculty in July 2020 and is completing his fourth year as an Associate Professor at UC Law SF. Prior to joining the faculty, he worked as an assistant federal defender in Northern District of California and in the District of Arizona; a staff attorney at the Habeas Corpus Resource Center; and a Visiting Assistant Professor at UC Irvine School of Law. He is a graduate of Stanford Law School (JD 2012), where he was President of the Stanford Law Review and received prizes for academic achievement in six subject areas. He earned his BA magna cum laude and phi beta kappa from Harvard University (AB 2005).

Three law review articles by Professor Abel have been accepted for publication since he joined the UC Law SF faculty: (1) *Cop-Tracing*, 107 CORNELL L. REV. 927 (2022); (2) *Going Federal, Staying Stateside: Felons, Firearms, and the Federalization of Crime*, 73 Am. U. L. Rev. 585 (2024); and (3) *Cop-“Like”: The First Amendment, Criminal Procedure, and the Regulation of Police Social Media Speech*, 74 STAN. L. REV. 1199 (2022). Internal

and external reviews of his scholarship were glowing. In addition, Professor Abel is one of our most skilled and effective classroom teachers, as evidenced by reviews of his teaching. Lastly, he is a capable, measured, thoughtful and committed institutional citizen.

Standing Order 101.1(a) states: “All appointments to the tenured faculty, including distinguished professors and grants of faculty tenure, and dismissals of tenured members of the faculty, shall be submitted by the Chancellor and Dean to the Board for approval.” Pursuant to that provision, we ask that the full Board approve the grant of tenure to Professor Abel effective January 1, 2025.

Report 6.2.2.1 – Strategic Plan Implementation; Year in Review

By Provost & Academic Dean Morris Ratner

I. Strategic Planning and Plan Implementation in Academic Year 2023-2024

At the start of each academic year since the Board of Directors adopted the [Operational Strategic Plan](#) in March 2020, I have reported regarding the Plan elements to be addressed in the academic program, and at the end of each year I have reported on implementation of those plan elements. In prior reporting, I identified the following strategic priorities for the current academic year: addressing AI, bar success initiatives including assessment and planning for the next generation of bar exam, expansion of the Academic Regulation 708 Professional Development Program approved by the faculty, faculty hiring, and initiatives to improve the campus climate.

- Generative AI

Since 2020, the College has engaged in multiple rounds of supplemental strategic planning described on this [omnibus strategic planning page](#), including, this year, regarding generative artificial intelligence. Section II.B., below, describes some of the work done so far to implement the Supplemental Strategic Plan on generative AI that the Board adopted at its last meeting.

- Bar Success

Building on the analysis and reforms described in [this major AccessLex-funded study](#) to be published later this year in the Journal of Legal Education, the main initiatives on which the law school focused this year included, as previously reported: (1) hiring a Bar Accommodations Specialist to help students who receive time accommodations on law school exams apply for and receive needed accommodations on the California Bar Exam; (2) converting a bar loan program into a bar support program that builds on Director of Bar Passage Support Margaret Greer's successful efforts last year to tether financial support to achieving key bar success targets; (3) expansion of the "Sack" model of skills instruction tied to required bar classes into the upper division, thereby reinforcing core bar success skills; (4) training faculty how to give more performance test-like assessments; and (5) expansion of the support available for our most vulnerable students in the summer after graduation. See accompanying Report 6.2.2.3.

- Employment/Professional Development

The most significant innovation in recent years is the adoption of new Academic Regulation 708's co-curricular professional development program. This initiative builds on a suggestion by a Board member that the law school orient students toward employment early and often, deploying a business school-like model of emphasis on employment. The program, rolled out for last year's 1L class, expanded into the upper division this year. Accompanying Report 6.2.2.4 is Assistant Dean Amy Kimmel's more complete report regarding efforts to continuously improve employment outcomes. See also Section II.F.2., below.

- Faculty Hiring

Contraction of the Ladder Faculty (tenured and tenure-track faculty with research and scholarship obligations) was key area of concern that the law school addressed this year with one of the most robust hiring seasons in recent memory. Accompanying Report 6.2.1 summarizes this successful hiring year and addresses other faculty staffing matters, as have prior reports.

- Community Cohesion/Climate Initiatives

The most fundamental cross-cutting initiatives proposed by the academic year 2021-2022 Campus Climate Advisory Committee included the hiring of an ombuds to allow community members to informally resolve conflicts as well as the publication of formal and informal mechanisms for students to address problems they encounter during law school. The Chancellor & Dean's Office hired new Ombuds Teddy Albinak this year, and he has launched his office. See [this page](#). And, as previously reported, Dean of Students Tiffany Gabrielson created [this student information page](#). (There were other initiatives this year aimed at improving the climate, including, among many others, the Diversity, Equity & Inclusion Working Group's [Diversity Week](#) and the rollout of the new [Academic Freedom Policy](#) adopted by the faculty last year. These have all been the subject of prior reporting.)

II. Academic Program Year-in-Review

This section is adapted from a portion of my year-end faculty report providing a broad summary of activity in the academic program in the 2023-2024 academic year. The academic program includes all faculty and all departments that report up to the Provost & Academic Dean, collectively referred to as the "Academic Division." I'm sharing this

overview with the Board in the hope that it serves as a useful window into academic program operations.

The overview is incomplete. For example, this year-end summary does not address the many scholarly and public service accomplishments that individual faculty members shared throughout the year, some of which is described in accompanying Report 6.2.2.6, and which I characterize only in a general way below. Nor does this summary address our research and programmatic [centers](#) which continued to have a significant and positive impact this year on our intellectual life and were the subject of detailed, community-wide reporting earlier this year.¹ Nor do I attempt in this report to summarize the many ways in which faculty innovated in the classroom or otherwise demonstrated a commitment to teaching excellence this year, except for a section below sharing updates from Professors Emily Murphy, Jodi Short, and Hadar Aviram about their experiments using AI tools in their classes this spring term. Nor does this report address the accomplishments of our [JD concentration](#) advisors who help manage specific facets of our curriculum, engage in student advising, and take on a disproportionate amount of student mentorship work.² Instead, this summary of academic program activity this year focuses on (a) emerging issues, (b) strategic planning, (c) faculty governance and committee work, (d) developments in our non-JD degree programs, and (e) department-level initiatives and operations.

Before providing a summary of academic program operations this past year, I'll share some context: Change may be a constant in life and legal education, but recent years have involved a *lot* of it. Starting with particular intensity in 2016, we confronted an unprecedented bar passage crisis that prompted us to revamp our academic program and teaching, an effort that was largely successful, though significant challenges remain.³ We then faced an emergency pivot to online instruction in the spring of the 2019-2020 academic year; a return to in-person operations in a new building and classroom array

¹ Prior-year center annual reports are posted on [this page](#).

² Academic year 2023-2024 concentration advisors include Abe Cable (Business Law), Scott Dodson (Civil Litigation and ADR), Aaron Rappaport (Criminal Law), David Takacs (Environmental Law), Dave Owen (Government Law), Jeff Lefstin (IP Law), Sarah Hooper (Health Law and Policy), Ascanio Piomelli (Social Justice Lawyering), Heather Field (Tax Law), Alice Armitage (Tech. & Innovation), and Reuel Schiller (Work Law).

³ Our graduates' first-time pass rate increased 30+% within three years – the three-year span of a JD cohort. But Classes of 2022 and 2023 struggled to complete sufficient percentages of their post-graduation commercial bar prep work necessary to succeed on the exam. Though our ultimate pass rate is > 90%, too few of our graduates, especially in the third and fourth LGPA quartiles, are able to prepare for the exam during the official 10-week period of bar study. See Morris Ratner, Stephen Goggin, Stefano Moscato, Margaret Greer & Elizabeth McGriff, *Determinants of Success on the Bar Exam: One Law School's Experience 2010-2023*, ____ J. LEGAL ED. ____ (forthcoming 2024) (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4776407).

and associated bumps starting in the 2021-2022 academic year; and a period of staffing turmoil (the “great resignation”) that hit UC Law SF and the rest of higher education a little later than it roiled other employment sectors.⁴ While all that was happening, we renewed our focus on racial justice and attentiveness to community members’ sense of belonging and on academic freedom and free speech grounded in part in a growing concern shared by many faculty that our students’ understanding of and commitments to these principles were waning in ways that directly impacted our classrooms and intellectual life. In the same period, we developed, adopted, and, as reported at the start of this academic year, substantially implemented an ambitious [Operational Strategic Plan](#)⁵ that prioritized student success, research excellence,⁶ the development of the [Academic Village](#), community cohesion,⁷ and fiscal health.⁸

Against that backdrop, the 2023-2024 academic year felt strangely “normal,” at least from an academic program operations perspective. At the same time, new challenges and opportunities became clearer this year, some of which are explored in the following subsection.

A. Emerging Challenges and Opportunities

Though this past academic year had a more familiar rhythm to it than we have experienced in recent years, we also gained new insight into the scope and contours of emerging challenges and opportunities:

⁴ For example, at UC Law SF, during this period, we saw a near complete turnover in staffing in Academic Program Services (faculty events, Faculty Support, and the Provost & Academic Dean’s Office) and in the Registrar’s Office. Thanks in part to the steadfast leadership of Director of Academic Program Services Maria Burgos and Deputy Director Alma Ramirez, Academic Program Services is fully staffed as of this year for the first time in several years, and, thanks in large part to Registrar Amy VanMullekom’s skillful leadership, Registrar’s Office staffing has stabilized. Both offices are now staffed by some of the strongest teams in recent memory.

⁵ See https://uclawsf-simpplr.vf.force.com/apex/simpplr_app?u=/site/aoi4100000GHc9aAAD/dashboard.

⁶ Key initiatives we implemented in recent years include developing the center of excellence model envisioned in [Operational Strategic Plan](#), promoting faculty scholarly achievement (e.g., via our national reputation campaign, which we have substantially expanded in recent years in ways that have supported our continued excellence as recognized in specialty rankings), and an updated and more [robust approach](#) to pre-tenure faculty mentorship.

⁷ Strategic Plan implementation included conducting the law school’s first rigorous “[climate survey](#)” with the aid of Rankin & Associates Consulting in the 2020-2021 academic year, followed by rounds of supplemental strategic planning which have led to, among other developments, the appointment of the law school’s first [Chief Diversity Officer](#) and the creation of an [Ombuds Office](#).

⁸ In his separate reporting, Chancellor & Dean David Faigman has described work in recent years addressing other challenges and pursuing other initiatives pertaining to matters such as Tenderloin neighborhood conditions and security and the law school’s name change, just to name a few. My reporting focuses on the academic division.

- The matriculation of cohorts of students who – likely due to generational shifts and effects of the pandemic – increasingly present as relatively less developed in terms of core professionalism and academic success skills including management of time, projects, information, and conflict, and in terms of writing skills;⁹
- The proliferation of increasingly competent generative AI tools that are poised to transform legal education and law practice;¹⁰
- Uncertainty regarding the format and scope of and timing of changes to the California Bar Exam;
- Ongoing changes in the way a private, for-profit, third party (U.S. News) ranks law schools, which have created unprecedented volatility in rankings; and
- Budget uncertainty due in part to the State's [deficit](#).

These emerging issues have potentially far-reaching impacts on the academic program, which we will continue to squarely face.

B. Supplemental Strategic Planning – Generative AI

The major new strategic initiative that the law school confronted this year was the emergence of generative AI as a research and lawyering tool. Earlier this academic year, the Board and faculty contributed to the development of a new [Supplemental Strategic Plan Regarding Generative Artificial Intelligence](#). The faculty voted at the February 23, 2024 meeting to recommend that the Chancellor & Dean and Board of Directors adopt the Supplemental Plan, and the Board in fact did so at its March 15, 2024 meeting. As previously reported, we have already started implementing the Plan.

While much of the work necessary to position UC Law at the forefront of the AI revolution will be driven by administrative choices, a good portion of the work will occur organically at the program and instructor level. This is partly because the effects of AI and the opportunities afforded by the emergence of new AI tools are not yet clear. The administration has already taken action pertaining to, among other things, strategic planning, policy development,¹¹ employee and student education and training on AI

⁹ To address these challenges, we have focused attention in recent years on developing students as self-directed learners, taking opportunities to help students hone time- and project-management skills, and developing new co-curricular programming focused on viewpoint diversity and conflict-management.

¹⁰ See https://uclawsf--simpplr.vf.force.com/apex/simpplr_app?u=/site/aoi41000006cgfLAAQ/page/aoc6T00000OpP2fQAF.

¹¹ Initial policies have focused on assessment integrity, including updates to the [plagiarism policy](#) last year and the shift to a presumption of in-person and closed book exams this year.

research tools,¹² curricular development,¹³ the funding of new initiatives,¹⁴ and strategic hires.¹⁵

But much of the most exciting work is dispersed and organic, including the Center for Innovation's establishment of [Allie](#), [LexLab's](#) truly delightful [AI social media campaign](#), and individual faculty members' experimentation with AI tools in their classes as an element of student learning. These experiments will help us build experience that can be shared and adopted if successful. I highlight three examples here from the Spring 2024 semester:

- Professor Emily Murphy, Contracts ([StudyBuddy](#))

Professor [Murphy](#) shared the following:

StudyBuddyPro is an AI tool available to law students as individual subscribers. They recently launched a new version of the product called myTA for faculty to deploy as a student learning aid. Essentially, faculty can use pre-written exercises/questions or create their own assignments. Students log into the StudyBuddyPro portal to write their answer, and receive immediate feedback based on the faculty member's model answer that uses the IRAC analysis format. The feedback also includes scores for grammar, readability, and tone. I piloted the myTA product in my 1L Sack contracts class this past spring semester.

There's setup costs to programming the "Rulebooks" for each answer, though the company is ready to help you with that. But besides technical issues (numerous, annoying, unnecessarily stressful for students), the biggest problem I encountered is that the AI is not actually very smart: it does not recognize synonyms, rather relying heavily on "key words" that the faculty member identifies as important. This is a problem for, say, contracts, where "lapse" and "expire" mean the same thing: an offer is no longer good because too much time has passed. I talked to the company about this, and they said that other faculty didn't like if the program recognized synonyms, so it isn't built into their language model. So I would have

¹² Education and training have included the regular updating of a faculty resources page on AI's impact on legal education and lawyering and the Library's efforts to train employees and students [directly](#) and in partnership with platforms such as Lexis+AI.

¹³ This year, AI-related classes included [AI Law](#) (Tal [Niv](#)) and [AI & the Business of Law](#) (Alice [Armitage](#)). At the April 24 faculty meeting, the faculty approved a new Product Counsel course that touches on AI. That course will be offered starting Fall 2024.

¹⁴ The Chancellor & Dean is allocating nonstate seed funding to help launch the Center for Innovation's [AI Law & Innovation Institute](#) (AILII, or "Allie"), led by Professor Robin Feldman.

¹⁵ With Alice Armitage's retirement at the end of this year, UC Law has hired Tal [Niv](#), who previously taught Internet Law and AI Law as an adjunct professor, and who previously served as in-house counsel at Github, to take over the role of Director of Applied Innovation at the College.

to program the "key words" in my "Rulebook" with every possible way one could describe the passage of time (exaggerating, but task this isn't a good use of my time). This may be a me problem, but I don't teach contracts as if there's magic words that are the only correct way to describe a rule (because that rule is actually a standard). So the feedback students got was largely useless, from my point of view. Sometimes the feedback on grammar, tone, and readability was helpful - if it worked.

The program is also only really useful for very small problems with a single issue and single rule. I attempted having students get feedback on a 1 hour midterm via StudyBuddyPro, and the system cannot handle anything more complex than a problem with one or two real legal issues and rules. Which is just too hand-holding for my purposes. (They got feedback the old fashioned way.)

In sum, there's two problems with StudyBuddyPro as it currently stands, one technological and one reflecting a pedagogical mismatch. The lack of actual language intelligence in not understanding synonyms seems to me to be a huge flaw in the design of the guts of the program, really limiting its utility unless we're teaching students to practice law as if they themselves were algorithms. Pedagogically: I don't personally think it's a good use of professor time to set up lots of **little, simple** writing exercises to practice really straightforward rule application, but I could just have my expectations set way too high (still). Short in-class quizzes can get at formative assessment for specific rule comprehension and clarifying the doctrine in straightforward cases. Writing exercises, in my view, should be more complex to be useful for developing meaningful issue-spotting and analytical skills. So it might be that OASIS looks into using this tool to provide additional academic support to students who really struggle with the basics of getting their thoughts on paper in an organized fashion and who need a lot of rigid guidance (and especially remedial level writing help - indeed, no better substitute than lots of little practice for someone struggling with basics of writing). From the perspective of my podium, I need to teach them to spot issues across more complex problems and develop judgment about rule framing and fact deployment. It may be that I just find IRAC to be an important but inherently remedial level tool to structure analytic thinking.

- Professor Jodi Short, Compliance and Risk Management (ChatGPT)

Professor [Short](#) shared the following:

In SP24, I decided to experiment with generative AI (GAI) as a drafting and analysis tool in my Compliance & Risk Management class. The decision was partly

driven by my sense that AI is becoming especially important in compliance practice—arguably more so than other types of legal practice, since companies tend to see compliance as a cost center. The decision was also driven by the practical impossibility of policing students’ GAI use in an upper-level seminar with an open universe take-home exam. I decided to join it rather than try to beat it. Mind you, I did so reluctantly and with a great deal of trepidation. But I will admit that the experiment exceeded my wildest expectations. The students and I learned so much from this experience. I integrated GAI throughout my syllabus, both in in-class exercises and in written assignments. In-class assignments utilized GAI to produce a discussion draft analyzing problems from the casebook. In class, we compared and contrasted the answers different students elicited from the AI and used these as a springboard into broader discussion of the issues. The writing assignments I gave students were staged. For example, for one assignment, students were given a fact pattern that requested a client letter as a deliverable. Students were required to produce three graded products: (1) a draft letter generated by a GAI platform based on a prompt created by the student; (2) a memo drafted by the student evaluating the strengths and weaknesses of the GAI’s draft; and (3) a final letter, edited by the student and incorporating their own feedback on the draft. I found this to be a useful way to assess students’ grasp of key concepts and develop their critical thinking and analytical skills. Perhaps the most interesting insight to emerge from this experiment was the students’ general consensus that the AI was not particularly helpful. They needed to do a lot of work to get the AI products to where they needed to be. Their sense was that they could have produced better products more quickly by drafting themselves.

- Professor Hadar Aviram, Criminal Procedure (Any Platform)

Professor [Aviram](#) shared the following:

At our jury selection simulation, the students worked in small groups to pick a jury for a fictitious case and to formulate possible questions they would ask the prospective jurors. I allowed the students to use any AI platform they wished to come up with questions and to test a variety of prompts. The consensus in class was that the software was pretty useless in this situation - it came up with questions they could think of on their own, produced questions that would not be allowed because they were tactless and intrusive, or—when prompted to be polite—produced questions that the prospective jurors could easily evade.

C. Faculty Governance/Business in Academic Year 2023-2024

Faculty governance of the academic program occurs largely through our faculty committee structure (which then typically leads to proposals for the full voting faculty to consider in general/regular and special meetings), including the standing committees constituted each year pursuant to the Faculty Rules and Procedures. A few committees such as the Faculty Executive Committee, Rank & Tenure, Curriculum Committee, and Academic Standards, have full plates every year. This year was no exception. The scope of work done by other committees varies by year. This year, the Educational Effectiveness Committee and the Faculty Appointments Committee had particularly active years.

1. Educational Effectiveness Committee

One of the most labor-intensive projects we undertake every decade is the ABA site review associated with our accreditation. This year's Educational Effectiveness Committee (EEC)¹⁶ continued the work of the prior two iterations of the committee to prepare a self-evaluation and collect the evidence establishing our compliance with every ABA Standard. The AALS conducted its own review at the same time and as part of the site team. Jeff [Lefstin](#) and the rest of the EEC he chaired laid the foundation in academic year 2021-2022, and Abe [Cable](#) as chair led the committee to the finish line in 2022-2023 and 2023-2024. As previously reported, though we have not received the ABA's final evaluation, the ABA and AALS site team members had a lot of positive things to say about our law school community and academic program. (I have previously thanked Director of Accreditation and Assessment Andrea Bing for her excellent work, and I'll thank her again now!)

The EEC did this while also continuing to implement the law school's 10-year plan for annual program learning outcome assessment, reviewing new adjunct faculty, and other special projects pertaining to learning outcomes.

2. Faculty Appointments

This year's Faculty Appointments Committee, chaired this year by Distinguished Professor Ben [Depoorter](#), was responsible for filling six Ladder Faculty lines. We have previously reported on the four hires made in health (2) and criminal law (2). Two additional offers are outstanding in two other fields. It was, in short, one of the most productive and active hiring seasons in recent memory. For more information, see Report 6.2.1.

¹⁶ The following persons served on the Educational Effectiveness Committee this year: Abe Cable (chair), Joel Paul, Michael Salerno, Yvonne Troya, and, in ex officio capacities, Morris Ratner and Andrea Bing.

D. Master's Degree Program Updates

My reporting often focuses primarily on our JD program because, in terms of enrollment numbers, it is by far our largest degree program. This year, I am sharing end-of-year updates from the faculty who manage our master's degree and certificate programs.

1. HPL

Associate Dean Sarah [Hooper](#) co-manages the Master of Science in Health Policy & Law ("HPL") degree program with our UCSF partner HPL Co-Director Janet [Coffman](#) and a team of dedicated faculty and staff. Dean Hooper was instrumental in reviving this degree program and transferring day-to-day management of it from UCSF to UC Law. Through careful management and oversight, she and her team have managed to meet program growth targets while providing a high quality degree that participants appreciate. I asked Dean Hooper to share a little about the degree program and the following is excerpted from her response:

The [HPL] is a jointly conferred degree of UCSF and UC Law SF that is currently administered at the law school. [In addition to Dean Hooper and Co-Director Coffman, the leadership team includes] Associate Director Mallory Warner ('19), and Project Coordinator Rachel Blanchard. The primarily asynchronous online curriculum is taught by faculty from both schools and includes coursework in health law, policy, economics, research methods, leadership and advocacy. Students are primarily working professionals enrolled full or part time, with a target cohort size of 15-25 students per year.

Since the program transitioned administratively to UC Law SF, a total of 38 students have enrolled. HPL has enrolled 16 new students in Fall 2022 and 22 in Fall 2023. For the Fall 2024 admissions cycle, 20 new students have been admitted. Sixteen currently enrolled part time students are returning. The final application deadline is June 30th and we anticipate movement in those numbers.

HPL students enter with a range of professional backgrounds related to health care, including in health care delivery (e.g. physicians, nurses), administration, advocacy, social work, law, and technology. Examples of positions include Clinical Research Coordinator at UCSF, Medical Director for Trauma at Marin Health Medical Center, Emergency Department Technician at Kaiser Permanente, Founder of a midwifery organization, Neuroimmunology Patient Navigator at Genentech, Senior Policy Advocate at Justice in Aging, and Manager of Care Coordination, Social Work, and Case Management at Stanford Hospital....

In exit interviews, alumni report high satisfaction with the program, finding the material directly relevant and applicable to their work/career. Majorities report changing jobs as a result of the degree. Graduates tend to leverage the degree to advance to higher positions within their existing field or advance to additional professional training (e.g. MD or PhD).

2. MSL/CSL

Associate Dean for the Master of Studies in Law Program Jessica [Vapnek](#) and Associate Director Morgan [Wells](#) shared the following update:

The MSL program welcomed 15 new MSL/CSL students in the fall semester, in addition to 15 continuing students. Like the previous few cohorts, the majority of the new students are part-time working people (including a psychiatrist, city and state government employees, a PhD student, and a couple of paralegals, among others). Three MSLs and one CSL completed their degree/certificate in December, with six more likely to do the same at the conclusion of this semester.

This year, the MSL program has focused on expanding asynchronous course offerings tailored for MSL/CSL students, with the goal of creating a fully asynchronous track within the next two years. In the fall semester, *MSL/CSL Essentials* was added to help students reinforce the skills needed to be successful in their law school classes. In the spring, *Foundations of Privacy Law* was added. *Fundamentals of Civil Procedure* (for both MSL and LLM students) has been offered two years in a row. Ten additional courses are either in the early planning or development stages for the next academic year and beyond. UC Law SF regular faculty are warmly reminded that the Academic Dean's Office has established a financial incentive for faculty willing to create additional asynchronous courses as overloads.

This spring, the MSL Program and CDO developed a lunch series featuring MSL students and alumni working in specific areas. We began with healthcare (featuring one MSL alumna who worked at the Public Health Institute after graduation and is now in a public health PhD program at Michigan) in February and then offered a second lunchtime program on human resources (HR) (featuring one current MSL student, HR director of a hotel chain) in March. We will likely continue this series next academic year. The MSL program leaders also participated in the annual Legal Masters Conference in San Antonio, Texas. Jessica Vapnek and Morgan Wells are actively collaborating with colleagues at other law

schools to plan future legal masters conferences, with UC Law SF potentially serving as host in 2026.

3. LLM

Associate Dean for Global Programs Binyamin [Blum](#) shared the following update regarding the LLM program this year:

This year we've welcomed 26 LLM students from 14 countries, and 12 foreign exchange students from 5 countries. We expect this number to increase next year, when we welcome 14 foreign exchange students from 8 countries, including from our new partners.

This year's LLM cohort has been a strong one, with some winning CALI awards in their classes. Thank you all for welcoming our LLM and foreign exchange students into your classes. The feedback we have received regarding their academic experience has been invariably positive. During their year with us, our LLM students enjoyed a broad array of academic and non-academic activities, including visits to historical and current prisons Alcatraz and San Quentin, a visit the Ninth Circuit Court of Appeals, and a Giants game (sadly the Giants lost to the Padres, but the students were delighted by the wedding proposal during the kissing cam).

See below for additional updates regarding Global Programs.

E. New Deans and Program Directors

We started the 2023-2024 academic year with an unusual number of transitions in key roles. The transitions this year were uniformly smooth and competently managed by our new leaders. Here's a partial list:

- Dean of Students [Tiffany Gabrielson](#).

In her inaugural year in the role, Dean Gabrielson has worked to successfully build relationships and trust with faculty, staff, and students. As a part of her portfolio, Dean Gabrielson serves on the Chancellor & Dean's Key Issues team, co-chairs the [Student Support Team](#), administers the Academic Regulations and Code of Student Conduct and Discipline, and oversees the Disability Resources Program and Student Health Services as well as student affairs (including Student Services).

Dean Gabrielson's work this year focused in particular on supporting students in times of stress and crisis, including helping students navigate challenging personal circumstances, health concerns, and grief/significant loss. On a larger scale, this included facilitating individualized student outreach and support following the events of October 7 and

throughout the ongoing conflict in Israel and Gaza, developing tailored interventions to help address challenging dynamics in one of our first-year Inns, and inviting all first-year students to attend small group meetings with during the spring semester.

Throughout this year, Dean Gabrielson has worked to assess and address student concerns. Shortly after taking her role, Dean Gabrielson worked with other campus stakeholders to develop a [Student Concerns and Grievances](#) page intended to be a resource to help students understand the support available to them and the avenues through which they can be heard or can take action if they encounter challenges with another student or with faculty or staff in the academic program. Dean Gabrielson has also worked closely with Student Health Services to strengthen the College's relationship with Carbon Health, including increasing the availability timely access to health services (and particularly mental health support) for our students.

- Associate Dean for Research [Dave Owen](#).

Associate Dean for Research Dave Owen runs UC Law SF's faculty colloquium series and funded lecture series, co-administers scholarly events budgets with the Provost & Academic Dean, publicizes faculty scholarly accomplishments, manages our formal pre-tenure mentorship program and informally consults with more experienced faculty about their work, serves on Faculty Appointments, advises on IRB matters, collaborates with the Provost & Academic Dean and Director of the Office for Sponsored Projects to support grant work and conflicts management, oversees Scholarly Publications in partnership with the Associate Director of Scholarly Publications, advises the Chancellor & Dean and Provost & Academic Dean on matters relating to scholarship more generally, and reports annually to the Board of Directors on scholarly achievement at the law school. This year, with his usual aplomb, Dean Owen did all those things and launched additional initiatives, including sharing hard copies of faculty scholarship in the lobby of Kane Hall and organizing an internal works-in-progress colloquium.

- Director of LRW & Moot Court [Joe Creitz](#).

Joe Creitz, Director of LRW & Moot Court started the 23-24 academic year on a part-time basis and moves to full time this summer. In his first year, Joe worked on all facets of our LRW & Moot Court program with special emphasis on the legal writing curriculum and program. Major initiatives this year included, among others: (1) solidifying our new writing faculty mentorship program with Senior Faculty Mentor Chip Selan; (2) helping to more closely edit and curate spring LRW2 case files; (3) chairing the special ad hoc LRW Curriculum Committee, which includes a cross section of full-time and part-time LRW faculty as well as non-LRW faculty focused on continuous improvement of the writing curriculum; (4) improving the ongoing lines of communication between the

department and its cohort of more than 40 adjunct professors each semester; (5) helping the Moot Court competition program regain its top national ranking; (6) staying abreast of generative artificial intelligence, its impact upon legal pedagogy generally, and the ways other schools have incorporated it into their curricula; and (7) generally helping Associate Dean Toni Young and the LRW & Moot Court department staff to keep the trains running smoothly during a transition year.

- Assistant Dean of LEOP [Elizabeth McGriff](#).

Assistant Dean Elizabeth McGriff plays a key role in the LEOP admissions process (eligibility determinations and LEOP Admissions Committee participation), conceives and implements milestone programming like LEOP orientation and graduation, organizes community building and professional development events for LEOP students (including, for example, partnering with the CDO on LEOP student career preparedness and placement), and, for the academic support element of LEOP, partners with OASIS, which oversees that component of LEOP. In addition to this programmatic work, Dean McGriff provides intensive 1-1 support to LEOP students year-round. Dean McGriff's special initiatives in academic year 2023-2024 are described in the departmental update for LEOP, below. On top of all that, in her capacity as Diversity, Equity & Inclusion Advisor to the College, Dean McGriff participates in the Diversity, Equity & Inclusion Working Group and advises the College administration on ways to improve students' sense of belonging and partners more generally with the Admissions Office on recruiting applicants.

- Chief Diversity Officer [Mario Lopez](#).

As the College's first Chief Diversity Officer, Mario Lopez serves on the Chancellor & Dean's Key Issues advisory team, chairs the Diversity, Equity & Inclusion Working Group (see below), runs the First Generation Program (see below), creates and manages new partnerships, including for example with California Pathways and HBCUs, supports the Ombuds Office, manages other special admissions projects, and generally oversees a growing portfolio of projects designed to enhance diversity, equity, inclusion and belonging at UC Law. During his first full academic year in this role, Chief Diversity Officer Lopez did all these things with a contagious sense of optimism about our community and our potential.

This is just a partial list of new persons who joined us this year or took on new or expanded roles and whose efforts have enhanced various facets of our academic program. New employees in the Career Development Office, Disability Resource Program, and other units in our academic program have also advanced our mission in ways too numerous to comprehensively list here. Here are a few examples:

- Associate Director of Clerkships & Externships [Hanna Wen](#).

Associate Director of Wen splits her time between the Career Development Office and our Externship Programs. Among other things this year, she worked with Director of Externship Programs Nira Geevargis and Adjunct Professor and UC Law alumna Sandy Flagge-Phillips to create a Summer Judicial Internship Series to prepare students for their summer internships; created a new fellowship/employment opportunity under Lawyers for America (If/When/How); and provided additional counseling and services to support the UCDC program, legal externships, and judicial externships generally.

- Associate Director of CARE [Sarah Lance](#).

The Center for Advocacy, Resources and Education ([CARE](#)) provides free, confidential support to any member of the UC Law community who has been impacted by interpersonal violence such as sexual assault, dating/intimate partner violence, sexual harassment or stalking. Associate Director Lance provided the following report regarding her first year in her new role:

This year the CARE office continued to meet the needs of the UC Law SF community in both primary prevention and direct support of victims and those impacted by sexual violence and sexual harassment. CARE maintained our partnership with UC Berkeley and UC SF CARE offices to hold a support group for graduate and professional students between our three schools. Community education and outreach initiatives included The CARE Certificate training for 35 student leaders, partnering with DRP to host an art journaling event for diversity week, and a 1L essentials workshop. The CARE Student Advisory board hosted the Trauma Informed Lawyering workshop as a skill-building opportunity for their peers, as well as two Space for Survivors evenings for student survivors to find community. I'm looking forward to building on the foundations of the CARE office and continuing to partner with students, faculty, and staff to support survivors and prevent harm in our community.

- Director of Pro Bono Programs [Simone Levine](#).

This year, under Director Levine's leadership, the Pro Bono Program supported students interested in pro bono work and increased the program's visibility and offerings, especially for 1Ls and others not yet involved in pro bono work. Among other initiatives she pursued as part of her work with the Center for Social Justice, Director Levine created the new Student Advocacy and Research (STAR) designation for pro bono student groups to build community and pool resources. She also designed and implemented a new pro bono leadership training and ethics and professionalism trainings for pro bono student

participants. She regularly met with students; spearheaded a slate of community events for Pro Bono Week in October; and facilitated new partnerships and projects with local, national, and international nonprofits, including bringing a one-day transactional pro bono clinic to the law school. Director Levine also contributed to the broader UC Law SF social justice community. For example, she facilitated a Student Advisory Board for the Center for Social Justice, created a 3L PIPS Job Seekers Group, and led the Center's efforts to furnish and prepare the new space in 200 McAllister for student use.

F. Department-Level Year-End Reports

Multiple departments in the Academic Division work collaboratively to create a cohesive educational experience for our students. Here are some year-end highlights shared by key department managers:

1. [Student Services](#)

The Office of Student Services supports the holistic development of all students, creates a strong student community, manages student [academic advising](#), and partners with the Career Development Office to implement the Academic Regulation 708 professional development requirement. It also manages key events each year that shape the student experience, from orientation to graduation. I asked Assistant Dean of Student Services Emily Haan to provide an update specific to the 2023-2024 academic year. She shared the following highlights:

For the first time since we implemented our new Professional Development Plan, we had mandatory meetings with all 1Ls and 3Ls. We experimented with group advising sessions for the 1Ls, which were very successful and allowed our team to use our advising time more efficiently. We hosted several very successful events, including expanding our CARE and trauma-informed lawyering programs thanks to Sarah Lance and collaborations with the Public Interest center. In collaboration with the UC Law CDO and UCSF Vice Chair for Equity, Inclusion and Structural Change Dr. LaMisha Hill, Student Services also worked to launch a new virtual DEI module that will be mandatory for all 2Ls to satisfy the ABA 303 requirements. And Student Services Associate Director of Student Life & Inclusion Miguel Zavala was instrumental in helping to plan this year's Diversity Week.

This year was not without its challenges. We continue to explore better mechanisms for supporting our students who are struggling the most, whether due to learning challenges, family trauma, or emergencies that happen during the school year. We also had multiple opportunities to test our new Events Policy this year with a number of student organizations hosting events on controversial topics

related to the ongoing conflict in Israel and Gaza. Thanks to the collaborative effort of my team and the Security and Operations teams, these events all went smoothly and students adhered to our stated policies and felt supported by the school.

With Dean Haan's permission, I want to note that she plans to leave UC Law SF after graduation. May 14 is her last day. Dean Haan has been part of the UC Law community, first as Director of Student Services and then starting this year as Assistant Dean of Student Services, since 2019. In that time, she pursued a number of important initiatives pertaining to advising, student professional development, and increasing student belonging. Dean Haan built an incredible Student Services team, spearheaded efforts to add full time CARE support, was a thought-partner at the highest levels on strategic planning, and has proved to be a very capable crisis-response manager on program-wide matters such as the pandemic and individual student support issues. Dean Haan also capably led the entire student affairs team during last year's Dean of Students transition.

2. [Career Development Office](#)

Assistant Dean Amy Kimmel shared a report about the Career Development Office's 2023-2024 year. Dean Kimmel identified two new CDO professional staff: (1) new Program Coordinator and Senior Administrative Assistant Sydney Weaver, who, among other responsibilities, serves as the point of contact for the office and who coordinates the Public Interest Public Service Career Fair; and (2) Associate Director of Clerkships and Externships Hanna Wen, whose first year is described above. In addition, Dean Kimmel reported:

The CDO continued its support of students through over 1300 individual counseling appointments with all grade levels. Additionally, the CDO presented or co-sponsored close to 100 events throughout the school year. Events ranged from large scale receptions to events with specific employers, and events focused on career paths. These events included our mandatory Professional Development 1L Essentials programs. We are in the second year of our rollout of the Professional Development Graduation Requirement and have implemented a new tracking system within our job board to track compliance more efficiently. We also hosted the Public Interest/Public Sector Career day with over almost 120 employer and 350 UC Law interviews (over a third of all interviews and the most of any participating school).

We continue to engage our alumni through our interview and mentor programs. The January Alumni Mock Interview Programs matched 173 students with 95 attorneys. Our Alumni Mentor Program matched 295 students (all time high) with alumni mentors.

The UC Law SF Class of 2023 employment outcomes continue a multiyear positive trend in employment. Overall employment for the Class of 2023 was 92% (up from 90.9% last year). Four graduates reported as being Employed-Start Date Deferred and we had one graduate enrolled in graduate studies. Including these graduates brings the total to 93.5%. Full-time, long-term (FT/LT) Bar Passage Required or JD Advantage jobs that are not law school funded were at 80%. The College funded an additional 15 FL/TL Bridge Fellowships and one Abascal Fellowship, thus increasing the overall FT/LT Bar Passage Required/JD Advantage employment rate to 85%.

3. [Office for Academic Skills Instruction and Support](#)

Associate Dean Jennifer Freeland shared the following report regarding the [OASIS](#) department's ongoing efforts create a cohesive academic support network and advance academic skills instruction across the curriculum.

Our work began at orientation, where we welcomed a new cohort by introducing them to the skills of reading and briefing, legal reasoning, and exam writing, just to name a few. Essential legal analysis skills were further reinforced for all students in our Academic Support programming led by Director Laurie Zimet. Additionally, LEOP's Academic Support program, led by Associate Director Richard Sakai and Assistant Dean McGriff, provided additional tutorials and feedback on practice exams. Our 1L Sack¹⁷ program provided students with explicit skills instruction and feedback on at least two writing assignments. Professors of Practice James Higa and Tori Timmons, and Adjunct Professor Koren Stevenson partnered with our Sack Professors to implement the program. OASIS faculty met with hundreds of students during the academic year to provide individual academic support.

This fall, we launched an Advanced Sack course that is designed as curricular intervention for 2L students to help them strengthen and further develop their legal analysis skills. This new course type was created in response to the decline that we have seen in our students' legal analysis and self-assessment skills in their 2L year. Professor Thalia Gonzalez's version of Constitutional Law I: Advanced Sack received rave reviews. We are expanding Advanced Sack to more courses to provide additional opportunities for our 2L students to reinforce and expand their skills.

¹⁷ Thank you to our 1L Sack Professors: Matt Coles, John Myers, Aaron Rappaport, Stefano Moscato, Naomi Roht-Arriaza, Dorit Reiss, Keith Hand, Radhika Rao, and Emily Murphy.

We also took steps to help faculty further develop their teaching of analytical skills. In October, Professor Matt Coles and I hosted a teaching colloquium on analogical reasoning where we offered 1) a variety of ideas about how to structure course reading to make it easier to demonstrate the skill by helping students better identify useful aspects of cases; and 2) a set of exercises that we have used that are designed to walk students through the process of drawing analogies and distinctions.

4. [Bar Passage Support](#)

Professor of Practice and Director of Bar Passage Support Margaret Greer runs our bar success programming. She oversees our suite of for-credit bar preparation courses, runs co-curricular programming year-round including the summer B.E.S.T. program, as part of which she tracks the progress in bar courses of and provides tailored support to all of UC Law's graduates in partnership with OASIS team members (including Professor Sakai) and a team of additional faculty and bar mentors she has nurtured (including Adjunct Professors Magi Lee, Mauricio Grande, Catalina Lozano, and others). She engages in nonstop group and individual advising, coordinates with departments such as OASIS (with which she is closely aligned, and which includes the academic support and bar success elements of LEOP), Student Services, and the Career Development Office. She manages the integration of AdaptiBar into our curriculum. She manages student bar support funds. And on top of all that, which is just a rough sketch of her many important responsibilities and is also just the tip of a very large mountain of initiatives, Director Greer teaches Critical Studies, Remedies: Advanced Lack, Legal Ethics: Law & Process, and other classes.

This year, Director Greer continued to partner with Provost & Academic Dean Morris Ratner, Bar Success Analyst and Strategist Stefano Moscato to engage in assessment of the determinants of bar success, innovate new programs, train faculty on pedagogy (see her performance test program with Hadar Aviram), and troubleshoot on many of the most pressing challenges associated with student development and bar preparedness.

5. [Legal Education Opportunity Program](#)

Dean McGriff's role in the LEOP program is described above, in connection with a short note about her new status as an assistant dean. She identified some of the priorities LEOP pursued this year, in addition to the admissions work Dean McGriff does and the academic support work Professor of Practice and Associate Director of Academic and Bar Support for LEOP does as part of OASIS: According to Dean McGriff, priorities this year included "launching a peer mentorship program which pairs upper division LEOP students with incoming 1Ls; continued prioritization of improving students' executive

functioning skills, a LEOP priority beginning with the 2018 LEOP orientation; growth of the faculty mentorship program; and continued focus on faculty doctrinal office hours.” Dean McGriff also continued to work with clinical faculty on corporate and judicial externships and LEOP bar scholarships.”

6. [Disability Resource Program](#)

Direct of DRP Lisa Noshay Petro shared the following update:

DRP supports almost 300 current students representing all of UC Law SF’s degree programs.

There were several important changes within DRP this past year. A year after our long-time Assistant Director retired unexpectedly last spring, we became fully staffed as of January 2024. Our full-time, permanent staff now consists of a Director, Assistant Director, and Coordinator.

We were also fortunate to hire a temporary, part-time Bar Accommodations Specialist during the spring semester to support 3Ls in the process of requesting accommodations on the MPRE and CBX. We hope to extend this position through the 2024-25 academic year. This role has provided significant assistance to 46 of our 89 3Ls and allowed the Director to focus on assisting 2Ls to request accommodations on the MPRE in a timely manner.

Additionally, we purchased a relational database system designed specifically for disability services departments in higher education, Accessible Information Management (AIM.) This program promises to automate several processes that currently take considerable staff time and effort, although it has been a huge undertaking to customize the program for our needs as a law school. Thus, we hired a temporary, part-time Project Manager to coordinate between AIM, IT, and DRP staff, and to drive this project forward. In addition, we hired a full-time, 1-year contract position to assist with this special project. We are beta-testing AIM with a soft roll out planned for the Summer Legal Institute.

7. [Clinical and Other Experiential Programs](#)

Associate Dean for Experiential Learning Gail Silverstein shared the following:

Three hundred and twenty-five students participated this year in UC Law SF's clinics and externships. One hundred and eighteen students participated in our in-house clinical program. The program served approximately 215 clients this year in

a range of cases, including asylum petitions, tax appeals, drafting estate planning documents, Social Security disability insurance appeals, drafting corporate documents and agreements, and petitions to dismiss convictions. The program also mediated over 50 cases and sent students to Honduras on a human rights factfinding trip. Another 85 students participated in field placement clinics, in the areas of criminal practice, social change, environmental, legislative, government, environmental, children's issues, dependency issues, and employment. One hundred and twenty-two students participated in externships, with placements in judicial, legal and corporate counsel offices. Altogether, and using a modest billing rate of \$100 per hour, our students provided more than five million dollars in legal services.

8. [Pro Bono Programs](#)

Dean Silverstein, who, with Professor Brittany Glidden serves as Co-Director of the Center for Social Justice Gail Silverstein share the following:

The Pro Bono Program had an excellent last year under the new directorship of Simone Lieban Levine. Over a third of the school is now participating in some pro bono work during their time in law school with over 100 students in each class who have volunteered. The graduating class of 2024 had the highest number of students (278) who signed the pro bono pledge since 2021. This graduating class also has a higher number of Outstanding Achievement grads (volunteering 150 hours or more) than any graduating class since 2020 (21 students). Lastly, our students demonstrated increased leadership in creating and sustaining pro bono opportunities for themselves through student led pro bono projects supported by the Pro Bono Program.

9. [First Generation Program](#)

Chief Diversity Officer Mario Lopez, who created and runs the First Generation Program, reported the following:

Serving almost 20% of the entire student body, the First Generation Program helps bridge the social capital gap for current law students who are the first in their families to have graduated from a four-year institution, and now are also the first in their families to go to law school or graduate/professional. In its second full year of academic programming, the First Generation Program hosted 17 events focused on community building, professional development, and alumni networking.

Through internal and external program partners, the First Generation Program offered workshops and events tailored to the first-generation experience. A key aim of the program is to connect first-generation students with existing resources on campus. Internal partners included: faculty, clinics, the Career Development Office, Moot Court, Trial Team, Scholarly Publications, Financial Aid, and the Alumni Office. External partners included Levi's Strauss, Perkins Coie, Apple, AccessLex, Advanced Etiquette, and AT&T.

Some of the most successful events of the year included a three-course etiquette dinner fully funded by a UC Law alum, a panel of first-generation attorneys from Levi's and Perkins Coie held at Levi's Global headquarters in San Francisco, lunch with the faculty, a clerkship workshop, an imposter syndrome workshop, and a mock interview session with Apple. Additionally, the Program continued to grow year-over-year fundraising via donations from private individuals and entities.

10. [Diversity, Equity & Inclusion Working Group](#)

Again, from Chief Diversity Officer Lopez:

Constituted in 2018 by Chancellor & Dean Faigman, the Diversity, Equity, & Inclusion Working Group (DEIWG) is an advisory body comprised of faculty, staff, and students. Its charge is to enhance DEI programming on campus and advise the Chancellor & Dean on matters of diversity, equity, and inclusion. In a shift from previous years focused of policy development and advising, including the College's Community Principles, this year, DEIWG focused on community building.

Two of DEIWG's major accomplishments this academic year were a community portraits initiative and the College's first-ever campuswide Diversity Week. The community portraits are headshots paired with messages from student, staff, and faculty community members sharing what they love most about being part of UC Law San Francisco. Over 140 community members participated, and their portraits can be found on the second-floor of Mary Kay Kane Hall.

Diversity Week included eight community and scholarly events throughout the week of March 18th-March 22nd exploring diversity, equity, and inclusion issues at the law school and in the legal profession. Community members participated in academic panels, community events, karaoke, arts, and a symposium analyzing opportunities to diversify our profession. Additionally, community members received Diversity Week t-shirts and swag, and participated in the largest UCLAS Squad of the year. It included food from six continents and fourteen countries.

11. Associate Dean for Research/[Scholarly Publications](#)

Associate Director of Scholarly Publications Jennifer Ta reported the following:

This year has marked significant advancements in Scholarly Publications, from adopting new journal names following the school's renaming to relocating to the new office space in 198 Academe, which has become a central hub for journal activities and community-building among our students. The space has not only fostered collaboration and camaraderie but has also played host to a variety of engaging events, including the Halloween celebration at 198 Academe and the Wiley E. Manual Dedication ceremony. For the dedication ceremony, Wiley's granddaughter joined us and was deeply moved by the memorabilia we had assembled during Wiley's time as Editor-in-Chief of the UC Law Journal.

Scholarly Publications has also ramped up its 1L recruitment events. This year we successfully launched a 1L mentorship program where 1Ls were paired with journal students to learn more about journals, bluebook editing, and how to prepare for the IJWC. We also collaborated with the library to provide Bluebook training and editing exercises to the 1Ls. As the academic year nears its end, all nine of our journals have successfully published their fall issues, with editors now diligently wrapping up their final issues to ensure a seamless transition into the next publishing cycle. Additionally, this year has seen an increase in journal participation, with a total of 390 journal members, including 216 students enrolled for credit this spring semester.

12. [Office of Sponsored Projects](#)

Yael Nadel-Cadaxa serves as Director of the Office of Sponsored Projects (OSP). OSP supports external funding for research, instruction, and public service-related projects and leads, manages, and coordinates cross-departmentally the \$9 million+/year grants program at UC Law SF.

This year, OSP launched major cross-department initiatives to ensure compliance with applicable grants rules and regulations. For example, in the compliance realm, OSP led cross-departmental initiatives to develop and implement a conflict of interest in research (COI) policy/program and a research misconduct policy/program, both of which address specific grant rules/regulations and thus enable UC Law to continue to pursue research funding from the federal government.

OSP also developed and expanded OSP grant procurement and management support. For example, in FY23/24, OSP began distributing a quarterly newsletter that highlights upcoming grant solicitations and guidance on how to apply for funding. In addition, OSP helped establish an internal grants program funded through the State of California's Bench 2 School Initiative, and OSP began developing an interactive "Grants 101" training for the Faculty Support Team. In addition to these new initiatives, OSP continued to provide targeted support and guidance to faculty as they pursue external funding and manage grant awards.

Through its management of the grants review process, OSP also supported faculty who successfully sought new grants this year. While there are too many grants to highlight them all, one example demonstrates the importance and impact of external funding for faculty research and College operations. In July 2023, the Center for Innovation received a \$1.5M grant from Arnold Ventures that will support a 2-year research project on the intellectual property effects on pharmaceutical competition, innovation, and pricing. Through this grant, C4i and the College are able to support the salaries of ten faculty and staff contributing to the research, travel to/from DC by the project lead and a research manager, and the hiring of a communications consultant to disseminate information about the research, among other expenses. Without the Arnold grant, we would not have been able to support these costs and thus the important research underlying this project would not have been possible.

13. [Academic Program Services/Faculty Support](#)

Director of Academic Program Services Maria Burgos and Deputy Director Alma Ramirez run this department, which provides comprehensive support to roughly 60 full-time faculty and hundreds of part-time faculty each academic year, including support for faculty members' teaching, research, center work, budgeting needs, and events. The Academic Program Services team also supports the Provost & Academic Dean, Dean of Students, and Associate Dean for Research, including special processes and projects overseen by those deans. They also assist with management of faculty contracts, and provide support for academic programs that lack dedicated administrative support, such as the First Generation Program.

For the first time in several years, they had a fully staffed team by the end of the academic year this year. Regarding new hires and recent promotions, they reported:

Three administrative coordinators were successfully hired to fill open positions in APS. The new hires are Melody De La Quintana, Ashley Judilla, and Brittany Tinaliga. Their recruitment adds valuable expertise and enthusiasm to our team. Agnes De Vera has been promoted from APS Lead Coordinator to Executive

Assistant in the Provost & Academic Dean's Office. Agnes's attention to detail and multitasking abilities makes her an excellent fit for her new role. Kaytlyn Fleming has been promoted to APS Lead Administrative Coordinator. In her new role, Kaytlyn will support faculty with administrative, classroom and research work and help the APS Deputy Director with day-to-day operations and special projects.

The remainder of this section of this year-end review focuses on a subset of the projects managed by this department.

Events. Event support work has increased considerably since the pandemic. This year, Director Burgos and Deputy Director Ramirez reported:

The APS/Faculty Support team supported 83 events. This encompassed coordinating 61 faculty-led or center events, 11 classroom-based events, and 11 faculty colloquium talks. Event support included space reservation, publicity and advertising, budgeting, catering, coordinating media services and other technical support needs, and all post-event tasks.

A subset of the events were funded and supported through the research dean's office. Academic Projects & Event Planner Cynthia Diaz in the Provost & Academic Dean's Office reported:

It has been an eventful 2023-2024 academic year in the Research Dean's Office. We sponsored a total of 30 events amounting to roughly \$93,000.00 in funds. We hosted 19 Faculty Colloquiums which brought forth a diverse range of speakers.... In addition, the Research Dean sponsored four symposiums, three multi-day conferences and three panel/ workshop events.... In addition...we hosted the annual Matthew O. Tobriner Memorial Lecture and welcomed California State Senator Scott Wiener. Something new we implemented was the hiring of student staff.... We hope to continue this trend as an effort to build community between the student body and the Research Dean's Office.

Exams. Faculty Support plays a key role in exam administration. Deputy Director Ramirez reported:

During the Fall 2023 semester, APS produced 84 final exams. Each exam underwent processing with an average turnaround time of 9 days from APS to the Registrar Office. This is a slight decrease in turnaround time compared to the 11-day average recorded during the 2022-2023 academic year. The Fall 2023 exam production results demonstrate APS's commitment to providing prompt and reliable support to faculty members. For the Spring 2024 semester, APS is scheduled to produce 89 final exams. We aim to keep the same production period,

ensuring efficient processing and prompt submission to meet cross-departmental deadlines.

Budgeting. Academic Program Services works with the Provost & Academic Dean to oversee the largest suite of budgets on campus. Director Burgos reported:

In 2020-2021, the Budget Office implemented Axiom, a budget development program integrating general ledger and payroll information into a single cloud-based system offering modules for budgeting and labor planning. Over the last four fiscal years, the Provost & Academic Dean's Office, with assistance from the Budget Office, successfully managed and processed 280 academic budgets, 77 faculty labor files in Axiom, and 80 faculty research accounts outside of the Axiom process....

14. [The Registrar's Office](#)

Registrar Amy VanMullekom has coolly and competently risen to the challenge of rebuilding a department that, when she started, had very serious challenges. She essentially had to launch a new Registrar's Office, which is one of the most foundational and central units on campus. She has done this with the help of a capable team of dedicated professionals, most of whom are relatively new. Asked to reflect on the 2023-2024 academic year, Registrar VanMullekom noted:

As I approach the culmination of my second-year tenure as Registrar, a paramount achievement lies in successfully stabilizing administrative operations within the office. Upon assuming this role, I confronted an atmosphere characterized by organizational turbulence. Swift action ensued as I strategically appointed proficient personnel to fill three vacant positions, all of whom have since demonstrated steadfast commitment. Collaboratively, our adept team has embarked upon rectifying antiquated methodologies and instituting systemic reconfigurations to engender sustainable workflows, markedly contrasting the unsustainable precedent. This paradigm shift towards operational sustainability has precipitated noticeably enhanced customer service standards across the spectrum of our administrative functions.

Of significance this year is our pivotal initiative to transition from predominantly take-home to predominantly in-person exams in direct response to the exigencies posed by advancements in AI technology. This initiative has been methodically phased in over successive semesters, resulting in almost all exams this term being conducted in-person and closed book. To provide an illustration of this transition, consider that in my first term as registrar in Fall 2022, we administered 33 in-person final exams and 52 take-homes, which had been similar to the previous years. Contrasting starkly with this precedent, the current semester, Spring 2024,

witnesses a notable shift, with 85 in-person exams and a reduced count of 22 take-home exams. The remaining take-homes are only in elective courses and other courses which are not required to have an exam....

15. [Global Programs](#)

Associate Dean for Global Programs Binyamin Blum and Associate Director of Global Programs Jennifer Ta co-manage [Global Programs](#), in partnership with Program Coordinator Katey Mason and a team of faculty who teach core LLM classes. Asked for an update for the faculty, Dean Blum shared the following:

The past year has been a significant one for Global Programs. We negotiated and signed four new partnership agreements in regions of the world where UC Law has historically had few or no partners in the past, namely Latin America, South Asia, and Eastern Europe, thus expanding our global reach and reputation, and increasing the diversity of the foreign student we attract. We signed partnership agreements with Los Andes University in Colombia and the University of Chile in Santiago, two of Latin America's top law schools. In South Asia we signed a partnership with Jindal Global University, one of India's premier law schools. We are currently looking at expanding existing partnerships with institutions such as Bocconi and the University of Bologna in Italy, and exploring new partnerships in Kenya and Ghana.

In the past year we have also hosted three faculty members through our visiting foreign scholar program from the University of Bologna (Italy) the University of Belgrade (Serbia), and Hankuk University (South Korea).

[LLM program updates are provided in the section regarding master's degree programs, above.]

On the outbound side, this year we sent 15 JD students to 7 partner institutions for a semester abroad. We also sent 4 students for an LL.M abroad: 3 to Paris II (Panthéon-Assas) and one to SOAS (London). Next year we will be sending 26 students to 13 partner institutions. This is the largest number of students we have sent abroad in the past decade (since AY 2013-14).

16. [LRW & Moot Court](#)

This report comes from Associate Dean Toni Young and Director of LRW & Moot Court Joe Creitz:

The 23/24 academic year saw the LRW/Moot Court Department onboard its new Director, Joe Creitz last summer. The department immediately faced new challenges from the impact of generative artificial intelligence on both teaching and

assessment, but in cooperation with the Library staff, the Department embraced the technology. The Department's efforts to master the constantly-evolving technologies will be an ongoing effort, but we are confident that it is providing 1Ls with a foundation for competent and ethical use of AI. The LRW Curriculum Committee played an integral role in this process. Additionally, the Department formalized its mentorship of newly hired teachers under the leadership of long time LRW teacher Chip Selan, who also continues to contribute to the Department's GAI projects.

The Moot Court competition program had another successful competition season, and saw its national rank rise back to #1, after having slipped to #2 in the prior year. We whole heartedly thank all the competitors, student and alumni coaches, Moot Court Board members, and department staff for their tireless efforts to elevate the skills of our students and the standing of the program.

And with change and growth being the themes of the year, the Department closes out the spring semester with the departure of Associate Director Madison Boucher; the hiring of her replacement, UC Law SF alum Jackie Dailey; and the hiring of two new full-time LRW faculty: Mimi Glumac and Nehal Khorraminejad.

17. [Law Library](#)

Associate Dean for Library & Technology Camilla Tubbs and Library Director Hilary Hardcastle shared the following report regarding the Library's 2023-2024 academic year:

The UC Law SF Library has made notable strides in its [2023-2024 annual initiatives](#), demonstrating significant accomplishments in research instruction, resource expansion, and staff development. A highlight of our educational offerings includes the in-person [Certificate in Legal Research Program](#), which has seen a substantial engagement with 546 students currently enrolled and 90 having completed the program. Additionally, the library facilitated extensive research training across various formats, including 28 guest lectures and specialized orientations for different student groups, while also maintaining 26 updated online research guides with high user engagement. Notably, the library was at the forefront of the law school's efforts to integrate generative AI instruction into the curriculum. Coinciding with the release of Lexis+ AI, the library created a series of [instructional videos](#) in early spring for students and other community members on generative AI.

Over the past year, our library's collection has been [well utilized]. Materials on our course reserve were checked out 4,494 times.... [O]ut of the 3,865 e-books

owned by the Law Library, 2,465 were viewed in the past 12 months! This highlights the growing interest in online resources among our law students and faculty. In line with our commitment to publicize UC Law SF scholarship, [our repository](#) is now home to over 17,000 papers, with 1,742 new items added in the past year alone. [P]apers posted to the repository have been downloaded over 887,000 times this year, demonstrating the immense impact of our work within the scholarly community.

Staff achievements were central to the library's success this year. We are proud to announce three well-deserved promotions within our library staff: Justin Edgar, Angela Wang, and Holly Herndon, recognizing their dedication and hard work. Moreover, we extend our heartfelt congratulations to Hilary on her significant title change to Library Director and Professor of Practice, a testament to her expertise and extensive contributions in the areas of legal research and library management. We would also like to acknowledge Jeff Herrera for receiving the [2024 Charles and Jane Rummel Distinguished Service] Award, exemplifying his outstanding accomplishments and contributions to the College. The library also welcomed...Dean Deane, the new Foreign, Comparative, and International Law (FCIL) Librarian. Dean stepped into the sizable shoes of our former FCIL Librarian, Vince Moyer, who retired last summer.

G. Faculty Accomplishments – Teaching, Research, and Public Service

Our faculty was as devoted this year to teaching innovation and student success as we have ever been. Examples include, among many, Thalia Gonzalez's successful addition of our first upper division version of the Sack model of instruction via Con Law 1: Advanced Sack; Margaret Greer's and Magi Lee's continuing experiments with new ways of designing for-credit courses aimed at bar success; Heather Field's record number of writing requirement papers in the tax concentration seminar, which demonstrates the enduring and growing appeal of that entire concentration; and the legal writing faculty community's efforts to keep abreast of developments with regard to generative AI and its impact on writing instruction. Students recognize this investment in teaching when they give faculty mean ratings for "overall teaching ability" in the range of 4.5 out of 5 each semester and provide concrete examples of the extent to which faculty are individually and collectively dedicated to innovative teaching and student success. Starting this year, we added a new monetary award for teaching excellence, the Emerita Chancellor and Dean Mary Kay Kane Award for teaching excellence, on top of our existing Rutter Award for Teaching Excellence, allowing us to expand the ways in which we expressly and publicly acknowledge exemplary teaching.

Associate Dean for Research Dave Owen and I promote faculty scholarly achievements year-round in partnership with our Communications team, via national reputation email blasts (an effort largely spearheaded by Dean Owen), social media posts, and UC Law website news stories, and through Dean Owen's regular reporting to the community. And we publicized center accomplishments to both alumni and peer law schools by sharing their annual reports.¹⁸ Additionally, Dean Owen has submitted a separate report as part of this reporting cycle regarding faculty scholarly productivity. See Report 6.2.2.6.

Teaching and scholarship are forms of public service, but faculty *also* provided expert advice to government bodies, filed amicus briefs and pursued public interest litigation, partnered with community organizations to pursue special projects, led spring break pro bono trips, served in leadership roles on AALS and national and state bar committees and commissions, and participated in international law school faculty exchanges. These are just a few examples of the ways in which faculty advanced the public service element of our mission in the past academic year.

¹⁸ Reports for AY22-23 are posted [here](#).

Report 6.2.2.2 – Rankings

By and Provost & Academic Dean Morris Ratner

I. Summary and Action Items

As predicted last year,¹ UC Law SF experienced an unprecedented drop in the 2024-2025 rankings released in April 2024 by U.S. News & World Report (“U.S. News”).² The causes are clear: (1) U.S. News changed the 2024 edition ranking formula (published in 2023), eliminating or decreasing the weight of formula elements as to which UC Law SF historically did relatively well and significantly increasing the weight of elements as to which we have historically been less competitive. (2) The 2025 ranking included data for the Class of 2022, which struggled on the bar exam. Relatedly, though our absolute employment numbers for the Class of 2022 increased, our rank on employment decreased relative to peer schools because other schools improved on employment more than we did. (3) In peer and lawyer/judge assessment surveys used to produce the 2025 ranking, voters were confused by our new name.

For reasons discussed below and on [this page](#), the U.S. News ranking formula is *not* an accurate or meaningful measure of law school quality. Nor does it fully align with our mission insofar as it contains no direct measure of teaching effectiveness, scholarly contributions, or public service. Nor does the ranking formula align with other values that matter to us as a public law school, including creating a pathway to professional life for diverse aspiring lawyers. But because rankings have practical effects (e.g., on admissions), and to the extent the U.S. News ranking formula now compares law schools mostly based on a limited snapshot of outcomes (first-time bar passage, “ultimate” bar passage within two years of graduation, and employment at ten months after graduation), and because our mission and Operational Strategic Plan prioritize student outcomes, there is enough overlap to warrant using the rankings data as a reference point as we continue to think about our educational program.

There are certain factors that significantly impact ranking and that align with our mission:

¹ See Provost & Academic Dean’s [Report 6.2.2 \(“Rankings and Student Outcomes”\)](#) submitted for the June 9, 2023 Board of Directors meeting, at p. 4, n. 2, projecting a 23 point decline in rankings in the 2024-2025 period based on the 2024 formula and publicly available data. Next year’s ranking is also already predictable based on prior-year data. See, e.g., Derek Muller, [Projecting the 2025-2026 USNWR Law School Rankings \(to be Released March 2025\)](#), Excess of Democracy (May 21, 2024) (projecting a rank of 88, assuming the formula doesn’t change yet again and all other things are equal except for known public data re employment and bar passage from prior years; but not accounting for the success of any name confusion remedial efforts discussed below that could impact fall 2024 rankings surveys).

² Throughout, except where indicated, I refer to the “edition year” rather than the publication year. The current 2024-2025 rankings were published in 2024 and are the 2025 edition, and so are referred to as the 2025 rankings.

- **Name recognition.** Brand confusion caused by the name change is partly responsible for the year-over-year drop in rankings, as explained in Section III, below. Efforts to address that are already underway, and those efforts can have immediate effect, though brand confusion will likely last for years even if U.S. News agrees to use a name for us that is consistent with the nomenclature for UC peer law schools and our actual branding. The problem would be mitigated considerably if U.S. News were to add “(formerly UC Hastings)” in our name as it appears on surveys.
- **Bar passage.** With regard to bar success, additional short- and long-term initiatives building on the past and ongoing reforms are discussed in Section IV, below. Some of the interventions will be adopted immediately and have immediate effect (e.g., the recent investment in a Bar Accommodations Specialist to support timely applications for bar accommodations or the recent conversion of the Bar Loan Fund to a Bar Support Fund), while others are long-term initiatives the effects of which will not be seen until roughly three years from the date they are implemented. Some possible interventions require faculty approval, including any change that intersects with our [Academic Regulations](#), which houses all our graduation requirements, grading standards, and the like.
- **Enrollment management.** Enrollment management is also relevant insofar as the UC Law SF bar pass rates are in line with entering metrics relative to peer California law schools (see below), and insofar as class size directly affects employment outcomes. The Chancellor & Dean has already taken key steps to mitigate the effects of the ranking change on retention. The admissions effects are to be determined, but as Dean of Enrollment Management June Sakamoto’s accompanying Report 4.5 indicates, we are attempting to attract top students during a period of rankings turbulence and likely growth of peer school class sizes. Our budget planning currently assumes entering class sizes of at least 390 JD students going forward. As we did in the lead up to the Fall 2017 Board-faculty retreat which set the stage for the development of the current Operational Strategic Plan, we can model the effects of different assumptions.

Section II, below, provides descriptive data and information about the rankings. Section III provides initial analysis regarding the causes of year-over-year changes in rankings. It explains the impact of the name change and the decline in first-time pass rates for the Class of 2022, and it models the kinds of changes that our consistent with our mission that would be needed going forward to increase rankings, all other things being equal (no change in the formula, etc.). Section IV, describes current plans to improve student outcomes and eliminate confusion about the law school’s name change.

II. 2024-2025 U.S. News Rankings – Descriptive Data

A. Overall Rank

U.S. News posted the updated formula it used to calculate the current 2024-2025 overall rank (2025 rank released April 2024), [here](#). Of note:

- The most heavily weighted overall rank formula element is employment 10 months after graduation, which is 33% of the score that determines the law school's overall rank. Maximum credit was assigned for school-funded jobs/fellowships, as long as they were JD required/advantaged. This year, they averaged data for 2021 and 2022 graduating classes.
- First-time bar passage is 18% of the score that produces the overall rank. It's a two-year, nonweighted average of outcomes for 2021 and 2022 graduating classes. There is some accounting for state variations.³
- Ultimate bar passage (passage within 2 years of graduation) is 7% of the score. It, too, was a two-year, nonweighted average including the school's 2019 and 2020 graduates.
- Peer assessment score is 12.5% of the score. Peer assessment ratings were only used when submitted by law schools that also submitted their statistical surveys.
- Lawyer and judge assessment scores were 12.5% of the score. This year, U.S. News changed the process: "U.S. News administered the legal professionals survey in fall 2023 and early 2024 to recipients that law schools provided to U.S. News in summer 2023. Of those recipients surveyed in fall 2022 and early 2023, 43% responded. For this edition, U.S. News complemented these ratings by surveying partners at big law firms, sampled based on their size – larger firms were more frequently surveyed – while establishing geographic dispersion."
- The remaining score elements were median LSAT/GRA scores (5%), median undergraduate GPA on admission (4%), acceptance rate (1%), student-faculty ratio (5%), and library resources (2%).

In terms of overall law school rank, the major surprises this year are twofold: (1) U.S. News changed its formula yet again, blending and averaging outcomes data over two years

³ Per U.S. News: "Specifically, the bar passage rate indicator scored schools on their average 2021 and 2022 first-time test-takers' weighted bar passage rates among all jurisdictions, or states, then added or subtracted the average percentage point difference between those rates and the weighted state average among ABA accredited schools' first-time test-takers in the corresponding jurisdictions in 2021 and 2022. This meant schools that performed best on this ranking factor graduated students whose bar passage rates were both higher than most schools overall and higher compared with what was typical among graduates who took the bar in corresponding jurisdictions."

(2021 and 2022 for the 2025 ranking), which would have helped our 2025 ranking (compared to 2025 projections) because our bar outcomes were much higher in 2021 than in 2022, but for the next-listed surprise, (2) brand/name confusion caused an unprecedented (but also presumably temporary and fixable) decline in reputation scores.

Table 1 below, using data from the U.S. News “Academic Insights” database, presents the 2025 rankings in recent historical context. For each overall rank formula element, I note both the actual figure and the rank. For example, for peer assessment score, the actual score for 2020 was 3.1 out of 5 and the rank that year for that element alone among the roughly 200 ranked law schools was 43.

Table 1: Overall Rank and Selected Elements

Year ⁴	Overall Rank	Peer	Lawyer Judge	Employed @ 10 months ⁵	First-time Bar CA ⁶	Ultimate Bar	Median LSAT	UGPA
2025	82	2.7 64	3.5 31	81.9% 107	70.92% 102	92.7% 90	160 ⁷ 85	3.59 104
2024	60	3.1 40	3.7 23	80.4% 94	81.72% 80	93.8% 68	160 72	3.59 101
2023	51	3.2 36	3.7 24	72.8% 123	85.2% 87	NA	160 78	3.52 108
2022	50	3.2 40	3.6 27	75.7% 128	78.9% 15	NA	158 82	3.42 121
2021	59	3.1 43	3.5 32	74.4% 134	58.4% 137	NA	158 74	3.45 100
2020	62	3.1 43	3.5 29	67.1% 154	58.8% 130	NA	158 64	3.44 95

Recall that as of the 2023 ranking (published in spring 2022), our overall rank was 51 in part because the weight placed on investment in the law school such as our building projects (9% of the score, with a rank of 11 in the country) and our reputation (with peer assessment 25% of the score and lawyer/judge assessment worth 15%). At that time,

⁴ This is the ranking year, i.e., the year in which the rank was assigned. The current year is 2024-2025 (or 2025 for short). However, as noted, the outcomes data are for prior years. For example, for ranking year 2024 (last year), the bar pass data covered 2021 and the employment data were for Class of 2021.

⁵ Figures are for the most heavily weighted employment category of full-time, JD required or advantage.

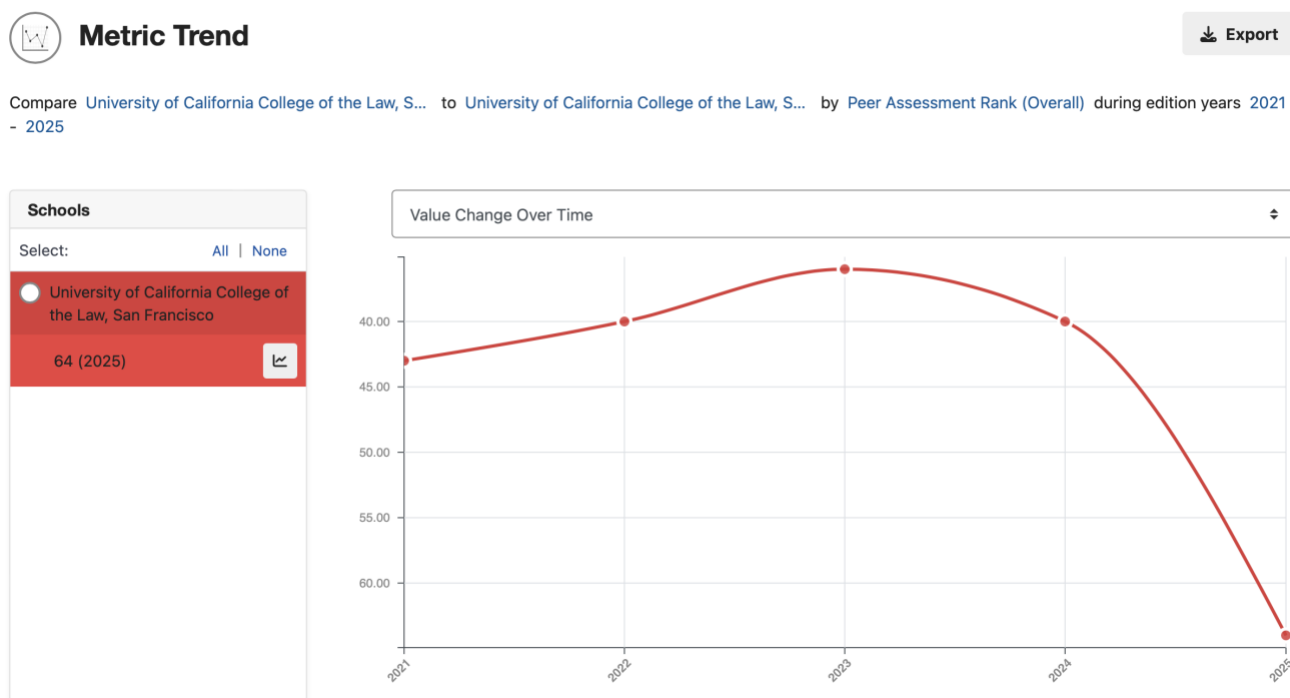
⁶ Actual percentages are for the calendar year and include all first-time takers, regardless of class year. Also, the bar considers first-time passage in all jurisdictions, but because 90%+ of our graduates take the California Bar Exam we use those numbers in Table 1.

⁷ 2025 rankings are based on Fall 2023 data for this element.

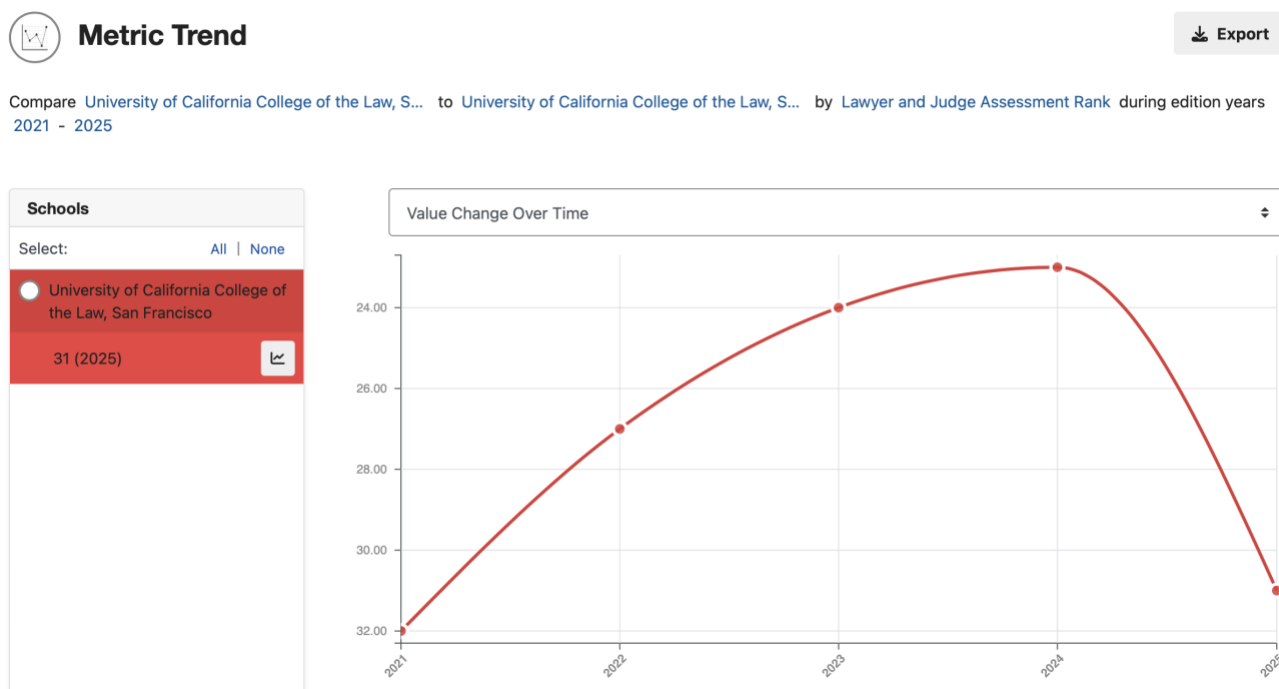
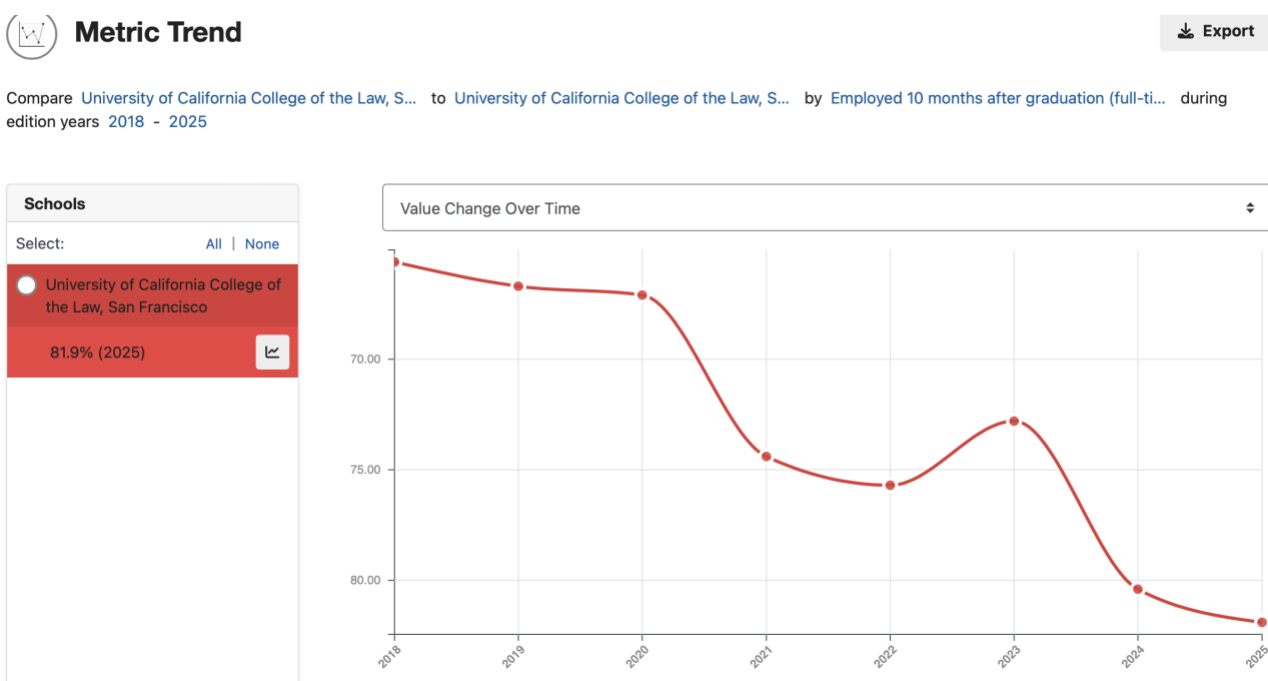
placement success (including bar and employment outcomes) was only 21% of the score that produced the overall rank. For the 2024 ranking released in spring of 2023, producing a 9-rank drop, U.S. News stopped giving any weight to resources/investment and decreased the weight of peer and lawyer/judge assessment to 12.5% each, and it weighted student outcomes at 58% of the score (up from 21%), while adding consideration of “ultimate bar passage” in addition to first-time bar passage and giving greater weight to law school-funded JD required or JD advantage jobs.

The figures below display trend data for employment, first-time bar passage, ultimate bar passage, peer assessment, and lawyer-judge assessment. They are another way of digesting the data presented in Table 1. Note when viewing these figures that for “rank” charts, lower numbers are better. For metric trends of absolute percentages (e.g., % of grads employed in JD required or advantage jobs 10 months after graduation), higher numbers are better. Some ranking elements such as “ultimate bar passage” are relatively new and thus the metric trend lines are short and include only a few years of data.

Figure 1: Peer Assessment Rank⁸



⁸ UC Law SF votes and that of peer schools that have opted out of the ranking data collection process stopped counting as of last year's 2023-2024 overall peer assessment and specialty rankings.

Figure 2: Lawyer/Judge Assessment Rank**Figure 3: Employed 10 Months After Graduation (Absolute %)**

Even though our employment numbers improved year-over-year between the 2024 and 2025 law school ranking years, our ranking relative to peer schools declined, presumably

because our numbers did not improve to the same extent as did peer schools' employment numbers.

Figure 4: Employed 10 Months After Graduation (Rank)

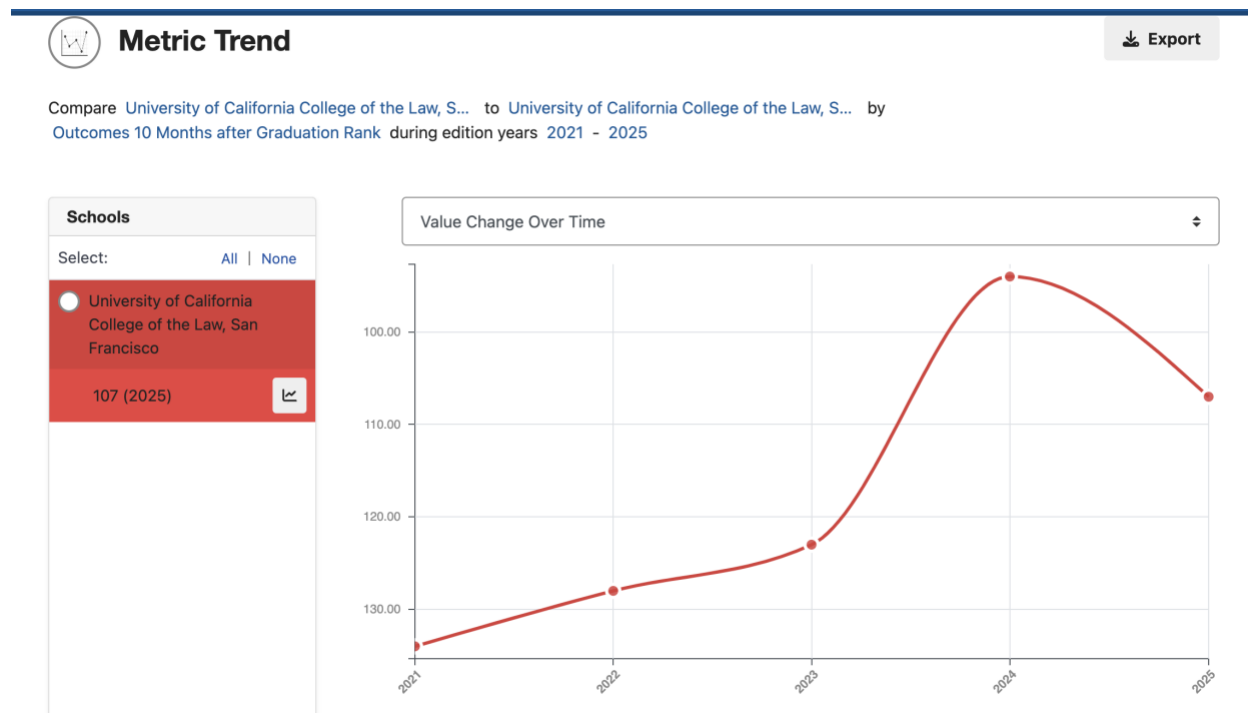


Figure 5: First-Time Bar Passage Rank



Figure 6: Ultimate Bar Passage Rank Trend Line

Our ultimate bar pass rate went from 93.8% (2024 ranking year – released in 2023 and based on Class of 2019 data) to 92.7% (2025 ranking year – released April 2024 with average ultimate pass rate for Classes of 2019 and 2020).⁹ Though the change in ultimate pass rate was very small (1.1%), the ranking effect was significant, an indication of how closely clustered the law schools are on this element of the ranking formula.

The blended rates for bar outcomes used for the 2025 rankings benefitted us because our 2021 bar numbers were significantly better than were our 2022 bar numbers. But we'll see significant drops in bar outcomes rankings in 2026 U.S. News rankings because of our Class of 2022 and Class of 2023 graduates' struggles. That will be true even if we significantly increase bar outcomes for the Class of 2024 because of the lag in data used to calculate rankings.

B. Specialty Rankings Data

The ranking process for the 13 specialty categories is unchanged from prior years. U.S. News reports:

⁹ According to Director of Accreditation and Assessment Bing, the Class of 2020 ultimate bar pass rate was 91.67%.

Law school specialty rankings, such as [clinical training](#), [tax law](#) and [health care law](#), are based solely on peer assessment surveys administered to law school faculty who teach in that specialty area. U.S. News conducted peer assessment surveys for law school specialty rankings in fall 2023 and early 2024. In summer 2023, law schools provided U.S. News with the names of law school faculty members who teach in each specialty area. Law school faculty members who teach in each specialty area rated the other law schools in that specialty area on a 5-point scale. Schools are ranked in descending order from highest to lowest based on their average peer assessment scores in their specialty area. As was the case with the overall law rankings and part-time law rankings, only ratings from schools that submitted a statistical survey to U.S. News were incorporated in the specialty rankings. The specialty response rates are based on those who responded from schools that submitted a statistical survey.

Thus, specialty ranks are based entirely on rankings by peers, excluding UC Law faculty and the faculty of other law schools that have opted out of the U.S. News data collection process. For the first time in recent memory, UC Law declined in every specialty ranking category. Director of Accreditation and Assessment Andrea Bing notes that compared with other schools:

UC Law SF had the largest percentage change over time between 2024 and 2025 in 5 of the 13 specialty categories, the second largest percentage change in two additional categories and top 10 in two more.... [O]ut of the 12 categories in which we were ranked, we placed in the top 10 schools for the largest *negative* percentage change over time in 9 categories [of any ranked law schools in the same period].

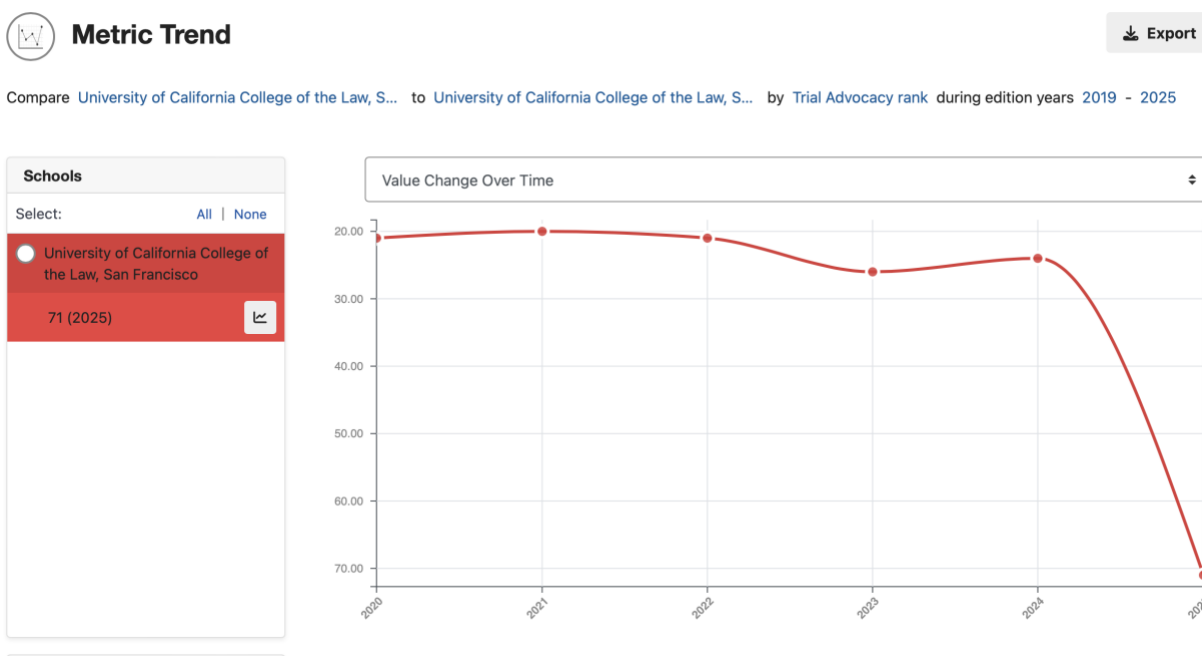
Table 2: Specialty Ranks YoY

Category	2023	2024	2025
Business	32	36	73
Clinical	20	22	30
Constitutional Law	33	29	68
Contracts/Commercial Law	27	29	91
Criminal	32	36	61
Dispute Resolution	9	11	14
Environmental Law	21	18	36
Health Care	12	11	12
IP	28	31	53
International	27	25	77
Legal Writing	160	122	-- ¹⁰
Tax	20	18	32
Trial Advocacy	26	24	71

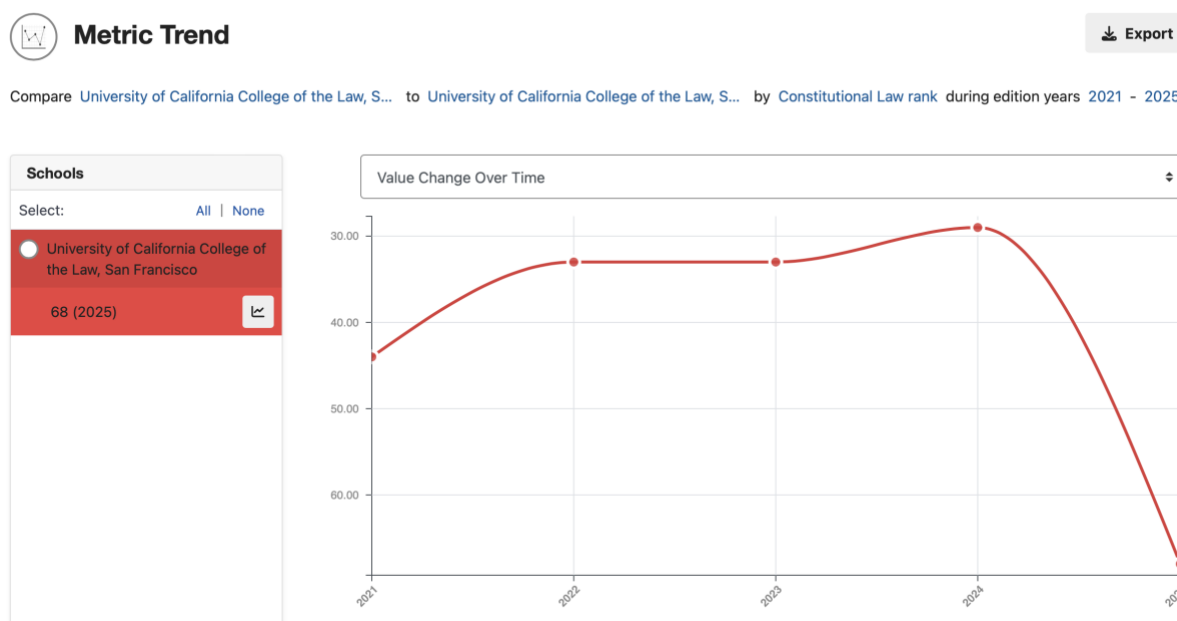
¹⁰ Unranked.

It is worth noting, as an aside, that some programs, such as dispute resolution and health, were not as impacted as others, suggesting that they were effectively able to reach and educate peers in their subject-specific communities about our name change in ways that might be instructive. To illustrate, descriptively, the apparent impact of UC Law SF's name change, we include year-over-year data on specialty rankings and Academic Insights trend lines for our ranking with regard to two specialty areas, Trial Advocacy and Con Law.

Figure 7: Trial Advocacy Specialty Ranking



[Proceed to next page.]

Figure 8: Constitutional Law Specialty Ranking

III. Preliminary Causal Analysis of Rankings Changes

The descriptive analysis, above, tells a good part of the story as to why our rankings have been so negatively impacted by recent changes in the U.S. News formula, the law school's name change, and persistent bar and employment challenges. Just take bar passage as one example. From 2019-2021, first-attempt bar passage was worth 2% of the overall rank score. In 2022 it rises to 2.25%. In 2023 it rises to 3%. In 2024 first-attempt bar passage rises to 18% of the score, and U.S. News adds ultimate bar passage at 7%, meaning bar passage is now 25% of the overall score. In 2025, it stays the same at 18% and 7% respectively, though the data are averaged over two years starting in 2025. Fluctuations in bar outcomes that would have been relatively inconsequential in terms of ranking in prior years now lead to huge swings.

A deeper dive into the numbers in the U.S. News Academic Insights database, comparing UC Law SF to peer schools, gives a clearer picture of the causes of recent decreases in ranking. According to our statistician, comparing 2025 to 2024:

It's not perfectly additive but between the bar passage rate and peer assessment and lawyer/judge assessment, you can see almost exactly 4 overall score points lost, leading to the decrease in rank. Specifically the decline in 1st attempt bar passage accounts for roughly 2 overall score points (a rank change of 7), the decline in peer assessment score accounts for roughly 1 overall score point (so 4 ranks),

and the decline in lawyer/judge assessment accounts for roughly 1 overall score point (so 4 ranks). An increase of 4 overall score points total would net an increase in rank of 16 (note these differ slightly because of ties).

Our preliminary statistical analyses show the changes we would need to make as to each ranking element to impact overall rank. Table 3 summarizes those analyses. Note that the regression analyses reflected in the table hold all other variables constant to produce a change in outcome for each ranking element necessary to produce a change in score of 1. Some of these appear to be very achievable, such as an increase in employment of only about 2%, or about eight more graduates employed. But bear in mind that the analysis assumes that the formula doesn't change again, that all other schools' data stay the same as they were for 2025, and that we don't face headwinds due to larger class sizes.

Table 3: Changes Needed to Produce an Increase in Score of 1 (4 Ranks)

	Weight	2024 Rank	2025 Rank	Rank Change	2024 Metric	2025 Metric	Metric Change	Change for 1 Score Point (4 Ranks)
Overall Score (then translated into ranks)	100%	60	82	22	73	69	-4	1
Outcomes 10 Months after Graduation	33.0%	94	107	13	85.30%	85.80%	0.50%	2.072
Bar passage , first-time takers	18.0%	80	102	22	81.72%	70.92%	-10.80%	5.138
Ultimate Bar Passage	7.0%	68	90	22	93.80%	92.70%	-1.10%	2.2
Peer Assessment (Overall)	12.5%	40	64	24	3.1	2.7	-0.4	0.349
Lawyer and Judge Assessment	12.5%	23	31	8	3.7	3.5	-0.2	0.221
Median LSAT/GRE (Overall)	5.0%	72	85	13	160	160	0	4.518
Median Undergraduate GPA (Overall)	4.0%	101	104	3	3.59	3.59	0	0.097
Acceptance Rate	1.0%	46	50	4	28.95%	30.91%	1.96%	-43.396
Student Faculty Ratio	5.0%	111	115	4	8.5	8.1	-0.4	-4.396
Student to Library Staff ratio	2.0%	144	146	2	120.5	118.4	-2.1	-103.173

Going up overall score of 1 would increase rank by 4, increase of 2 would increase rank by 7, increase of 3 would increase rank by 14

The "necessary change" column is calculated from an OLS regression with all metrics included so it effectively holds constant any potential change in other metrics

Table 3 makes clear that improving student outcomes and law school reputation are the most direct pathway to improved rankings. Returning to the bar pass rates we saw for Classes 2019-2021 would, in this model, improve the law school's rank by at least 7 ranks. That would likely correspond with an increase in ultimate bar passage that would trigger an additional rankings increase. Just eliminating the penalty associated with brand confusion that negatively impacted us this year could yield a rank increase in this model of an additional 8 ranks.

Our prior studies¹¹ have suggested that student admission metrics are only weakly predictive of bar outcomes, at least in the band of students we admit to UC Law SF. However, a comparison of most recent first-time pass rates, current U.S. News ranking, and admissions data tells another part of the story, at least in terms of correlation.

¹¹ See Morris Ratner, Stephen Goggin, Stefano Moscato, Margaret Greer & Elizabeth McGriff, *Determinants of Success on the Bar Exam: One Law School's Experience 2010-2023*, __ J. LEGAL ED. __ (forthcoming 2024) (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4776407).

Table 4: CA ABA Law School Stats

Law School	2025 U.S. News Overall Rank	July 2023 First Time Bar Pass Rate (and # of test takers)	FA20 LSAT¹²	FA20 UGPA
Stanford	1	94% (84)	170/172/175	3.81/3.91/3.99
UC Berkeley	12	86% (238)	165/169/171	3.74/3.83/3.92
UCLA	13	88% (267)	166/170/171	3.57/3.82/3.92
USC	20	80% (151)	165/168/169	3.60/3.82/3.90
UC Irvine	42	87% (118)	163/167/168	3.50/3.69/3.80
Pepperdine	52	82% (128)	159/164/166	3.48/3.80/3.91
UC Davis	55	82% (154)	160/165/167	3.44/3.70/3.82
Loyola	61	80% (285)	158/161/163	3.43/3.64/3.78
USD	68	79% (205)	157/161/163	3.39/3.70/3.81
UC Law	82	73% (299)	157/160/162	3.30/3.52/3.69
Chapman	108	81% (129)	154/160/162	3.13/3.60/3.71
Southwestern	145	66% (228)	152/154/157	3.03/3.31/3.57
Santa Clara	158	63% (186)	155/157/160	3.18/3.42/3.62
McGeorge	159	65% (139)	152/155/157	3.03/3.44/3.66
USF	165	71% (78)	153/155/157	3.01/3.33/3.60
Cal Western	183	54% (129)	151/153/156	2.97/3.26/3.48
Western State	185	60% (43)	148/150/153	2.86/3.11/3.43

With few exceptions, metrics generally line up with outcomes, as they have in prior years for which I shared similar data.

We can predict when improvements we would normally make in pursuit of our mission would have the ancillary effect of impacting rankings as indicated in Table 5, below.

[Proceed to next page.]

¹² 25th, 50th, and 75th percentiles.

Table 5: Formula Elements and Timing

Overall score elements	Current rank (2024-2025) – published 2024; 2025 “edition”	Data years considered for current rank (2024-2025)	Data years considered for next year’s rank (2025-2026)	First USN ranking year impacted by calendar year 2024 changes
Employment at 10 mo. (33%)	107	2021 and 2022	2022 and 2023	2026-2027 (published 2026; 2027 “edition”)
1 st Time Bar (18%)	102	2021 and 2022	2022 and 2023	2026-2027
Ultimate Bar (7%)	90	2019 and 2020	2020 and 2021	2028-2029
Peer (12.5%)	64	Fall 2023	Fall 2024	2025-2026
Lawyer/Judge (12.5%)	31	Fall 2023	Fall 2024	2025-2026
LSAT (5%)	85	Fall 2023	Fall 2024	2025-2026
UGPA (4%)	104	Fall 2023	Fall 2024	2025-2026
Accept Rate (1%)	50	Fall 2023	Fall 2024	2025-2026
S/F Ratio (5%)	115	AY 2022-2023	AY 2023-2024	2025-2026
S/L Ratio (2%)	146	AY 2022-2023	AY2023-2024	2025-2026

IV. Plans to Improve Outcomes and Eliminate Name Confusion

This section identifies steps we are taking now to improve student outcomes and eliminate brand confusion, which are the steps we can take that align with our mission and 2020 Operational Strategic Plan and that also happen to positively impact rankings. None of the steps pertaining to student outcomes can, should, or will be taken merely because they happen to increase our rank in a flawed system administered by a for-profit third party that makes random and ad hoc year-over-year changes to a formula we do not control or believe accurately reflects law school quality. But they all align with our mission as a public law school to ensure that we provide a high quality legal education that achieves our program learning outcomes to the next generations of legal professionals in California, the nation, and the world.

These initiatives are presented in table form, below.

Table 6: Current Initiatives (Category and Timing)¹³

Initiative	First graduating class benefitted by the initiative	When impact will first show (publication year – edition year)
FA24 admissions	2024 1Ls and 2027 grads	2025-2026 (for medians, and 2029-2030 for bar impacts)
1L ('26) retention	2026	2028-2029
2024 bar support (full package)	2024	2026-2027 (for first-time bar passage)
Smart Bar Study (requires additional funding over time)	2024	2026-2027 (for first-time bar passage)
Discretionary academic policies (e.g., academic supervision [Q4], informal grading norms)	2025 graduates?	2027-2028 (for first-time bar passage and 2030 for ultimate)
Staffing (Assoc. Dir. Bar Passage, Bar Accom. Specialist)	2025 graduates	2027-2028 (for first-time bar passage)
Academic policy changes (e.g., formal curve requirements)	2025 or later	2027-2028 or later (for first-time bar passage)
Reputation/branding	Fall 2024 survey cycle	2025-2026

As noted yellow colored items in Table 6 are matters within decanal and administrative discretion that may be addressed immediately. The white colored item regarding academic policy changes includes matters governed by the law school's Academic Regulations. Those require faculty action. The Faculty Rules and Procedures constitute a standing faculty Academic Standards Committee charged with developing proposals to the full faculty for changes to Academic Regulations. I have charged that committee with the project of considering changes to formal grading policies and minimum GPA requirements. Normal academic policy development would involve (a) the Provost sharing specific proposals and supporting data with the committee; (b) committee review, additional research, and reflection; and (c) a committee proposal to the full faculty that is considered and debated at a regularly noticed faculty meeting and then voted upon. Only standards that have the support of a majority of the voting faculty members may be adopted by the faculty.

[Proceed to next page.]

¹³ Green colored interventions have already been adopted and were the subject of prior reporting. Yellow colored initiatives are actions we are taking now. White colored boxes – i.e., any formal changes to academic standards and policies – require faculty action pursuant to bedrock faculty governance norms codified in Standing Order 102.3 and in accreditation standards such as ABA Standard 201.

Table 7: Brief Descriptions of Initiatives Listed in Table 6

New Initiative	High Level Overview
1L ('26) retention	The Chancellor & Dean allocated substantial additional amounts in FY24 to support retention efforts; coordinated advising.
Smart Bar Study Program	Building on a summer 2023 pilot program we're scaling up considerably in summer 2024, the law school will offer a package of support to graduates whose commercial bar course completion data indicate they are significantly behind in post-graduation bar study and who decide to defer their first exam from July to February, including financial support and part-time law-school-funded fellowships aimed at removing impediments to graduates' decisions to make their first-attempt at bar passage a successful one. (This supplements and does not replace the existing bar support program that links post-grad financial support to grad achievement of established benchmarks.)
Discretionary Academic Policies	Provost & Academic Dean is sharing information with faculty re grade inflation and will strongly encourage adherence to existing grading norms. Dean of Students will add new requirements to academic supervision and counseling, already authorized by existing Academic Regs – applicable to Q4 LGPA. The law school is developing a for-credit early bar study start class to be called "Critical Studies 4" that we plan to offer SP25, and this year's supervision and counseling letters can require it.
Staffing	Chancellor & Dean has approved adding a new Associate Director of Bar Passage Support, doubling full-time dedicated faculty staffing in this area, and has approved extending the contract of the Bar Accommodations Specialist hired in SP24.
Reputation / branding	Under the supervision of the Chancellor & Dean, the Chief Communications Officer is leading a multi-pronged effort to address brand confusion associated with the law school's name change. These efforts include working with a third-party expert, targeted stakeholder outreach, intensification of the national reputation campaign, leveraging of the AALS meeting in January 2025 in San Francisco, etc.

The matters sketched in this report are complex. There are connections among admissions, our educational program, pandemic effects, generational shifts, our students' changing goals and interests, the emergence of new technologies in a changing labor market, faculty and programmatic capacity/bandwidth to implement new initiatives, and our budget. That explains why, though some interventions just obviously flow from the data and are easily achievable without a lot of discussion, others really require the kind of deeper analysis, reflection, and engagement we associate with strategic planning processes.

Toward that end, Chancellor & Dean David Faigman and I recommend that we dedicate a fall 2024 Board-faculty retreat to supplemental strategic planning that takes the new ranking formula and the information that we are learning from it into account. A retreat is a helpful venue for thinking about the inputs that result in ranking that align with our mission because we can, in advance of a retreat, complete detailed analyses (including financial, admissions, and outcomes computations), and because many of those inputs

pertain to academic program policies that require faculty input or action and thus a shared sense of direction.

Report 6.2.2.3 – Bar Success

By and Provost & Academic Dean Morris Ratner and Director of Bar Passage Support
Margaret Greer

I. Summer 2024 Bar Support

Attached please find Director of Bar Passage Support Margaret Greer's memorandum regarding bar support initiatives supporting the Class of 2024.

II. Enhanced Bar Support Resources

This summer, the College is conducting a search for a new full-time dedicated Associate Director of Bar Passage Support. This will double dedicated faculty staffing exclusively focused on bar support. The law school is also providing substantially enhanced funds to (including the bar loan fund that was recently converted by the faculty and Board into a bar support fund) to graduates studying for the bar.

III. Possible Changes to California Bar Exam

The following text is excerpted from Provost & Academic Dean Morris Ratner's report for the April 24, 2024 faculty meeting:

The California State Bar recently told law school deans that it cannot afford to continue to administer the California Bar Exam using the National Conference of Bar Examiner's (NCBE's) version of the MBE (multiple choice) portion of the exam because the NCBE's testing environment requirements are too expensive to meet. So, at its Board meeting in mid-May, the California Bar is likely to accept a proposal to hire a vendor to draft MBE-like questions for the California Bar Exam starting with the February 2025 administration of the exam. This would then enable the California Bar to administer the exam using cheaper mechanisms, including testing centers or take-home exams.

The Bar's stated *intention* is not to change the scope of coverage or format of the exam at this time. Instead, the State Bar intends merely to change vendors. This raises a number of concerns about the quality of the questions, the degree to which a vendor (yet to be identified) can replicate the NCBE's MBE on such short notice, and the likely non-substantive changes to testing environment, which could include moving to a testing platform other than ExamSoft.

The California State Bar Office of Admissions in a meeting with ABA law school deans earlier this month committed to being as transparent as possible as they

continue down this path, including by releasing sample MBE-like questions and being clearer than NCBE currently is about the topics covered in each currently tested subject.

Having attended that meeting, my sense is that this is basically happening. I'm not sure it's necessarily a bad thing in terms of test format because it means California will have more flexibility to retain the current exam structure regardless of the NCBE's timeline for sunseting the MBE. Whether this impacts our pass rate likely depends on the degree to which they are in fact able to mimic current MBE questions and the degree to which new testing environment conditions (new centers, remote, etc.) hurt or benefit our students. Our students seemed to do better when the California Bar Exam was administered remotely during the pandemic.

Director of Bar Passage Support Margaret Greer, Bar Success Analyst and Strategic Stefano Moscato, and I will continue to keep tabs on these developments, and we'll keep the faculty posted if we learn anything that affects how we design our courses or test our students to prepare them for these changes. We will share updates on [this page](#).

These changes are separate from the more fundamental changes proposed by a Blue Ribbon Commission and about which I have previously reported. The Blue Ribbon Commission's recommendations are still pending and under review.

The last we heard, the State Bar deferred action on this item.

MEMORANDUM

To: Morris Ratner, Provost and Academic Dean
From: Margaret Greer, Director of Bar Passage Support
Date: May 6, 2024
Re: July 2024 Bar Exam Support and Risk Mitigation

According to Bar and Career Exit Survey results, 338 May 2024 graduates will sit for a bar exam in July. 329 graduates plan to sit for the California Bar Exam. To ensure that the College's graduates are prepared, the Bar Passage Support Program is offering graduates a suite of resources, including special bar support programming for LEOP graduates. This memorandum summarizes the Bar Passage Support Program's planned initiatives to support graduates' bar study efforts and to ensure that graduates start their review courses on time and remain on pace with their bar review course assignments.

I. Bar Support Programming

The College is providing the usual array of post-graduation bar exam preparation support.

Bar prep advising. This year, bar prep officially begins on May 20, 2024, one week after the College's May 13th graduation. Unlike May 2022 and 2023 graduates, this year's graduates will not have to balance the start of bar prep with graduation and the surrounding festivities. Nevertheless, the Bar Passage Support Program has continued to advise Class of 2024 graduates to start bar prep early, if possible, and no later than the official start date. Class of 2024 graduates began receiving messaging regarding the importance of starting their bar review courses early, staying on track throughout the bar study period, and incorporating MBE and essay practice from the start of bar review during the fall 3L Bar Exam and Career Expo. The messaging was reinforced in the "July 2023 Bar Exam Results + Advice for Spring 2024 & Beyond" email, which was sent to 3Ls in December 2023, and during the 3L Town Hall, which was held in January 2024. Throughout the spring semester, graduates received communications from me regarding the importance of an early start and course completion. The early start advice has been reinforced with data. For example, we have shared with Class of 2024 graduates, that Class of 2023 graduates who passed the July 2023 CA Bar Exam:

- Completed, on average, 82% of the work assigned by their commercial bar review course
- Attempted just over 850 MBE questions on AdaptiBar and/or UWorld
- Submitted 4 practice essays to B.E.S.T. for individualized feedback

Furthermore, we have messaged that in order to achieve these goals, a graduate will have to log at least 400 hours of dedicated study time to get there. In the Bar and Career Exit Survey, we asked graduates whether they wanted to meet with me to develop early start study plans to account for the graduation date. I began meeting with graduates in March and April to develop the plans. We have also held bar review course specific Zoom sessions where bar review course representatives explained how graduates can adjust their schedules to account for the later graduation date. Sample bar prep schedules have already been posted on the Prior Bar Lectures and Canvas Page to help

graduates develop personalized schedules. Additionally, in April, the Bar Passage Support Program and the Career Development Office held an Alumni Bar Prep and Post Grad Job Search Panel. The panelists highlighted the importance of staying on pace with the bar review courses, prioritizing practice, and supplementing with resources like the BEST Essay Program and AdaptiBar.

Messaging from the administration and faculty that highlights the benefits of staying on pace with one's course schedule and prioritizing practice will continue after graduation.

BEST summer programming. BEST is the College's regular summer supplement to commercial bar company courses. Its key features are group reviews of commonly tested doctrine and regular practice essay tests on which students receive individual feedback from tutors. This summer, the program will run from May 20 to July 20, 2024. During that period, graduates may submit up to 10 essay and Performance Test (PT) answers for review and feedback. Our data show a high correlation between doing BEST practice essays and passing the CBE, especially when spaced throughout the bar review period. In order to maximize our graduates' opportunities to answer essay and PT questions under simulated conditions, we will offer BEST Group Sessions throughout the summer. Graduates' utilization of BEST will be monitored throughout the prep period.

AdaptiBar and UWorld. The College's prior studies suggest that AdaptiBar and UWorld are effective tools for improving bar outcomes, especially when used consistently throughout the bar review period. All May 2024 JD graduates will have full access to AdaptiBar during the bar review prep period. Full access means that the graduates will be able to complete all available questions in AdaptiBar when they want. The JD graduates do not have to pay a balance in order to access the resource. On May 3, 2024, I sent Class of 2024 JDs an email notifying them that the access had opened and asked that they confirm access. Themis users will also have access to UWorld. UWorld, like AdaptiBar, is a database of the available NCBE MBE questions. AdaptiBar and UWorld Info Sessions will be held during the first week of bar review. During bar prep, the Bar Passage Support Program will monitor the graduates' progress and provide individualized advising based on the graduates' utilization of the resources.

Course completion monitoring and individual coaching. The Bar Passage Support Program will monitor the graduates' progress in their summer bar courses to identify and provide support to graduates who may be struggling to keep up. Additionally, as noted above, graduates' utilization of AdaptiBar, UWorld and the BEST program will also be monitored to ensure that graduates are maximizing the benefits of the resources. Bar Success Analyst and Strategist Stefano Moscato will assist with tracking graduates' performance and identifying graduates who will benefit from individualized support and advising. Adjunct Professor Magi Lee will join the Bar Passage Support Program again this summer as a bar advisor.

Mentoring. Class of 2024 graduates have the opportunity to participate in the Faculty Bar Mentor Program and the Alumni Bar Mentor Program. Graduates were matched with their faculty mentors in April. Graduates will be matched with alumni mentors during the weeks of May 6th and May 13th.

Financial Support: Alumni Bar Prep Support Scholarship Fund. Thanks to the generous support of UC Law SF alumni, as well as the Faculty's approval of using the California Bar Prep Fund for bar study scholarships, we are able to award 66 scholarships to those most in need. Scholarship recipients were notified on May 2, 2024. The recipients must agree to participate in the College's bar support monitoring and free essay grading programs. Disbursements will be based on whether the applicants have met scholarship requirements.

Best exam study practices and memorization skills development opportunities. The Bar Passage Support Program's SharkNet page includes bar prep advice from graduates who have passed the exam. The [Bar Exam Memorization Tips and Resources SharkNet page](#) provides information on closed book practice, MBE and essay review strategies and self-assessment tips, retrieval practice, and outlining. The page also highlights memorization resources that the graduates may access during bar review, mnemonics resources, free bar subject outlines, and flashcard resources. The page will be updated throughout the prep period.

Library and On Campus Resources. Graduates will be able to study on campus and in the Library throughout the bar prep period. Through the Library, graduates will be able to access a series of online Aspen Learning Center study aids. The study aids include a number of memorization resources that prior graduates have found to be very useful. The Bar Passage Support Program has also reserved classrooms where graduates can watch the bar review course substantive lectures. The Bar Passage Support Program and Student Services will provide snacks for graduates throughout the study period.

Wellness programming for bar takers. Dean of Students Tiffany Gabrielson and the Student Services team have arranged for Carbon Health to lead a virtual bar-exam support group to help graduates learn cognitive behavioral therapy skills to help manage stress and anxiety while studying for the bar exam. The group will meet for one-hour each week over the course of six weeks, starting May 24, 2024. Each week will be dedicated to learning skills and strategies for managing anxiety during the different parts of the day (morning, day, night), with the final week focusing on the entire day. Through active and intentional use of the skills/strategies taught in this group, members can expect to better identify and regulate symptoms of anxiety.

LEOP support. May 2024 LEOP graduates will have access to additional support resources during the summer review period. For example, as part of the BEST program, LEOP graduates will have the opportunity to submit essay and PT answers to and meet individually with Associate Director for Academic and Bar Success and Academic Skills Lecturer Richard Sakai, LEOP BEST tutors, including Adjunct Professors Catalina Lozano, Mauricio Grande, Magi Lee, and Dan Martin. We have also hired two additional LEOP BEST tutors, Gaby Sergi and Joseph Saleh. Providing graduates with opportunities to submit answers to multiple readers and to meet with additional bar advisors will help to ensure that the graduates are fully supported throughout the study period.

To prepare the graduates for summer bar prep, the Bar Passage Support Program and LEOP held a special July 2024 Bar Exam LEOP Info Session on March 26, 2024. During the session, we provided an overview of the resources, including the B.E.S.T. Essay Program, that will be available during the summer, reviewed study tips and advice, discussed what to expect during bar

prep, and explained how to incorporate supplemental resources like AdaptiBar and UWorld into bar study. Recent LEOP alumni were on hand to share their experiences studying for and taking the bar exam. On May 20, 2024, we will also hold a Bar Prep Kickoff Breakfast to encourage graduates to start bar review on time. Throughout the summer, I will work with Director McGriff, Professor Sakai, and the LEOP BEST tutors to ensure that LEOP graduates are staying on pace with their course schedules and utilizing BEST and AdaptiBar or UWorld.

Report 6.2.2.4 – Employment

By Assistant Dean Amy Kimmel

Attached please find Assistant Dean Amy Kimmel's report regarding employment.

MEMORANDUM

To: Board of Directors
From: Assistant Dean Amy Kimmel
Date: May 7, 2024
Re: Student Outcomes - Employment

A. Employment Stats for Class of 2023 at 10 Months After Graduation

The UC Law SF Class of 2023 employment outcomes continue a multiyear positive trend in employment. Overall employment for the Class of 2023 was 92% (compared to 87% in 2020 and 93% in 2021, 91% in 2022). Four graduates reported as being Employed-Start Date Deferred and we had one graduate enrolled in graduate studies. Including these graduates brings the total to 93.5% (compared to 89% in 2020 and 94% in 2021 and 92.8% in 2022).¹

This is with a significantly increased class size of 341 (compared to 309 last year). We had more employed grads in the Class of 2023 (314) than our entire Class of 2022 (309).

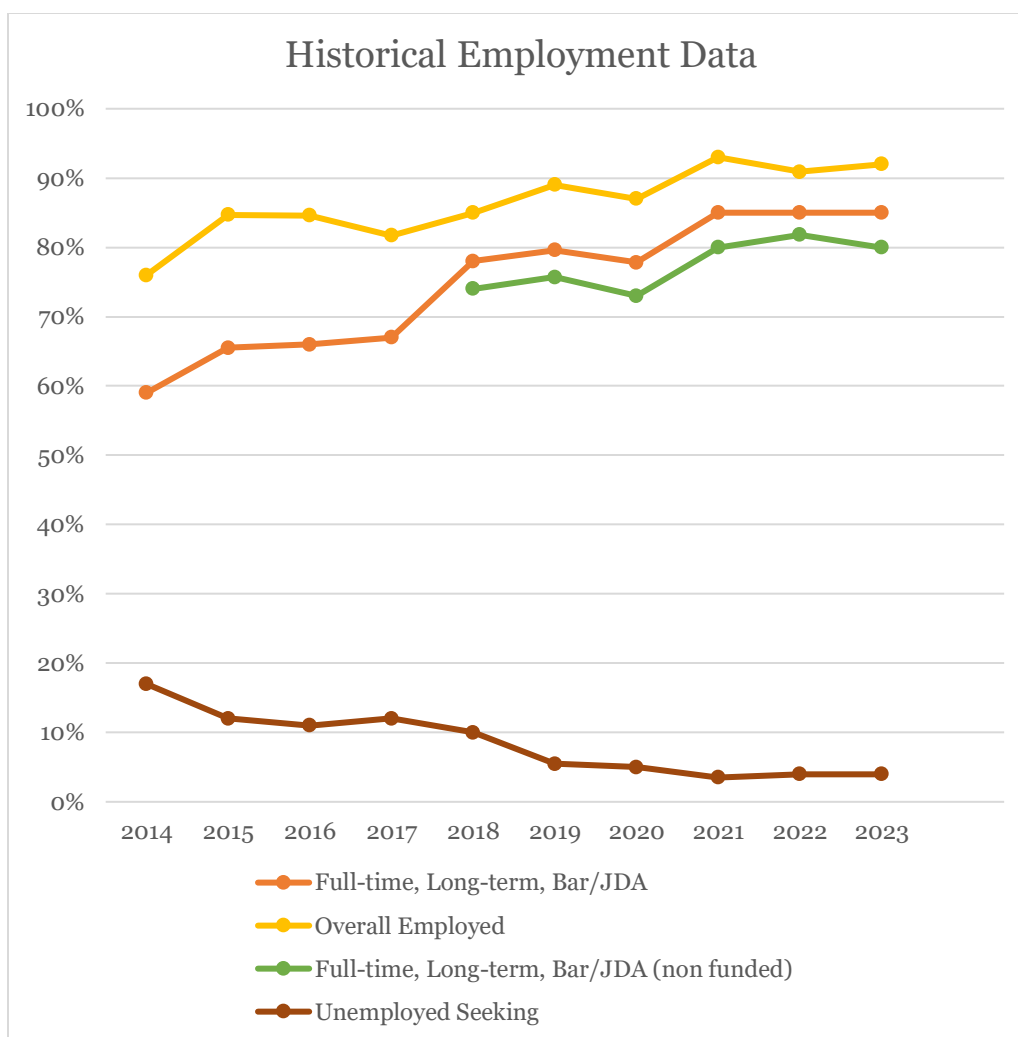
Full-time, long-term (FT/LT) Bar Passage Required or JD Advantage jobs that are not law school funded were again strong at over 80% (compared to 73% for the Class of 2020, 80% for the Class of 2021, and 81.8% for the Class of 2022). The College funded fifteen FL/TL Bridge Fellowships and one Abascal Fellowship, thus increasing the overall FT/LT Bar Passage Required/JD Advantage employment rate to 85% (the same as the Class of 2022). Unemployed seeking was at 4%

From the Class of 2023, 134 students obtained employment in San Francisco proper. In 2022, NALP reported only 599 legal jobs in San Francisco.² The College continues to populate approximately a fifth of the jobs in one of the smaller and most popular legal markets in the country. This is excellent news, but it does illustrate one of our challenges – our students overwhelmingly want to stay in CA and in the Bay Area particularly. This means other options (including clerkships) are of less appeal.

[Proceed to next page.]

¹ Fourteen graduates were seeking as of the reporting date, and we had three unknowns. Of the seekers, only two graduates passed a bar in July.

² From National Association for Law Placement (NALP), Jobs and JDs, Class of 2022. San Francisco is the 7th largest legal market with roughly one sixth the jobs of New York and about 60% of the jobs of LA.



Graduates going to law firms rose slightly at 61% (up from 57% last year). Of the graduates in law firms, the majority were in firms of 501+ lawyers (over 50% of grads going to firms compared to 34% last year). This was a very large jump and reflective of the unique market conditions that existed for Summer 2021 recruiting. This is not a trend we expect to continue. The next highest category, at 17%, was law firms of 1-10 lawyers. The other categories were split relatively evenly and very similar to last year: firms with 11-25 lawyers at 7%; 26-50 lawyers at 7%; 51-100 at 4%; 101-250 at 8% and 251-500 at 5%.

Business jobs remained stable at 10% for the Class of 2023.

Government and public interest employment was similar to last year at 10% and 13% respectively (compared to 12% and 14% last year). If public defenders are counted as government (the ABA counts public defenders as public interest), the percentages change to 15% government and 8% public interest. Public defenders made up more than a third (17 graduates) of public interest positions. Clerkship employment numbers remained low this year. This reflects both the challenges of geography for our students discussed above, lower salary compared to

private sector jobs, as well as an increase in judges preferring clerks with a couple years of practice experience. We will be rolling out new resources and initiatives regarding clerkships for the next year under the direction of our new Associate Director, Hanna Wen.

B. Class of 2024 and the Current Legal Market

The legal market continues to be impacted by slowing demand (particularly in the tech sector) for transactional work. This is especially true in the Bay Area and with local Big Law firms. Layoffs and delayed start dates began roughly a year and a half ago, primarily with firms that were heavily leveraged in tech. The layoffs have slowed, and it appears that the 2023 associates that were deferred for anywhere from four to eight months, have started work. There is still a hesitancy in hiring in Big Law³ and a reduced class size (compared to recent years) related to some lingering market uncertainty as well as the implications of the over hiring of 2021. But there are also signs of growth in the mid-size firm sector. Dialogue with law firm recruiters and legal staffing company professionals, both locally and at the recent national conference, confirms that the legal services market is still on the softer side but holding.

These market considerations can create some challenges for our employment outcomes in coming years. As class size continues to grow (see below chart), we will see more competition for fewer jobs, especially in the Bay Area and especially in the popular transactional practices. We will continue to reinforce messages of a broad-based job search (both in geography in practice) as well as the importance of networking and creativity in the job search.

Year	Class Size	Overall Employed Percentage (# of students)	Full Time/Long Term, Bar Passage or JD Advantage Percentage (# of students)
2024	380 ⁴	Unknown	Unknown
2023	341	92% (314)	85% (290)
2022	309	90.9% (281)	85% (263)
2021	285	92.9% (265)	85% (242)
2020	298	87% (259)	77% (232)
2019	309	89% (275)	79% (246)

C. On-Campus Interviews and “Pre-Recruiting”⁵

Legal recruiting is further complicated by the shift in On-Campus Recruiting (OCI). Many Big Law firms are now supplementing (or in a few cases replacing) their participation in OCI with

³ This is only one sector of the legal services market. Even in a banner year for Big Law jobs, jobs at firms with 501+ lawyers accounted for only 30% of the total jobs for the Class of 2023.

⁴ This was the size of the class based on enrollment at the beginning of the Spring Semester. This number will likely change as some students may not graduate and/or students from prior years may complete their requirements.

⁵ Background on the shift to pre-recruiting can be found [here](#) and [here](#).

pre-recruiting through their own direct hiring process.⁶ These hiring processes are opening much earlier this year (the first was on April 1, a handful followed on April 15 and more opened in May).

In response to this shift in our recruiting, we have implemented a “preview program,” the Pre-Summer OCI Program, in addition to our traditional Summer OCI. During Pre-Summer OCI, students can apply for interviews with up to five (5) firms in mid-June. These firms then make their own interview arrangements immediately after receiving the materials; in contrast to the law school-structured interview schedules of regular Summer OCI (occurring July 30-August 2).

Preview programs started at highly ranked East Coast schools (Harvard, NYU, Georgetown) in the last year or so. The trend has now reached the West Coast. UCLA and UC Berkeley (and possibly USF) are implementing similar programs to our Pre-Summer OCI this year while retaining the traditional Summer OCI in late July.⁷ UC Irvine is providing resumes early in addition to their late July OCI. UC Davis and Santa Clara have traditional OCIs in late July but did not implement a preview program this year; we expect that will change next year.

Of the firms registered for UC Law SF’s Summer OCI to date (registration is open for another month), just under half are only participating in the traditional Summer OCI, while roughly a third are participating in both Summer OCI and the Pre-Summer OCI, and roughly a quarter are participating in only the Pre-Summer OCI.

D. Professional Development Graduation Requirement

AY 23-24 was the second year of the co-curricular Professional Development Graduation Requirement (PD Program). Mandatory programming (which was completed by 90% of the class) included modules on the legal profession/careers, job search, resumes and cover letters, networking and planning for 2L/3L year. Optional programming (of which students had to attend at least two events) included employer presentations, practice area focused presentations, workshops on GPA and careers, imposter syndrome, clerkships, cultural competency and more.

As of May 1st, 192 1Ls have completed all the requirements. Approximately 50 students still need to meet with Student Services to meet their requirements (which is very effectively done after finals in preparation for 2L registration); meaning roughly 2/3 of 1Ls are in full or almost full compliance. This measure is not meant to be punitive, and the CDO is working with students to complete their requirements after the semester.

This summer, we will roll out a module prepared by [Dr. LaMisha Hill](#), UCSF Vice Chair for Equity, Inclusion and Structural Change – UCSF ObGyn. This program provides implicit bias

⁶ For example, in the past couple of years, Latham and Wilson Sonsini have only recruited at UC Law SF through their early application program: Latham Early Action Days (LEAD) and Wilson’s Accelerated Consideration for Employment (ACE). More firms are following their lead with their own pre-OCI application programs.

⁷ Yale and Stanford moved their OCI to June. They chose to make this move because they wanted to maintain their policy of prohibiting any pre-OCI contact with their students. Moving their OCI allows them to maintain this policy but still have their students in front of employers at a time when other schools are doing so through their preview programs.

training to all UC Law SF students in line with the requirement of ABA Section 303 and will be required for all 2L and 3L students to complete prior to registration for the Spring Semester.

Report 6.2.2.5 – Admissions

By Dean of Enrollment Management June Sakamoto

Attached please find a memorandum from Dean of Enrollment Management June Sakamoto re “Post-First Deposit Due Date JD Enrollment Snapshot.”

To: UC Law San Francisco Board of Directors
Cc: Chancellor & Dean David Faigman and Provost & Academic Dean Morris Ratner
From: Dean of Enrollment Management June Sakamoto
Date: May 7, 2024
Re: Post-First Deposit Due Date JD Enrollment Snapshot

Part One: JD 1L Enrollment

First enrollments deposits for the Juris Doctor class starting Fall 2024 were due on May 1. While we are on track to bring in another strong class this fall, as you read through this snapshot, please remember that there are still three more months to go in our admissions cycle and therefore still room for large enrollment swings.

Enrollment Targets: Our enrollment target for the past three years has been to settle into a class of 400 so that after the natural melt that occurs during the fall semester, the class consists of approximately 390 students. As you may recall, one of the challenges we faced in enrollment for the class that started Fall 2023 was the summer waitlist work that a large California law school competitor undertook that caused a cascade of late withdrawals and admissions offers throughout the West Coast. The class that started at UC Law San Francisco in Fall 2023 was strong, but consisted only of 379 students. It is possible that peer schools will again cause greater-than-usual melt in the JD class that matriculates in Fall 2024. In addition, because summer attrition of rising 2Ls is often linked to US News rankings, there may be a larger number of current 1L students (rising 2Ls) exploring the option of transferring out than usual. As such, our enrollment target for the class starting this fall is 410-415 to maintain the overall target enrollment levels.

In terms of metrics, our enrollment target is always (1) to meet or exceed the previous year's 75th/median/25th percentile LSAT and UGPA, (2) meet or reduce the previous year's admit rate, (3) meet the budgetary requirement to not exceed a 30% return to aid, and (4) meet our aspirational LEOP goal of approximately 20% of the incoming class. (This last item is pursuant to the law school's Admission Policy Statement, a faculty-approved document.) This is in addition to enrolling a class of diverse backgrounds, experiences, and perspectives.

Milestones: Our two major milestone points during the admissions cycle are our first deposit deadline (generally mid-April to early May) and our second deposit deadline of early June. This year, our first deposit deadline was May 1 and our second deposit deadline is June 5. To maximize the amount of time we have to woo admitted students and have them fall in love with UC Law San Francisco, we aim to get decisions out as quickly as possible after our application opens on September 1. This year, we were able to get our first batch of 437 decisions out in early November with between 350-550 decisions going out approximately every 2-3 weeks thereafter.

Challenges: For the past decade, our three biggest challenges to yielding students have been (1) our ranking, (2) our scholarships, and (3) our location.

Ranking: US News rankings are generally released in March – right when admitted students are most focused on deciding which law school to attend. Given national criticisms of US News rankings these past few years, most applicants understand that the rankings are flawed. Nonetheless, when admitted students are considering their own situations, they still rely heavily on the rankings. This year, with our

fall to 82, we lost a larger number of admitted students who had, up to the release of the rankings, been very engaged with the Admissions Office and UC Law San Francisco.

Scholarships: As has been the case since at least 2015, when national law school applicant counts were at their lowest in recent times, all of our competitor law schools have increased their merit scholarships to yield a class with the strongest metrics possible. This year has been no different. Following are the scholarships offered by some of our main competitors this season as compared to the scholarships that we have been able to award given our 30% return to aid target. As you will see, we face stiff competition for students from both above and below our medians.

School (rank)	Competition for LSATs	Their Scholarship Range	Our Scholarship Range
Pepperdine (52)	162-167	\$30,000-full tuition	\$20,000-30,000
UC Davis (55)	162-177	\$22,000-38,000	\$20,000-30,000
Loyola LA (61)	160-172	\$30,000-full tuition	\$20,000-30,000
Chapman (108)	162-166	All full tuition	\$20,000-30,000
Santa Clara (158)	155-166	\$25,000-55,000	\$6,500-30,000
McGeorge (159)	156-162	All full tuition	\$6,500-25,000
USF (165)	154-167	\$30,000-47,000	\$6,500-30,000

Location: Our location continues to be a double-edged sword for admissions. While San Francisco remains a desirable location for many, the high cost of living coupled with negative national media coverage of San Francisco and the Tenderloin continue to make it challenging to attract applicants and then for admitted students to enroll. Anecdotally, prospective students who are able to visit campus have for the most part been surprised and delighted with their experiences in our neighborhood and especially in our spectacular new buildings.

With 198 McAllister online and all of our other beautiful new spaces, our priority this year has been to showcase our campus. In addition to our array of virtual events, we have offered student-led campus tours (Monday-Friday) throughout the school year, in-person information sessions, Fall and Spring class visits, on-campus Admitted Student Day, and, new this year, twice monthly admitted student lunches in small groups of 15-25 admitted students, current students, and Admissions team members.

Note on Name Change: While a name change is difficult in the best of circumstances, we believe that our strategic engagement of prospective students has gotten the news out to most applicants that “UC Hastings” is now “UC Law San Francisco.” The primary name change initiatives undertaken this admissions cycle were:

- On the LSAC application portal, we worked with LSAC to ensure that our name consistently showed up as UC Law San Francisco (formerly Hastings).
- Our marketing campaigns sent to prospective students clearly state that we are UC Law San Francisco (formerly UC Hastings) or University of California Law San Francisco (formerly UC Hastings).
- Every first mention of UC Law San Francisco at info sessions, recruitment fairs, and presentations includes a statement of our name change.
- New printed recruitment materials.

We will, of course, continue to educate prospective students of our name change for the foreseeable future (5-10 years) to ensure minimal confusion and maximum applications each cycle.

Yield Going Forward: This year, to combat summer melt, the Admissions team will continue to provide personalized attention to each of our deposited students. In addition, given our ranking change and continued competition for students, we are actively working to create strong friendships between our incoming students throughout the summer. To this end, Chancellor & Dean Faigman has provided the needed funds to hold additional in-person events in Los Angeles and San Francisco during the summer.

First Deposit Enrollment Snapshot: By our final application deadline of June 15, we expect to receive approximately 3,800 applications. We are approximately 80% to our final enrollment target. With our current waitlisted students, the more recent applicants in the pool, and all later applicants who meet our June 15 deadline, we are on track to hit our enrollment targets (number of students, metrics, return to aid, and percentage of LEOP) as well as other enrollment goals such as diversity.

Part Two: JD Retention

Retention of our high academic performers remains a priority for the College. CDO and OASIS data show that virtually all of our top students in each graduating class for the past five years are employed 10 months after graduation in full-time, long-term positions before graduation and are passing the bar on their first try.

As has been the case since we began our retention efforts in 2015, we continue to combat attrition from transfer with individual counseling of students who indicate an interest in transferring and resources dedicated to the Honor Society which celebrates the top 15% of the class. 1L Faculty, the CDO, LEOP, the Moot Court Program, and the Chancellor & Dean's Office have been instrumental in these efforts.

As the majority of the requests made to the Registrar's Office to send transcripts to law schools for transfer purposes aren't submitted until June, it is too early to predict transfer numbers. Because the number of transfer requests generally correlates to US News rankings, however, we expect a large number of requests to come in as soon as first year grades are released in early June. Invitations to the Honor Society will be emailed as soon as possible after first year grades are available.

Report 6.2.2.6 – Faculty Scholarship

By Provost & Academic Dean Morris Ratner (attaching Report of Associate Dean for Research Dave Owen)

The UC Law SF mission statement includes three core elements: teaching, research, and public service. The mission statement reads: “UC Law SF serves society as a center of higher learning committed to exceptional teaching, influential scholarship, and exemplary public service. We provide a rigorous, innovative, and inclusive legal education that prepares diverse students to excel as professionals, advance the rule of law, and further justice.” This report addresses the law school’s research mission.

The faculty members who are most clearly responsible for advancing research and scholarship are tenured and tenure-track (research) faculty. The law school’s tenure standards as codified in the Faculty Rules and Procedures state in relevant part:

The production of scholarship relevant to the law is an essential function of an excellent law school. The College expects its faculty to contribute to the advancement of knowledge and ideas by disseminating the result of scholarly work involving theory, doctrine and practice relevant to the law and the faculty member’s fields of interest.

The law school’s [Operational Strategic Plan](#) also recognizes the importance of this mission element, as well. It states at p. 24:

Influential and impactful scholarship is an important public good and service that the College produces. Research also significantly impacts our stature among peer scholarly communities. The Operational Strategic Plan thus calls for a renewed institutional focus on and commitment to supporting and prioritizing both the production and promotion of our faculty research and scholarship.

Attached please find an annual report from Associate Dean for Research Dave Owen regarding scholarly achievements in the 2023-2024 academic year. This report focuses primarily on traditional faculty scholarship, as well as certain scholarly activities at the border of the research and public service mission elements of the law school, such as filing amicus briefs. That is, the report captures an important slice of scholarly activity, but only a slice. For example, it does not comprehensively canvas grant funded research output, faculty publication of casebooks or treatises, or many of the less formal ways faculty members share their expertise with colleagues, the practice community, or the public.

The report demonstrates that we have a vibrant intellectual community focused on and engaged with a wide range of the most pressing legal issues of the day, and that, though

knowledge has inherent value, faculty apply their knowledge to intervene in practical matters of great importance to the legal profession and the public.

To: Board of Directors' Education Policy Committee
From: Dave Owen, Associate Dean for Research
Date: May 2, 2024
Re: Faculty scholarly activity, 2023-24

This memorandum summarizes UC Law San Francisco faculty scholarly activities during the 2023-2024 academic year. The first two pages provide some highlights, and the appendix contains the scholarly achievement updates that go to the faculty every other month.

Publications

This was a productive year for publications. The faculty produced two new scholarly books—Dorit Reiss's [Vaccine Law and Policy](#) and Hadar Aviram's [FESTER: Carceral Permeability and California's COVID-19 Correctional Disaster](#). Less scholarly, but perhaps more fun, is Tim Greaney's satirical novel about law schools, [St. Sebastian School of Law](#).

We also wrote several dozen articles, ranging in scale from short op-eds to full-length peer-reviewed and law-review pieces. Some highlights include Christina Koningisor's [First Amendment Disequilibrium](#), which was the Virginia Law Review's lead article; Jodi Short's [In Search of the Public Interest](#), which used a labor-intensive empirical study to assess how government agencies implement public-interest standards; David Faigman's [Scientific Guidelines for Evaluating the Validity of Forensic Feature-Comparison Methods](#), which appeared in the Proceedings of the National Academy of Sciences; Robin Feldman's [Patent Term Extensions and the Last Man Standing](#), in the Yale Law & Policy Review; Dave Owen's [Community Energy Exit](#), in the Duke Law Journal; and Ben Depoorter's [Aspirational Laws in Action: A Field Experiment](#), in Law & Social Inquiry. More work is coming, including Dave Owen's [The Water District and the State](#), forthcoming in the Yale Law Journal, and Scott Dodson's [The Complexities of Consent to Personal Jurisdiction](#), in the California Law Review.

Speaking

Faculty also gave dozens of talks, along with many interviews and other media appearances. Among the highlights: David Faigman was a keynote speaker for the United Nations General Assembly Science Summit in New York, where the title of his talk was *Advances in Neuroscience-Inspired Law: Regulating the Future*. Naomi Roht-Arriaza was the keynote speaker at a conference at the University of Chile Law School, entitled *50 Years after the Coup: The Legal Legacy of Pinochet*. And Binyamin Blum presented *Teoría General de la Prueba en el Derecho* and *Errores Cognitivos y Razonamiento Probabilístico* to about 1000 state lawyers (mostly public defenders) in Colombia.

Awards and Recognitions

Our faculty received several significant scholarly awards or recognitions this past year. Scott Dodson received the AALS Litigation Section Award for Scholarly Achievement. Leo Martinez [received the ABA's prestigious Kutak Award](#), which recognizes lifetime contributions to the academy, bench, and bar (past recipients include Mary Kay Kane, Geoffrey Hazard, and Sandra Day O'Connor).

Ascanio Piomelli received the AALS clinical section's Stephen Ellman Memorial Award, which recognizes scholar-teachers "whose career trajectory is dedicated to clinical and experiential teaching, whose written body of work evinces a concern for justice and a commitment to healing the world, and whose body of work emanates from their clinical commitments." Dave Owen's article, [*The Negotiable Implementation of Environmental Law*](#) (Stanford Law Review), was selected by the [*Environmental Law and Policy Annual Review*](#) as one of the top three policy-relevant environmental law articles of the year. Jodi Short's article, [*Major Questions about Presidentialism: Untangling the 'Chain of Dependence' Across Administrative Law*](#) (Boston College Law Review), was identified by Ed Rubin as one of the best works of recent scholarship relating to administrative law, in a review published at <https://jotwell.com>. Abe Cable's article [*Regulating Democratized Investing*](#) (published in the Ohio State Law Journal) was selected for the Securities Law Review, an annual anthology of articles deemed "worthy of a wider audience." And Emily Murphy was appointed by the American Association for the Advancement of Science (AAAS) to the National Conference of Lawyers and Scientists (NCLS).

As exemplified by that last item, and by David Faigman's UN General Assembly address, this year demonstrated our faculty's influence at the intersections of law and science. In addition to the achievements described above, Emily Murphy was appointed to the Nominating Committee of the International Neuroethics Society, and Dave Owen joined the National Academies of Science, Engineering, and Medicine's ad hoc committee for [*Review of the Long-term Operations of the Central Valley Project and State Water Project*](#).

Finally, our faculty was actively and constructively engaged with the United States Supreme Court. Scott Dodson is counsel of record in a merits case before the U.S. Supreme Court: *Harrow v. Department of Defense*, No. 23-21. Emily Murphy and Matt Coles (along with Teneille Brown, Utah) filed an amicus brief in the Supreme Court on behalf of David Faigman, Roger Park, Binyamin Blum, and eighteen other evidence scholars in the case *Diaz v. United States*. The brief addresses the permissible scope of expert testimony about a defendant's mental state. The "Professors Brief" was mentioned by multiple justices at oral argument and called a "notable amicus" by the legal podcast Strict Scrutiny. Emily was a guest on the evidence podcast Excited Utterance discussing the brief and will be giving the plenary lecture at the upcoming Evidence Summer Workshop about the brief and the process.

Internal events:

We also hosted many internal research-related events. Our Tuesday research-presentation series involved both internal and external speakers, and some highlights were talks by UC Law professors Alina Ball, Emily Murphy, Jodi Short, Manoj Viswanathan, and Joan Williams, as well as talks by faculty from the University of Virginia, the University of Texas, Berkeley, and Stanford, among other schools. In January, we hosted an internal works-in-progress event, at which sixteen faculty presented and commented on draft papers.

Appendix: Bimonthly Scholarly Activities Reports

Every other month, the research dean's office sends a faculty-wide update on scholarly achievements. Those updates are pasted below (the April – May update will go out the first week of June).

August – September

Publications:

Ming Chen, [*What the Supreme Got Wrong About Affirmative Action*](#), The Progressive.
Robin Feldman, [*CalRx Biosimilar Insulin: California's Initiative to Enter the Insulin Market*](#), JAMA.
Heather Field, *Tax Aspects of Corporate Mergers and Acquisitions*, in the *Research Handbook on Corporate Taxation* (Reuven Avi-Yonah ed.).
Dorit Reiss, [*Vaccine Law and Policy*](#) (with Y. Tony Yang).
Naomi Roht-Arriaza, *Natural Resources, Transitional States and Grand Corruption*, in *Research Handbook on International Law and Environmental Peacebuilding* (Dam, D. and B. Sjustedt, eds.) (Edward Elgar).
Jodi Short, [*In Search of the Public Interest*](#), 40 Yale J. Reg. 759.
Shanin Specter, [*The Courts Are Not the Way to Beat Donald Trump*](#), Smerconish, August 21, 2023.
Joan Williams, [*No, SCOTUS Did Not Make Your Company's DEI Programs Illegal*](#), Harvard Business Review.

Accepted for publication:

Ming Chen, *The Road Not Taken: A Critical Juncture in Racial Preferences for Naturalized Citizenship*, William and Mary Law Review.
Christina Koningisor, [*First Amendment Disequilibrium*](#), Virginia Law Review (with Lyrissa Lidsky).
Dave Owen, [*Sackett v. Environmental Protection Agency and the Rules of Statutory Misinterpretation*](#), Harvard Environmental Law Review.
Morris Ratner, Stephen Goggin, Stefano Moscato, Margaret Greer & Elizabeth McGriff, [*Determinants of Success on the Bar Exam: One Law School's Experience 2010-2023*](#), Journal of Legal Education.

Speaking:

Binyamim Blum presented *Teoría General de la Prueba en el Derecho and Errores Cognitivos y Razonamiento Probabilístico* to about 1000 state lawyers (mostly public defenders) in Colombia.
Abe Cable presented “*A Decade of Trados*” at Oxford.
Ming H. Chen presented a new paper, *Legal Liminality and Immigrant Racialization* (co-authored with Jennifer Chacon and Shannon Gleeson) at a convening on empirical approaches to critical race theory at UC Irvine School of Law.
Ming H. Chen presented *The Road Not Taken: A Critical Juncture in Racial Preferences for Naturalized Citizenship* at the UC Davis Symposium on the Naturalization Act of 1790.

Marsha Cohen was the discussant at the UC Law SF's Center for East Asian Legal Studies' 2023 Conference on Japanese Law, providing a comparative law perspective on the achievements and challenges of the Japanese open government movement.

Ben Depoorter presented *An Empirical Analysis of Copyright Small Claims Court* at the Intellectual Property Scholars Conference 2023 at Cardozo Law School.

Nira Geevargis presented on the AALS - Clinical Legal Education Externships Joint Webinar: Advice for Submitting Your Clinical Conference Presenter Proposal.

Jeff Lefstin presented *The Current Status and Future of Functional Claiming, Enablement, and Sufficiency after Amgen v. Sanofi* on a panel at the Intellectual Property Owners' 2023 Annual Meeting.

Emily Murphy presented on a panel "In the Mind of the Jury" at Scientific Evidence and the Courts, put on by the American Association for the Advancement of Science in Washington, DC.

Dorit Reiss was part of three panels and organized a fourth for the [Vaccine Law Conference](#).

Naomi Roht-Arriaza was the keynote speaker at a conference at the University of Chile Law School, entitled *50 Years after the Coup: The Legal Legacy of Pinochet*.

Naomi Roht-Arriaza was on a panel on *Joining the Dots Between the Recognition and Compensation of Corruption Victims* at the Transparency International Summit.

Jodi Short presented *Major Questions about Presidentialism: Untangling the Chain of Dependence Across Administrative Law* (with Jed Shugerman) at the virtual Power in the Administrative State workshop.

Other exciting stuff:

Scott Dodson was appointed to the Council of the International Association of Procedural Law.

Robin Feldman received 2 grants to support her work at C4i regarding pharmaceutical pricing, competition, and innovation: \$1.5 million from the Laura and John Arnold Foundation, and \$277,000 from the Commonwealth Fund

Emily Murphy was appointed by the American Association for the Advancement of Science (AAAS) to the National Conference of Lawyers and Scientists (NCLS). The NCLS was established in 1974 as a joint standing committee of the AAAS and the American Bar Association's Section of Science and Technology Law.

Jessica Vapnek's International Development Center was awarded a \$50,000 grant from the U.S. Embassy in Nigeria to support a legal education exchange between UC Law SF and law schools in Nigeria.

Jessica Vapnek's International Development Center was awarded a \$25,000 grant from the U.S. Embassy in Samoa to support legislative drafting training of fisheries and legal officers in Samoa.

October – November

Published work:

Joe Creitz, *How to Abuse your Discretion*, ABA Employee Benefits Law Newsletter

Ben Depoorter (with Stephan Tontrup) [Aspirational Laws in Action: A Field Experiment](#), Law & Social Inquiry, 1-36. doi:10.1017/lsi.2023.48 (Nov. 6, 2023)

Scott Dodson, [Rule 4 and Personal Jurisdiction](#), 99 Notre Dame Law Review 1 (2023)

David Faigman (with Nicholas Scurich & Thomas D. Albright), *Scientific Guidelines for Evaluating the Validity of Forensic Feature-Comparison Methods*, 120 Proc. Natl. Acad. Sci. e2301843120 (2023), <https://doi.org/10.1073/pnas.2301843120>

Dave Owen (with Sharon Jacobs), *Community Energy Exit*, 73 Duke L.J. 251 (2023)

Dorit Reiss, *Vaccines and the Courts: A COVID-19-Induced Litigation Influx*, Health Affairs Forefront (with Richard Hughes IV) (Nov. 6, 2023)

David Takacs (with Jesse Honig '23), *Wolf Law*, 41 UCLA J. Envtl. L & Pol'y 39 (2023)

Accepted for publication:

Ming H. Chen, Race and Regulatory Equity, Georgetown Journal of Law and Public Policy

Robin Feldman, *Dance of the Biologics*, Berkeley Technology Law Journal

Nira Geevargis (with Megan Bess & June Tai), *Reinventing the Externship Rounds Structure: Encouraging Deep and Authentic Reflective Practice*, Washington University Journal of Law & Policy

Radhika Rao, *What would Justice Blackmun say? A response to Dobbs*, Journal of Law, Medicine, and Ethics

Awards and recognitions:

Scott Dodson won this year's Leading Scholar Award from the AALS Section on Litigation.

Dave Owen's article, *The Negotiable Implementation of Environmental Law*, was selected by the Environmental Law and Policy Annual Review as one of the top three policy-relevant environmental law articles of the year.

Jodi Short's article, *Major Questions About Presidentialism: Untangling the "Chain of Dependence" Across Administrative Law* (with Jed Shugerman), was identified by Ed Rubin as one of the best works of recent scholarship relating to administrative law, in a review published at <https://jotwell.com>.

Speaking:

Rebecca Arons and Teresa Wall-Cyb presented *Could Less be More? Using Less Directive Feedback to Encourage More Independent Learning in LRW* at the Western Regional Legal Writing Conference.

Richard Boswell participated in an exchange on teaching methodologies and presented a simulation exercise at a University of Havana conference attended by law professors and clinical instructors from Cuba, Spain, Italy, Peru and the United States. Richard also presented a simulation exercise at a plenary gathering of law professors and clinical instructors held at the Union de Juristas and sponsored by the Raoul Wallenberg Institute of Human Rights and Humanitarian Law, the Universidad de la Habana, and the University of Valencia in Havana, Cuba.

Ming H. Chen presented a new paper, *Legal Liminality and Immigrant Racialization* (co-authored with Jennifer Chacon and Shannon Gleeson), at a convening on empirical approaches to critical race theory at LatCrit and the Berkeley Interdisciplinary Migration Immigration Workshop.

Scott Dodson presented, *Why Do In-State Plaintiffs Invoke Diversity Jurisdiction*, at the International Access to Justice Forum, UC Irvine Law, and moderated *Courts and Justice Policies*, at that same conference. He was a panelist on *Post-Distribution Reporting*, for the Complex Litigation Ethics

Conference, UC Law SF, and at the Civil Justice Institute Symposium, Berkeley Law School. He also presented *Constitutional Allocations of Judicial Authority* at the Constitutional Law Colloquium, Loyola Chicago Law School.

David Faigman was a Keynote Speaker for the United Nations General Assembly Science Summit in New York. The title of his talk was *Advances in Neuroscience-Inspired Law: Regulating the Future*.

Clark Freshman presented *Re-Negotiating LGBTQ Equality in an Age of Counter-Reformation* at the Yale Law School ADR Works in Progress Conference and *Taking LGBTQ Bias in ADR Scholarship, Teaching, and Practice Seriously – and Lightly* at the CNDR 20th Anniversary Conference on DEI and Dispute Resolution.

Nira Geevargis presented *Strategies for Running Effective Hybrid, In-Person and Remote Field Placement Programs* at Berkeley Law. Nira also presented *AI in Clinic & Externship Seminars* to the AALS Externships and Teaching Methodologies Committee.

Christina Koningisor presented *First Amendment Disequilibrium* at the Information Society Project at Yale Law School. Christina also was also a panelist at the *FOIA and AI* session at the Access and Accountability Conference at Yale Law School, and she presented her work-in-progress, *Coopting Privacy*, at the Information Governance Colloquium at Ohio State Law School.

Jessica Lee was a panelist for a discussion entitled *Supporting Transgender, Non-binary, and Pregnant People in Light of Title IX Rule Changes*. The panel was part of the National Academies of Science, Engineering, and Medicine's [Action Collaborative on Preventing Sexual Harassment in Higher Education](#). Jessica also presented, at the American Academy of Pediatrics National Conference, about the new protections for lactating parents brought by the PUMP Act and PWFA.

Liz Morris presented to Stanford Law School students on winning the federal PUMP Act for lactating workers.

Emily Murphy gave a keynote address at the Council of Chief Judges of the State Courts of Appeal in Charleston, SC. Emily also served as a commentator for a paper at the Junior Faculty Forum on Law and STEM at Stanford Law School.

Dave Owen moderated *The Incredible Shrinking Clean Water Act* at the California Lawyers Association's annual environmental law conference. He also presented on *Sackett v. Environmental Protection Agency* to the California Water Quality Control Council and presented *California Water and the Real Estate Industry* at the annual meeting of the Orange County Association of Realtors.

Ascanio Piomelli presented *Rebellious: Envisioning and Embodying Radical Practice* on a panel at the UCLA Critical Race Studies 2023 Symposium. Ascanio also facilitated a small group at the Clinical Law Review's Clinical Writers Workshop at NYU.

Radhika Rao gave a keynote speech on *Abortion: Past, Present & Future*, at the Marin County Women Lawyers' 44th Annual Dinner. Radhika also gave a plenary talk on *America's Abortion Theocracy* at Rights & Wrongs: A Constitution Day Conference, SF State University.

Reuel Schiller was an Invited Discussant at *The Spirit of the Law: New Legal Histories in Honor of Sarah Barringer Gordon* at University of Pennsylvania, Carey School of Law.

Jodi Short presented *In Search of the Public Interest* at the Regulation and the Common Good Workshop, University of Sheffield.

Amy Spivey presented at the Annual Meeting and Tax Policy Conference of the Taxation Section of the California Lawyers Association in Palm Springs. Her panel was entitled *At Both Ends: Overcoming Burnout in the Legal Profession*.

Emily Strauss spoke about climate-related shareholder litigation on the [Financial Climate podcast](#).

Joan Williams presented her book *Bias Interrupted* in Copenhagen (to an audience of 600!).

Other exciting stuff:

Paul Belonick's book *Restraint, Conflict, and the Fall of the Roman Empire* received a positive review in the Bryn Mawr Classical Review. Paul explains: "For the lawyers in the room, *Bryn Mawr Classical Review* is a big deal in the classical scholarship world, and their reviews are usually withering, so this is quite a win."

Ming H. Chen received a Robertson Research Award to support empirical research on Asian, Latinx, and Muslim immigrant integration. On behalf of RICE, Ming also received a grant from the AAJ Habush Endowment Grant. The grant will support a keynote on *Racial Reparations from Slavery, to Japanese Internment and Back*, featuring Don Tamaki, Lisa Miller, and our own Shauna Marshall, as part of an upcoming symposium with UC Law Journal.

Robin Feldman served as a reviewer for the National Academies of Sciences, Engineering, and Medicine's report on [The FDA's Accelerated Approval Process for New Pharmaceuticals](#).

Emily Murphy was appointed to the Nominating Committee of the International Neuroethics Society.

Dave Owen joined the National Academies of Science, Engineering, and Medicine's ad hoc committee for [Review of the Long-term Operations of the Central Valley Project and State Water Project](#).

Jessica Vapnek's International Development Law Center received its third successive grant from the Pacific Community, an intergovernmental organization of Pacific nations. The grant, for \$37,500, will support student researchers, continuing administration of the asynchronous legislative drafting course designed under the previous grants, and revision of capacity building materials for government officials.

December – January

Published:

Hadar Aviram's book (with Chad Goerzen) [FESTER: Carceral Permeability and California's COVID-19 Correctional Disaster](#) is now in print from UC Press.

Ming Hsu Chen, [We Should End Legacy Admissions. But it Won't Make up for Losing Affirmative Action](#), THE BOSTON GLOBE, January 13, 2024.

Robin Feldman, [Patent Term Extensions and the Last Man Standing](#), YALE LAW & POLICY REVIEW.

From Tim Greaney: "My recently published satirical novel (about teaching law), [St. Sebastian School of Law](#), was recommended by [Above the Law](#) and has received some [nice reviews](#). It's available in paperback and ebook versions on [Amazon](#)."

Rory Little, [Special Counsel Right on Quick SCOTUS Review](#), GREENFIELD RECORDER, December 19, 2023; [High Court Polarized on Constitutional Swings](#), GREENFIELD RECORDER, October 12, 2023.

Dave Owen, [Five Guiding Principles for Effective Voluntary Agreements: A Case Study on VAs for Water and Habitat in California's Bay-Delta Watershed](#) (with Felicia Marcus, Nell Green Nylen, and Michael Kiparsky).

Jodi Short, [Regulatory Managerialism as Gaslighting Government](#), 86 LAW & CONTEMPORARY PROBLEMS 1.

Speaking:

Many UC Law faculty spoke at a successful internal works-in-progress symposium on January 19. If you couldn't join us, hopefully you can participate next year.

Scott Dodson was a panelist for "Planning a High-Impact Career" at the AALS Annual Meeting (Jan. 5, 2024) and a presenter for "Post-Distribution Accountings for Class Settlements," American Association for Justice Class-Action Section Lunch & Learn (Jan. 10, 2024).

Robin Feldman was featured in a UNECE Innovation and Competitiveness Policies [podcast episode of UNECE Innovation Matters](#), discussing her works across the last 15 years, from patent trolling to AI to pharmaceuticals.

At the ABA Tax Section Mid-Year Meeting (1/18-1/20), Heather Field spoke on a panel entitled "Lessons Learned from the *Cross Refined Coal* Case" as part of a program on "Leveraging Tax Incentives for the Common Good."

Jeff Lefstin was an invited commentator at the WIPO (World Intellectual Property Organization) International Patent Case Management Summit held at Berkeley on December 6. The summit featured a select group of leading judges from patent courts around the world.

Dave Owen presented "The Challenges of Groundwater Recharge Accounting" at the American Geophysical Union's annual conference and "A Partial Agenda for Water Rights Reform" at the California Environmental Legislative Symposium at UC Davis.

Shanin Specter was one of four panelists who spoke to about 175 Pennsylvania judges on developments in medical malpractice law during a four hour Zoom seminar conducted on October 31 and November 7. The program was sponsored jointly by the Administrative Offices of Pennsylvania Courts and the American College of Trial Lawyers.

Other good stuff:

Scott Dodson is counsel of record in a merits case before the U.S. Supreme Court: *Harrow v. Department of Defense*, No. 23-21. His petition for certiorari was granted Dec. 8, and oral argument will likely be the week of March 25.

Scott also received the AALS Litigation Section Award for Scholarly Achievement (presented Jan. 3, 2024).

Reuel Schiller is a legal celebrity in Wisconsin! Or, at least, the Wisconsin Supreme Court cited two of his articles in *Container Life Cycle Management v. Wisconsin Department of Natural Resources*, 402 Wisc. 2d 337, 366 (2022).

February – March

Published:

Jon Abel, [Going Federal, Staying Stateside](#), 73 AM. U. L. REV. 585.

Ming Hsu Chen, [California can't abandon undocumented students after UC vote](#), Sacramento Bee.

John L. Diamond & Dorit R. Reiss, TORTS - CASES AND MATERIALS, FOURTH EDITION (West Academic).

Robin Feldman, [NIH Licensing Would Benefit from Free-Market Provisions](#), CAMBRIDGE J. OF L. MEDICINE & ETHICS.

Christina Koningsor, [First Amendment Disequilibrium](#), 110 VA. L. REV. 1 (with Lyrrisa Lidsky).

Rory Little, [The Plain-Language Path for the Court to Rule Now on Trump's Disqualification](#), The Recorder.

Leo Martinez, [You've Got to Speak Out Against the Madness: The Myth of Tax Neutrality](#), 21 PITT. TAX REV. 11 (2024).

Jodi Short, [Major Questions about Presidentialism: Untangling the 'Chain of Dependence' Across Administrative Law](#), 65 B.C. L. Rev. 511 (with Jed Shugerman).

David Takacs, Foreword, in Anna Poelina et al., [Declaration of Peace for Indigenous Australians and Nature: A Legal Pluralist Approach to First Laws and Earth Laws](#).

Accepted for publication:

Hiro Aragaki, [The Federal Arbitration Act in Comparative Perspective: Is the United States an Outlier?](#), in THE FEDERAL ARBITRATION ACT: SUCCESSES, FAILURES, AND A ROADMAP FOR REFORM (Richard A. Bales & Jill I. Gross eds.)

Melissa Crow, [Impact Litigation Reconsidered](#), CLINICAL L. REV.

Scott Dodson, [The Complexities of Consent to Personal Jurisdiction](#), 113 CALIF. L. REV. ____.

Scott Dodson, [The Missing Millions: Cy Pres in Federal Securities Class Actions](#), 74 EMORY L.J. 1 (with Joe Grundfest).

Robin Feldman, [Artificial Intelligence and Cracks in the Foundation of Intellectual Property](#), 76 U.C. L.J. ____.

Thalia González & William Martel, [Education Equity and Brown: Reform, Retrenchment and Exclusionary Discipline](#), 15 GEO. J. MODERN CRIT. RACE THEORY ____.

Thalia González & Rebecca Epstein, [Racial Reckoning and the Police-Free Schools Movement](#), UCLA L. REV. DISC.

Christina Koningsor, [Coopting Privacy](#), 104 B.U. L. REV. ____.

Dave Owen, [The Water District and the State](#), 134 YALE L.J. ____.

David Takacs, [Killing for Biodiversity](#), 76 U.C.L.J. ____.

Speaking:

Hiro Aragaki Facilitating Settlements in International Arbitration, ICC YAAF Panel, California International Arbitration Week, San Francisco.

Hiro Aragaki, Moderator, Does Mandatory Mediation Work?, SOAS Arbitration and Dispute Resolution Centre Mediation Webinar, London.

Hiro Aragaki, Panelist, Dispute Resolution Enforcement, India-US Legal Services Summit on Corporate and Legal Issues, Indo-American Chamber of Commerce, New Delhi.

Scott Dodson, Co-Organizer and Discussion Leader, A More Perfect Jury, UC Law SF.

Robin Feldman, Artificial Intelligence and Cracks in the Foundation of Intellectual Property, [AI and Society: Government, Policy, and the Law conference](#), University of Missouri.

Robin Feldman, Panelist, [POLITICO Corrective Action: How to Lower Prescription Drug Costs](#).

Robin Feldman, Panelist, AI in STEM and Medicine, Artificial Intelligence: Implications across Industries Symposium, UC Davis.

Heather Field, Tax Enforcement by the Private Sector: Deputizing Tax Insurers, Duke University School of Law's Tax Policy Seminar.

Clark Freshman hosted a speaker series on negotiation and presented his own empirical research on how even mild emotions affect negotiation for "normal" people.

Clark Freshman, Integrating Meditation into Dispute-Resolution Classes, ABA (Virtual) Dispute Resolution Legal Education.

Clark Freshman, Eliminating Bias Through Mindfulness, Lovingkindness, and ... Tech!, ABA ADR Spring Conference.

Nira Geevargis, Case Rounds for Externship Professors, AALS Clinical Section Teaching Methodologies Committee.

Christina Koningsor, First Amendment Disequilibrium, Constitutional Law Scholars Conference, Tucson.

Liz Morris, Winning the PUMP Act, Georgetown University Law Center.

Emily Murphy, panelist, Cognitive Decline and the Law Conference, Case Western Reserve University.

Jodi Short, The Moral Turn in Administrative Law, UC Law SF Faculty Colloquium.

Jodi Short, Major Questions about Presidentialism: Untangling the 'Chain of Dependence' Across Administrative Law, National Conference of Constitutional Law Scholars, Tucson.

David Takacs, We Are The River: Rights of Nature and Climate Change, University of Illinois.

Jessica Vapnek, Gender-Silent Legislative Drafting, International Women's Day Conference, sponsored by Feminist Legal Studies and the Faculty of Law, Queen's University, Ontario, Canada.

Morgan Wells, Academic Support & Legal Research/Writing for Non-lawyers, Legal Masters Conference at St. Mary's University School of Law.

Other good stuff

Abe Cable's article *Regulating Democratized Investing* (published in the Ohio State Law Journal) was selected for the Securities Law Review, an annual anthology of articles deemed "worthy of a wider audience."

Scott Dodson was arguing counsel (second chair) for [Harrow v. Department of Defense](#), 23-21 (S. Ct. Mar. 25, 2024). He also submitted the [Reply Brief for Petitioner](#) in the same case.

Center for Work-Life Law staff attorney Juliana Franco was elected as the Vice Chair of the EDD's Multilingual Access Advisory Committee.

Emily Murphy and Matt Coles (along with Teneille Brown, Utah) filed an amicus brief in the Supreme Court on behalf of David Faigman, Roger Park, Binyamin Blum, and eighteen other evidence scholars in the case *Diaz v. United States*. The brief addresses the permissible scope of expert testimony about a defendant's mental state. The "Professors Brief" was mentioned by multiple justices at oral argument and called a "notable amicus" by the legal podcast *Strict Scrutiny*. Emily was a guest on the evidence podcast *Excited Utterance* discussing the brief and will be giving the plenary lecture at the upcoming Evidence Summer Workshop about the brief and the process.

ACTION ITEM

1. **REPORT BY:** Chair of Subcommittee on Audit Claes Lewenhaupt
2. **SUBJECT:** Review of Proposed 2024 Audit Plan and Scope of Work
3. **RECOMMENDATIONS:**

That the Board of Directors approves the 2024 Audit Entrance and Statement of Work.

4. **BACKGROUND:**

Attached is the 2024 Audit Entrance presentation describing the annual financial and internal control review to be performed by Moss Adams, the College's auditors. Also included is the Statement of Work serving as the formal engagement letter.

5. **PROPOSED RESOLUTION:**

Resolved that the Board of Directors approves the Statement of Work commencing the annual audit of the financial statements for 2024.

Attachments:

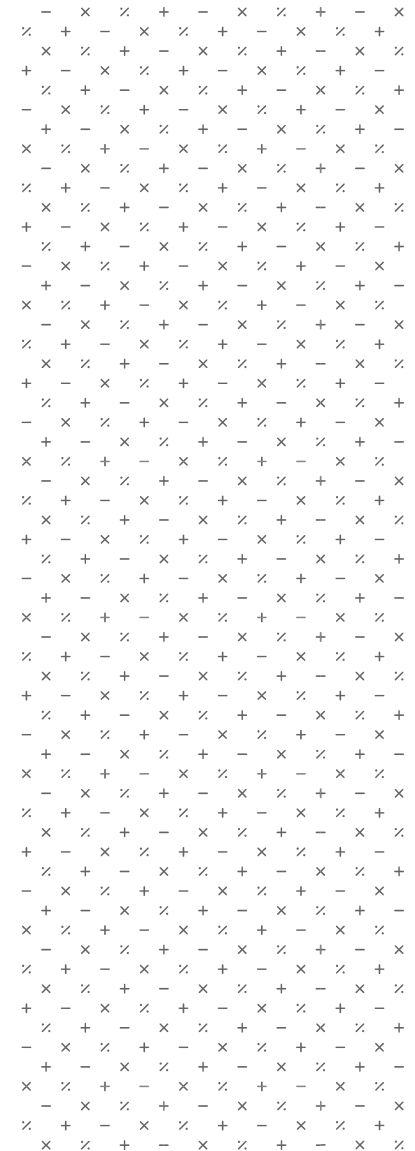
- 2024 Audit Entrance
- Statement of Work



UC^{SAN FRANCISCO} Law

2024 Audit Entrance

Better Together: Moss Adams & University of California College of the Law, San Francisco

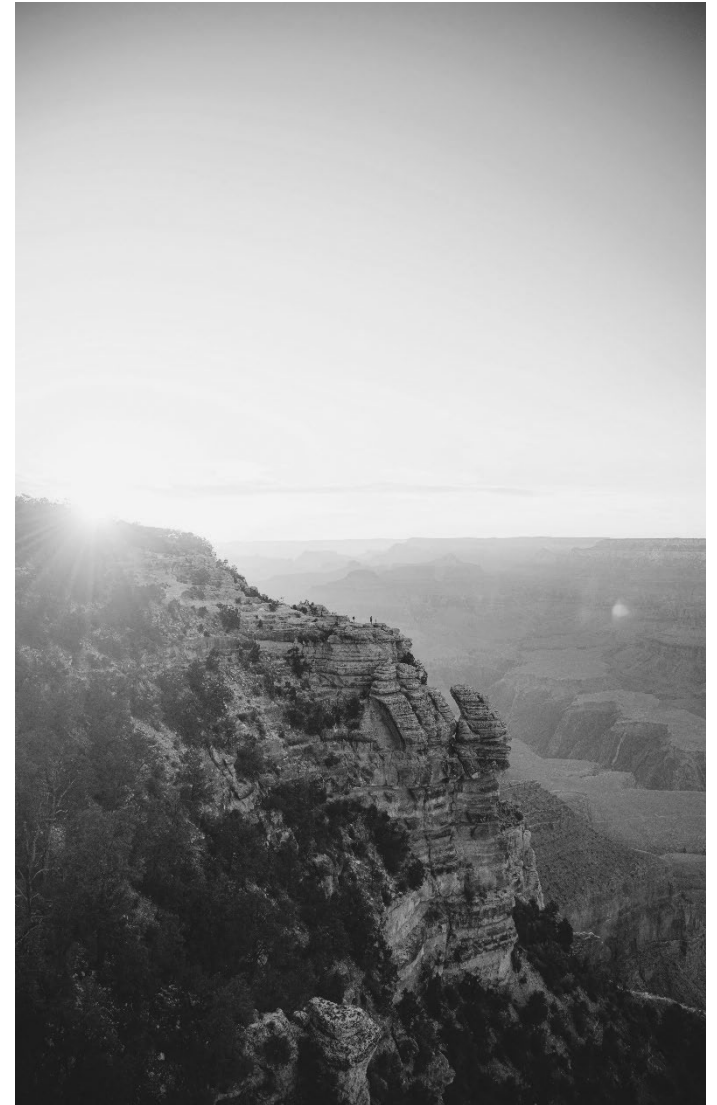


University of California College of the Law, San Francisco

Dear Audit Committee Members:

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for higher education institutions. We're pleased to present our audit plan for University of California College of the Law, San Francisco (UC Law) and its discretely presented component unit, the UC Law Foundation (Foundation) as of and for the year ending June 30, 2024. We'd also like to discuss current-year developments and accounting and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan, and we look forward to working with you.



Your Dedicated Engagement Team



Kinman Tong, CPA
Engagement Partner



Scott Simpson, CPA
Quality Control Review Partner



Gordon Lam, CPA
Engagement Senior Manager



Colleen Goeser, CPA
Audit Manager



Mike Lumsden, CPA
Tax Senior Manager

Required Communications to Those Charged with Governance

ENTRANCE



Auditor's responsibility under the US generally accepted auditing standards

Planned scope and timing of audit

EXIT



Significant audit findings

Qualitative aspects of accounting practices

Difficulties encountered in performing the audit

Corrected and uncorrected misstatements

Management representations

Management consultations with other independent accountants

Other audit findings or issues

Scope of Services

Relationships between Moss Adams and UC Law and Foundation:

Annual Audit



Annual financial statement and federal program compliance audit as of and for the year ending June 30, 2024.

Non-Attest Services



- Assist with the preparation of the auditee portion of the Data Collection Form
- Assist with the tax preparation services

Our Responsibilities

Assess if the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with US GAAP. However, our audit doesn't relieve you or management of your responsibilities.

PERFORM AN AUDIT IN ACCORDANCE WITH:

- Generally accepted auditing standards issued by the AICPA
- *Government Auditing Standards*, issued by the Comptroller General of the United States

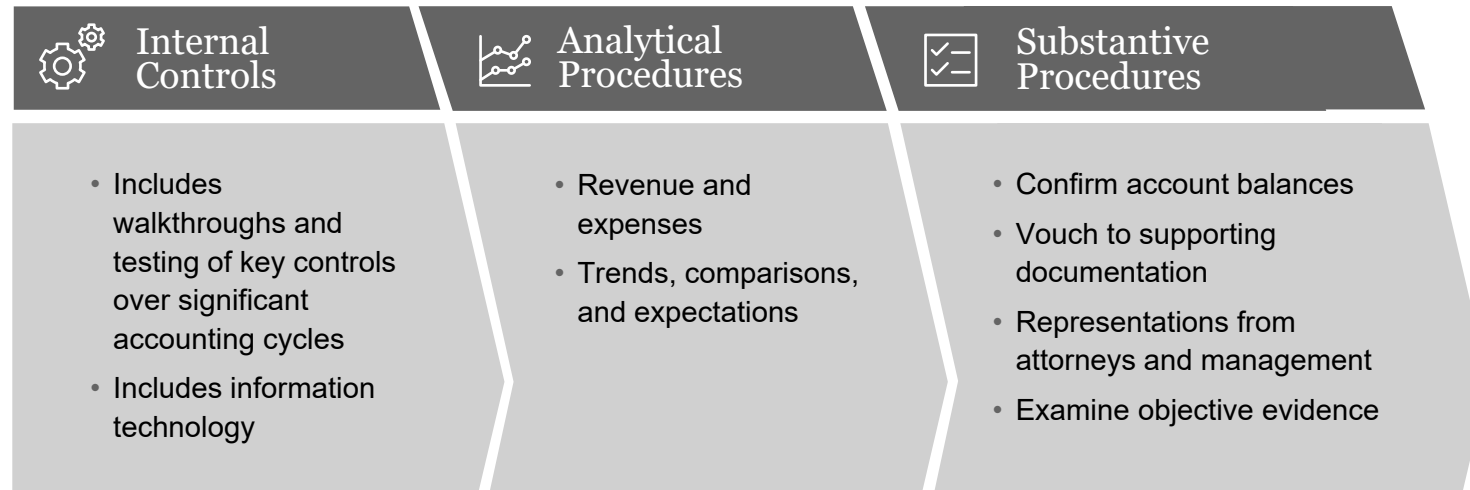
Design the audit to provide assurance about whether the financial statements are free of material misstatement.

Consider internal controls over financial reporting and compliance as a basis for designing effective audit procedures.

Communicate findings relevant to your responsibilities in overseeing the specific matters of financial reporting process and administering federal awards.

When applicable, communicate particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement

Audit Process



What's Materiality?

It's the amount of a misstatement that could influence the economic decisions of users based on the financial statements.

It's calculated using certain **quantitative** (total assets, total revenue, total net position) and **qualitative** (covenants, expectations, or industry) factors.

IT IDENTIFIES:

SIGNIFICANT
RISK AREAS

NATURE,
TIMING, EXTENT,
AND SCOPE OF
TEST WORK

FINDINGS OR
MISSTATEMENTS

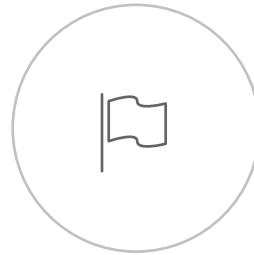
Areas of Emphasis



**INTERNAL CONTROLS
OVER FINANCIAL
REPORTING,
INCLUDING IT
CONTROLS**



**VALUATION OF
INVESTMENTS AND
RELATED FINANCIAL
STATEMENT
DISCLOSURES**



**ACTUARIAL
DETERMINATION OF
PENSION AND OPEB
LIABILITY AND
RELATED
DISCLOSURES**



**FINANCIAL CLOSE
AND REPORTING,
INCLUDING
REPORTING OF
CAMPUS HOUSING
FINANCE AUTHORITY**



**FEDERAL
COMPLIANCE IN
ACCORDANCE WITH
THE UNIFORM
GUIDANCE**

Consideration of Fraud



Auditors must consider fraud to “improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit.”

To identify fraud-related risks of material misstatement, we:

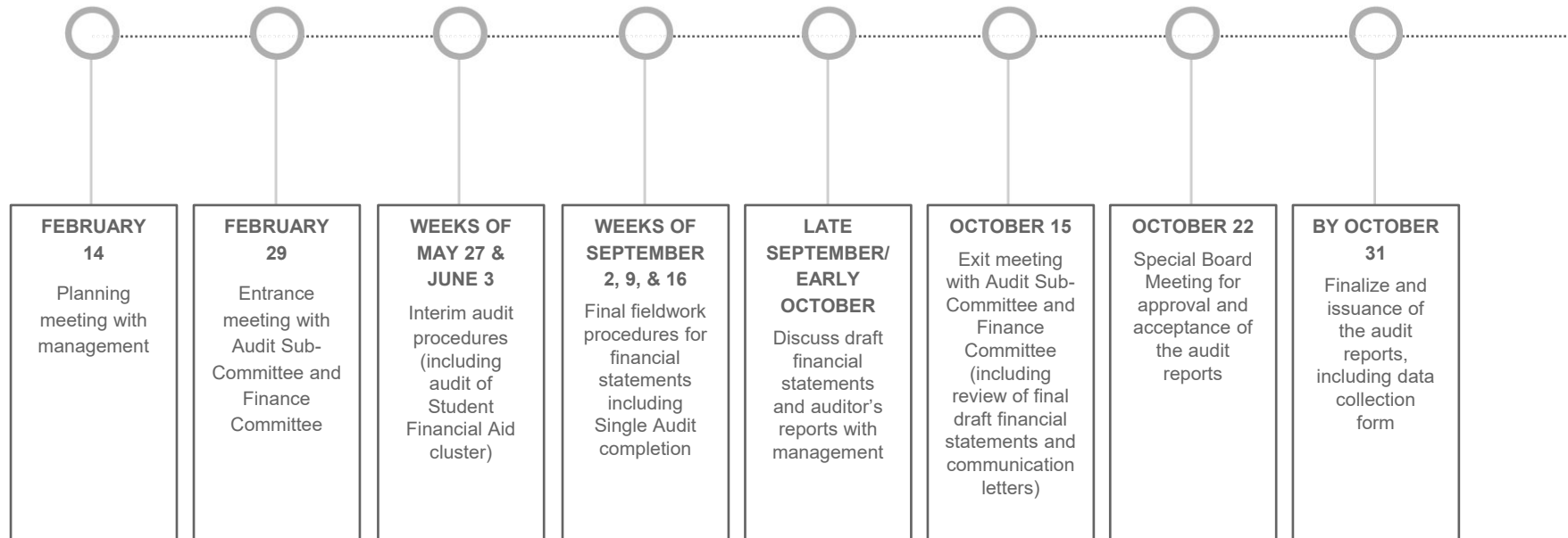
- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures we perform:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions

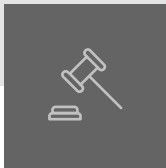
Audit Timing

2024



HIGHER EDUCATION AND NOT-FOR-PROFIT BOARDS

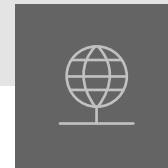
Resources



Association of Governing Boards
agb.org



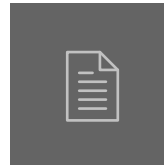
Boardsource
boardsource.org



AICPA
aicpa.org/interestareas/notforprofit

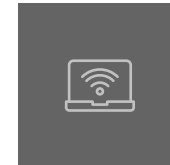
An Array of Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.



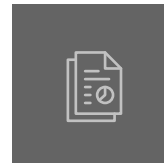
Articles & Alerts

Industry-specific insight and important tax and assurance updates



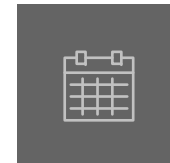
Webcasts

On-demand and live sessions with our professionals on technical and timely topics



Reports & Guides

A more in-depth look at significant changes and subjects across the accounting landscape



Events

Seminars destination conferences, networking receptions, and charity events among others

About Moss Adams



Our Services for Higher Education Institutions

ASSURANCE

- Agreed-upon procedures
- Audits and reviews
- Federal awards audits
- Compliance examinations pursuant to federal reporting requirements
- Employee benefit plan services
- Written acknowledgments and agreed-upon procedure engagements in connection with tax-exempt bond offerings

CONSULTING

- Endowment management and investment consulting
- Fraud investigation and forensic accounting
- IT consulting
- Strategic business planning
- Sustainability services
- Systems Control & Operations Risk Evaluation (SCORE!)
- Wealth services

TAX

- Alternative investment issues
- Compensation, payroll, and employment tax issues, including fringe benefits, deferred compensation, and policy setting to meet the rebuttable presumption process
- Complex group structures, including non-501(c)(3) exempt organizations
- Donor-advised fund planning and reporting
- Estate planning for donors and development department marketing
- For-profit organization formation and operations
- Formation of new entities, including preparation of
- Forms 1023 and 1024 and associated state filings
- Independent contractor versus employee determinations
- IRS and state audit representation
- Joint venture formation and operation
- Lobbying and political expenditure classification and reporting
- Maintaining tax-exempt status and public charity status
- Member versus nonmember activity issues
- Preparation of Form 990, 990-T, 990-PF, and relevant state forms
- Private foundation planning analysis
- Public support test planning
- Sales and use tax exemptions
- State and local tax services, including credits and incentives
- State solicitation registration and annual filings
- Tax-exempt bond consultation, including private business use and post-issuance bond compliance procedures
- Third-party management agreements and sponsorship planning
- Transfer pricing and expense allocation methodology
- Unrelated business taxable income



Advanced Technologies and Audit Innovation

We leverage technology across our engagements for a modern, efficient audit and tax experience. Our technology fulfills key functions across our engagements, such as creating the best possible remote audit experience or enabling secure and user-friendly document transfer capabilities. As appropriate, we may also use advanced technology during the course of this engagement.

VIRTUAL AUDIT



VIDEO CONFERENCING

Our firm has a variety of video conferencing capabilities.



MOSS ADAMS PORTAL

Our client portal is a secure and user-friendly web-based tool we use to easily transfer and temporarily store sensitive documents.



VIRTUAL PRIVATE NETWORK (VPN)

Our secure VPN requires triple authentication to safely transfer and store files.



PROSYSTEM FX ENGAGEMENT (PFX)

ProSystem fx Engagement is our trial balance and paperless audit documentation software.

ADVANCED TECHNOLOGY



KIRA

Kira is a machine learning tool that enables us to be more efficient in reviewing and analyzing documents for accuracy.



MINDBRIDGE

MindBridge uncovers outliers and anomalous transactions for the transactions within a general ledger data set.



DATAROBOT

DataRobot is a modeling tool that enables richer data and opportunity analysis through predictive modeling.



ROBOTIC PROCESS INFORMATION

RPA is a cutting-edge form of business process automation technology that helps automate redundant processes.

Diversity, Equity, and Inclusion

Our mission is to foster an inclusive and diverse culture where everyone feels like they belong. To accomplish this mission, we focus on the following objectives.



ATTRACT

Recruit individuals with diverse backgrounds and experiences



DEVELOP

Provide learning and growth opportunities to develop and promote inclusive and diverse leadership across the firm



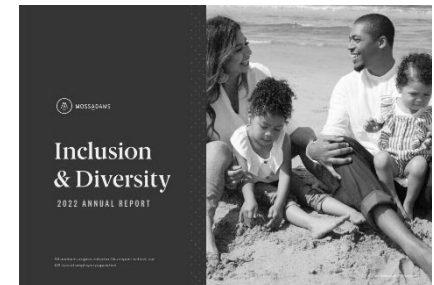
RETAIN

Promote and support a culture where everyone feels valued, respected, and connected



ADVANCE

Provide the best place to build a career for everyone by promoting equity, access, and opportunity

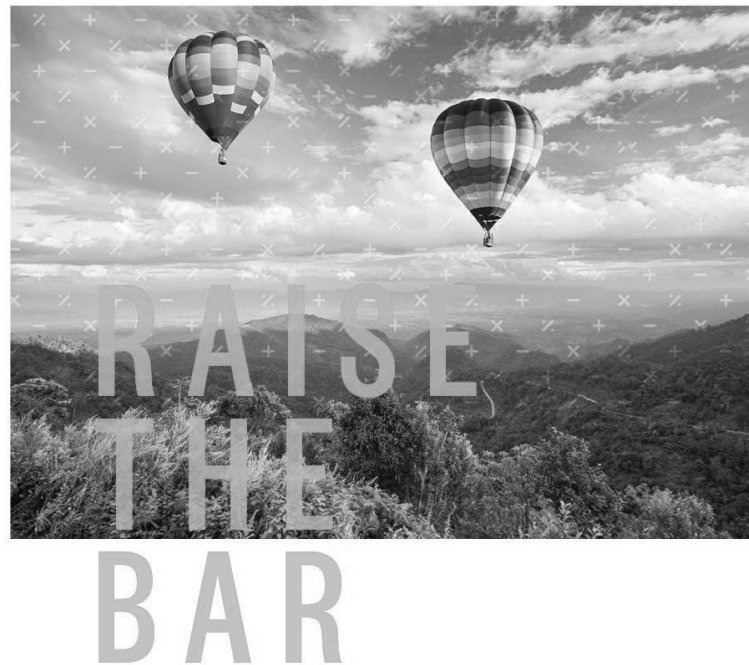


Inclusion & Diversity:
2022 Annual Report

Business Resource Groups (BRGs)

We want the employees at our firm to feel like they have an opportunity to learn, grow, and feel included throughout every step of their career at Moss Adams. BRGs were created to foster advocacy and promote professional and personal growth for underrepresented groups within the firm. Through BRGs, we're providing an inclusive space for employees to progress and develop through every step of their career.

Asian BRG	Black BRG
LatinX BRG	Pride BRG
Disability BRG	Forum W
Racial Equity BRG	Veterans BRG



Contact Us

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THANK
YOU



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San Francisco, CA 94105

STATEMENT OF WORK

This Statement of Work ("SOW") is between University of California College of Law, San Francisco (formerly known as University of California Hastings College of the Law) ("UC Law SF") and Moss Adams LLP ("Consultant"). This SOW is being entered into under the *Agreement By and Between University of California College of the Law, San Francisco (formerly known as University of California Hastings College of the Law) and Moss Adams LLP* entered into on February 26, 2016 (referred to in this SOW as the "Agreement"). Capitalized terms not otherwise defined herein have the meanings defined for them in the Agreement.

Scope of Services – Audit

Consultant will audit UC Law SF's financial statements, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. Consultant will also report on whether the schedule of expenditures of federal awards, presented as supplementary information, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of this engagement, Consultant will apply certain limited procedures to UC Law SF's RSI in accordance with auditing standards generally accepted in the United States of America. Consultant will not express an opinion or provide assurance on the information because the limited procedures do not provide Consultant with sufficient evidence to express an opinion or provide assurance. The following RSI will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Supplementary information of net pension liability
3. Supplementary information of net retiree health benefits liability

Timing

Kinman Tong is responsible for supervising the engagement and authorizing the signing of Consultant's audit report. Consultant expects to begin its audit on approximately June 2024, complete fieldwork on approximately September 2024, and issue its report no later than November 2024. As Consultant reaches the conclusion of the audit, Consultant will coordinate with UC Law SF the date the audited financial statements will be available for issuance. UC Law SF understands that (1) UC Law SF will be required to consider subsequent events through the date the financial statements are available for issuance, (2) UC Law SF will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.



This scheduling depends on UC Law SF's completion of the year-end closing and adjusting process prior to Consultant's arrival to begin the fieldwork. Consultant may experience delays in completing its services due to UC Law SF's staff unavailability or delays in UC Law SF's closing and adjusting process. Consultant's fees are subject to adjustment if Consultant experiences these delays in completing the services.

Kinman's contact information:

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San Francisco, CA 94105
Kinman.Tong@mossadams.com
415.677.8267 Direct
415.677.1500 Office

Fees

Fees for the services set forth in this SOW are estimated to be \$200,000, which includes \$24,500 for the additional audit procedures to be performed as it relates to the Hastings Campus Housing Finance Authority. UC Law SF will not be billed for expenses unless an unusual circumstance arises and the expense is discussed and approved by UC Law SF in advance of billing.

Consultant's ability to provide services in accordance with these estimated fees depends on the quality, timeliness and accuracy of UC Law SF's records, and, for example, the number of general ledger adjustments required as a result of the work. To assist UC Law SF in this process, Consultant will provide UC Law SF with a preliminary Client Audit Preparation Schedule at least four weeks in advance of the fieldwork for both the Single and Financial Statement audits, with specifics for the UCH Foundation if applicable, that identifies the key work UC Law SF will need to perform in preparation for the audit. Consultant will also need UC Law SF's accounting staff to be readily available during the engagement to respond in a timely manner to requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance may result in an increase of fees, as set forth in the Agreement. Consultant will provide UC Law SF with a tentative schedule of the fieldwork and key audit areas to ensure the staff is readily available.

Reporting

Consultant will issue a written report upon completion of its audit of UC Law SF's financial statements. The report will be addressed to the Board of Directors of UC Law SF. Consultant cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for Consultant to modify its opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Consultant's services under this SOW will be concluded upon delivery to UC Law SF of Consultant's report on UC Law SF's financial statements for the year ending June 30, 2024.



At the conclusion of the engagement, Consultant will complete the auditor section of the Data Collection Form and electronically sign the Data Collection Form that summarizes its findings. Consultant will provide electronic copies of its reports to UC Law SF; however, it is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan, as applicable) along with the Data Collection Form to the Federal Audit Clearinghouse. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period. At the conclusion of the engagement, Consultant will make arrangements with management regarding Data Collection Form submission procedures.

Objectives of the Audit

The objective of the audit is the expression of an opinion on the financial statements and supplementary information. The objective of the audit is also to obtain reasonable assurance about whether UC Law SF has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program. The objective also includes reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.
- Internal control related to major federal programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the audit requirements contained in OMB Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The reports on internal control and compliance will each include a statement that the purpose of the report is solely to: describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance; describe the scope of testing internal control over compliance for major federal programs and major federal program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance; that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance and the OMB Uniform Guidance in considering internal control over compliance and major federal program compliance; and, accordingly, it is not suitable for any other purpose.

Consultant will conduct its audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of



1996; and the audit provisions of the OMB Uniform Guidance. It will include tests of UC Law SF's accounting records, a determination of major program(s) in accordance with the OMB Uniform Guidance, and other procedures Consultant considers necessary to enable Consultant to express opinions and to render the required reports. If Consultant's opinion on the financial statements or the Single Audit compliance opinion is other than unmodified, Consultant will discuss the reasons with UC Law SF in advance. If, for any reason, Consultant is unable to complete the audit or are unable to form or have not formed an opinion Consultant may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

Consultant's procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and transaction details by correspondence with selected individuals, funding sources, creditors, and financial institutions. Consultant may also request written representations from UC Law SF's attorneys as part of the engagement, and they may bill UC Law SF for responding to this inquiry. The supplementary information will be subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. At the conclusion of the audit, Consultant will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude Consultant from issuing its report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, the audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, Consultant will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. Such material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, Consultant will not provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and the audit provisions of the OMB Uniform Guidance, the audit will include tests of transactions related to major federal award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the OMB Uniform Guidance. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on the financial statements or noncompliance with the provisions of federal statutes, regulations, and the terms and condition of



federal awards that do not have a direct and material effect on major federal programs. However, Consultant will inform UC Law SF of any material errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, federal statutes, regulations, contracts grant agreements and federal awards that come to Consultant's attention, unless clearly inconsequential. Consultant will include such matters in the reports required for a Single Audit. Consultant's responsibility as auditor is limited to the period covered by the audit and does not extend to any time period for which Consultant is not engaged as auditor.

Consultant may assist management in the preparation of UC Law SF's financial statements and supplementary information. Regardless of any assistance Consultant may render, all information included in the financial statements and supplementary information remains the representation of management. Consultant may issue a preliminary draft of the financial statements and supplementary information to UC Law SF for its review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written permission of Consultant.

Consultant understands UC Law SF maintains certain assets, including investments, reported in its financial statements, with the University of California Office of the Treasurer.

Procedures and Limitations—Internal Control

In planning and performing the audit, Consultant will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing its opinions on UC Law SF's financial statements and on its compliance with requirements applicable to major federal programs.

Consultant will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and Consultant will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that Consultant considers relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with the provisions of laws, regulations, contract and grant agreements and other noncompliance matters that have a direct and material effect on the financial statements.

An audit is not designed to provide assurance on internal control or to identify deficiencies in the design or operation of internal control and accordingly, no opinion will be expressed in the report on internal control issued pursuant to *Government Auditing Standards*. However, if, during the audit, Consultant becomes aware of any matters involving internal control or its operation that Consultant considers to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, Consultant will communicate them in writing to management and those charged with governance. Consultant will also identify if Consultant considers any significant deficiency, or combination of significant deficiencies, to be a material weakness.

As required by the audit provisions of the OMB Uniform Guidance, Consultant will perform tests of controls to evaluate the effectiveness of the design and operation of controls that Consultant considers



relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, Consultant's tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in the report on internal control issued pursuant to the OMB Uniform Guidance.

Procedures and Limitations—Compliance

The audit will be conducted in accordance with the standards referred to in the section titled "Objectives of the Audit." As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, Consultant will perform tests of UC Law SF's compliance with the provisions of laws, regulations, contracts, and grant agreements that may have a direct and material effect on the financial statements. However, the objective of those procedures will not be to provide an opinion on overall compliance and Consultant will not express such an opinion in its report on compliance issued pursuant to *Government Auditing Standards*.

The audit provisions of the OMB Uniform Guidance require that Consultant also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program. Consultant's procedures will consist of the applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of UC Law SF's major federal programs. The purpose of those procedures will be to express an opinion on UC Law SF's compliance with requirements applicable to each of its major federal programs in Consultant's report on compliance issued pursuant to the OMB Uniform Guidance.

Management's Responsibility for Financial Statements, Internal Control, and Federal Award Compliance

As a condition of the engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Consultant may advise management about appropriate accounting principles and their application and may assist in the preparation of UC Law SF's financial statements, including the schedule of expenditures of federal awards, but management remains responsible for the financial statements and the schedule of expenditures of federal awards. Management also acknowledges and understands that management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets.

UC Law SF is responsible for informing Consultant about all known or suspected fraud affecting UC Law SF involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. UC Law SF is responsible for informing Consultant of knowledge of any allegations of fraud or suspected fraud affecting UC Law SF received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that UC Law



SF complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud or noncompliance with the provisions of laws, regulations, contract, and grant agreements, that Consultant may report.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to Consultant in the management representation letter that the effects of any uncorrected misstatements aggregated by Consultant during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for establishing and maintaining internal control and for compliance with federal statutes, regulations, and the terms and conditions of federal awards and for identifying and ensuring that UC Law SF complies with such provisions. Management is also responsible for informing Consultant of any significant contractor relationships in which the contractor is responsible for program compliance. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and noncompliance with federal statutes, regulations, and the terms and conditions of federal awards or abuse that Consultant may report. Additionally, as required by the OMB Uniform Guidance, it is UC Law SF's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for making all financial records and related information available to Consultant and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement management will provide Consultant with:

- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
- additional information that Consultant may request from management for the purpose of the audit; and
- unrestricted access to persons within the University from whom Consultant determines it necessary to obtain audit evidence.

Management's Responsibility to Notify Us of Affiliates

Professional standards require that Consultant remain independent of UC Law SF as well as any "affiliate" of UC Law SF. Professional standards define an affiliate as follows:

- a fund, component unit, fiduciary activity or entity that UC Law SF is required to include or disclose, and is included or disclosed in its financial statements, in accordance with generally accepted accounting principles (U.S. GAAP);
- a fund, component unit, fiduciary activity or entity that UC Law SF is required to include or disclosed in its financial statements in accordance with U.S. GAAP, which is material to UC Law SF but which UC Law SF has elected to exclude, and for which UC Law SF has more than minimal influence over the entity's accounting or financial reporting process;



- an investment in an investee held by UC Law SF or an affiliate of UC Law SF, where UC Law SF or affiliate controls the investee, excluding equity interests in entities whose sole purpose is to directly enhance UC Law SF's ability to provide government services;
- an investment in an investee held by UC Law SF or an affiliate of UC Law SF, where UC Law SF or affiliate has significant influence over the investee and for which the investment is material to UC Law SF's financial statements, excluding equity interests in entities whose sole purpose is to directly enhance UC Law SF's ability to provide government services

In order to fulfill mutual responsibility to maintain auditor independence, UC Law SF agree to notify Consultant of any known affiliate relationships, to the best of UC Law SF's knowledge and belief. Additionally, UC Law SF agree to inform Consultant of any known services provided or relationships between affiliates of UC Law SF and Consultant or any of its employees or personnel.

Management's Responsibility for Supplementary Information

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that Consultant has reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this SOW, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on UC Law SF's Web site may be considered readily available, but being available upon request is not considered readily available.

Other Information Included in an Annual Report

When financial or nonfinancial information, other than financial statements and the auditor's report thereon, is included in UC Law SF's annual report, management is responsible for that other information. Management is also responsible for providing the document(s) that comprise the annual report to Consultant as soon as it is available.

Consultant's opinion on the financial statements does not cover the other information, and Consultant does not express an opinion or any form of assurance thereon. Consultant's responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the audited financial statements. If Consultant identify that a material inconsistency or misstatement of the other information exists, Consultant will discuss it with UC Law SF; if it is not resolved U.S. GAAS requires Consultant to take appropriate action.

Key Audit Matters

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. UC Law SF have not engaged Consultant to report on key audit matters, and the SOW does not



contemplate Consultant providing any such services. UC Law SF agrees Consultant are under no obligation to communicate key audit matters in the auditor's report.

If UC Law SF requests to engage Consultant to communicate key audit matters in the auditor's report, before accepting the engagement Consultant would discuss with UC Law SF the additional fees to provide any such services, and the impact to the timeline for completing the audit.

Dissemination of Financial Statements and Reports

Consultant will provide copies of its reports to UC Law SF; however, management is responsible for distribution of the reports and the financial statements. Consultant's report on the financial statements must be associated only with the financial statements that were the subject of this engagement. UC Law SF may make copies of the report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with the report. UC Law SF agree not to reproduce or associate Consultant's report with any other financial statements, or portions thereof, that are not the subject of this engagement.

Offering of Securities

This SOW does not contemplate Consultant providing any services in connection with the offering of securities, whether registered or exempt from registration, and Consultant will charge additional fees to provide any such services. UC Law SF agrees not to incorporate or reference Consultant's report in a private placement or other offering of UC Law SF's equity or debt securities without Consultant's express written permission. UC Law SF further agrees the Consultant is under no obligation to reissue its report or provide written permission for the use of its report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. Consultant will determine, at its sole discretion, whether Consultant will reissue its report or provide written permission for the use of its report only after Consultant has conducted any procedures Consultant deems necessary in the circumstances. UC Law SF agrees to provide Consultant with adequate time to review documents where (a) Consultant's report is requested to be reissued, (b) Consultant's report is included in the offering document or referred to therein, or (c) reference to Consultant is expected to be made. If Consultant decides to reissue its report or provide written permission to the use of its report, UC Law SF agrees that Consultant will be included on each distribution of draft offering materials and Consultant will receive a complete set of final documents. If Consultant decides not to reissue its report or withhold its written permission to use its report, UC Law SF may be required to engage another firm to audit periods covered by Consultant's audit reports, and that firm will likely bill UC Law SF for its services. While the successor auditor may request access to Consultant's engagement documentation for those periods, Consultant is under no obligation to permit such access.

Representations of Management

During the course of the engagement, Consultant may request information and explanations from management regarding, among other matters, UC Law SF's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of the engagement, Consultant will require, as a precondition to the issuance of its report, that management provide Consultant with a written representation letter confirming some or all of the representations made



during the engagement. The procedures that Consultant will perform in the engagement will be heavily influenced by the representations that Consultant receives from management. Accordingly, false representations could cause Consultant to expend unnecessary efforts or could cause a material error or fraud to go undetected by its procedures. In view of the foregoing, Consultant will not be responsible for any misstatements in UC Law SF's financial statements and supplementary information that Consultant fails to detect as a result of false or misleading representations, whether oral or written, that are made to Consultant by UC Law SF's management. While Consultant may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

Use of Nonlicensed Personnel

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

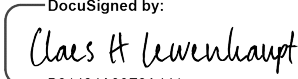
Mutual Waiver of COVID-19 Claims

This provision addresses issues regarding the novel coronavirus ("COVID-19"). UC Law SF and Consultant acknowledge our respective understanding of the hazards of COVID-19, including, but not limited to, its highly contagious nature and the corresponding health risks associated with being exposed to or infected by COVID-19. UC Law SF and Consultant agree to waive, release, discharge, and covenants not to sue the other or its affiliates and its and their respective officers, directors, partners, principals, employees, agents, or subcontractors from any and all claims, damages, expense, liability, illness or losses that may occur from exposure to or infection by COVID-19 arising out of, related to, or in any way connected with the professional services provided by Consultant.

ACCEPTED AND AGREED:

This SOW and the Agreement set forth the entire understanding of University of California College of the Law, San Francisco and Moss Adams LLP with respect to this engagement and the services to be provided by Moss Adams LLP:

University of California College of the Law, San Francisco

DocuSigned by:

 Signature: B31434A90F2A441

Print Name: CLAES H. LEWENHAUPT

Title: CHAIR - AUDIT SUBCOMMITTEE

Date: _____



MOSSADAMS

MOSS ADAMS LLP

Signature: 

Print Name: KINMAN TONG

Title: PARTNER

Date: February 22, 2024

Status: Completed

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Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	3/29/2024 7:34:44 PM
Signing Complete	Security Checked	3/29/2024 7:45:22 PM
Completed	Security Checked	3/29/2024 7:45:22 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

CONSENT FOR USE OF ELECTRONIC SIGNATURES AND DOCUMENTS

By selecting the "I Accept" button, you are signing this document electronically. You agree your electronic signature is the legal equivalent of your handwritten signature on this document. By selecting "I Accept" using any device, means or action, you consent to the legally binding terms and conditions of this document. You further agree that your signature on this document (your "E-Signature") is as valid as if you signed the document in writing. You also agree that no certification authority or other third party verification is necessary to validate your E-Signature, and that the lack of such certification or third party verification will not in any way affect the enforceability of your E-Signature or any resulting agreement between you and Moss Adams LLP. You are also confirming that you are authorized to sign this document. Finally, you understand and agree that your E-Signature will be legally binding and such transaction will be considered authorized by you.

ACTION ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** Auxiliary Enterprises – 2024-25 Proposed Budget
- 3. RECOMMENDATION:**

That the Board of Directors approves the attached 2024-25 proposed budgets for Auxiliary Enterprises -- McAllister Tower, Parking Garage, Student Health Services, and Special Events and Guest Services.

4. BACKGROUND:

Consistent with previous years, the proposed 2024-25 budgets are being presented to the Board of Directors at its June meeting for all Auxiliary Enterprises.

Administrative Overhead

All Auxiliary Enterprises are assessed administrative overhead expenses to reflect indirect costs. The overhead is 5% of total operating revenues for each Auxiliary Enterprise except for the McAllister Tower, which will continue to be vacant for renovation and no operating revenue is projected. While this is a cash neutral charge (it does not result in more overall unrestricted funds available to the College), it shifts cash from nonstate to state funding sources to capture the cost of central support services provided to these self-supporting auxiliary enterprises. The 2024-25 proposed budget is a total of \$223,784 for all Auxiliaries.

MCALLISTER TOWER

The McAllister Tower will continue to be vacant and under renovation during the fiscal year 2024-25. So, there is no operating revenue projected. Preliminary insurance coverage expense has been projected at \$100,000.

PARKING GARAGE

Revenue

- **Parking Operations** – The 2024-25 projected revenue is \$2,798,000 with 59% of this projected for transient parking. This reflects slight increases in transient and monthly parking

revenues and a projected continued steady increase and return to pre-pandemic levels. Fleet parking revenue is budgeted slightly lower by \$18,999 compared to the 2023-24 revised budget. \$38,000 per month billing for fleet parking is projected for 2024-25.

- **Parking Tax** – The city parking tax assessed against the College’s transient parking revenues (excluding student and fleet parking) became effective June 2020. The 2024-25 full-year projected tax at an effective rate of 20% is \$370,000 after allowable expense reimbursements.
- **Retail Leases** –The retail lease is projected to increase by \$61,075 or 27% with \$24,000 per month lease revenue projected under the current lease terms, this includes \$9,500 per month lease revenue generated from leasing BG office space to Plant Construction starting on July 1, 2024.

Expenditures

- **Salaries and Benefits** – Included in the 2024-25 proposed budget is the 3% salary increase effective on January 1, 2025, provided by the AFSCME contract and applicable to the four cashier/attendant positions in the Parking Garage. The AFSCME contract will expire on June 30, 2024, and the new contract is under negotiation. We are projecting a 3% increase for all union represented staff for 2024-25 until more information is available. There is no change in the combined benefit rate assessed to departments as a percentage of salaries, the projected expenditure increase is the result of wages increasing.
- **Maintenance and Special Repairs** – This reporting category includes regular ongoing maintenance costs including equipment, doors, windows, elevators, fire-life safety systems, and pest control. The 2024-25 proposed budget of \$235,409 includes the one-time \$150,000 special repairs project to resurface the garage floor approved in 2023-24 but has not started.

STUDENT HEALTH SERVICES

Revenues

- **Fees** – The Health Services fee of \$965 per student to fund the self-supporting Student Health Service Center remains unchanged, as well as the \$100 Graduate Student Health Insurance Plan campus administrative fee. The 2024-25 fees revenue projecting 1,123 FTE students paying the Health Services Fee and 556 FTE student (49%) paying the GSHIP Administration Fee.

Expenditures

- **Salaries and Benefits** –Two staff continue to be funded in 2024-25 and the applicable AFSCME 3% increase effective on January 1, 2025, for one of the employees is budgeted. The AFSCME contract will expire on June 30, 2024, and the new contract is under negotiation. We are projecting a 3% increase for all union represented staff for 2024-25 until

more information is available. There is no change in the combined benefit rate assessed to departments as a percentage of salaries.

- **Consultant and Contracted Services** – The contract with Carbon Health is budgeted at \$61.59 per student per month and the 2024-25 projected enrollment of 1,123 FTE students.

SPECIAL EVENTS AND GUEST SERVICES

Revenues

- **Room Rental** – The 2024-25 revenue projection of \$612,375 is \$80,000 or 15% higher compared to the 2023-24 revised budget, which assume classroom and space rental contracts continue with UC Davis Graduate School of Management and increased space rental revenues from the 333 Golden Gate building's Roof Garden and Colloquium Room, the Alumni Reception Center and Dining Commons in Kane Hall and increased space rental revenues from commercial rentals in the 198 Academe building.

Expenditures

- **Salaries and Benefits** – The 2024-25 proposed staff salaries and benefits budgets reflect the full-year cost of the position supporting SEGS activities. This also includes \$50,000 temporary help placeholder for an event coordinator planned to assist on as needed basis.

Nonoperating Revenues/(Expenses)

- **Nonmandatory Transfer to Other Funds** – The net cash generated from this auxiliary enterprise will be transferred to the unrestricted nonstate college-wide support fund at year end to support programmatic expenses that have no revenues of their own. The 2024-25 funding transfer budget is proposed in an amount that allows a break-even operational result at \$320,506.

SUMMARY

The 2024-25 proposed budget for all Auxiliary Enterprises reflects the best projections of revenues and expenses, which yields net operations of \$1,796,255 and after deducting debt service for the Parking Garage bond, the change in net assets is projected at \$92,149. Take out the administrative overhead expenses of \$233,784, and the transfer out cost \$320,506 to nonstate college-wide, the net result for all Auxiliary Enterprises is projected at \$636,439.

	McAllister Tower	Parking Garage	Student Health Services	Special Events and Guest Services	Total Proposed Budget 2024-25
Revenues	-	2,724,000	1,139,295	612,375	4,475,670
Expenditures*	100,000	1,189,963	1,089,183	300,269	2,679,415
Net Operations	(100,000)	1,534,037	50,112	312,106	1,796,255
Nonoperating Revenues/(Expenses)					
Investment Income	80,000	-	6,000	8,400	94,400
Funded from Bond Proceeds	-	13,936	-	-	13,936
Debt Service	-	(1,491,936)	-	-	(1,491,936)
Transfer to/from Other Funds**	-	-	-	(320,506)	(320,506)
Sub-total	80,000	(1,478,000)	6,000	(312,106)	(1,704,106)
TOTAL CHANGE IN NET ASSETS	\$ (20,000)	\$ 56,037	\$ 56,112	\$ -	\$ 92,149

*The proposed expenditures include \$223,784 administrative overhead assessments charged as 5% of operating revenues.

**\$320,506 is the projected net income generated from Special Events and will be transferred to the nonstate college-wide support fund at year end.

5. PROPOSED RESOLUTION:

Resolved that the Board of Directors approves the attached 2024-25 proposed budgets for Auxiliary Enterprises -- McAllister Tower, Parking Garage, Student Health Services, and Special Events and Guest Services.

Attachments:

- Auxiliary Enterprises – 2024-25 Proposed Budgets

UC LAW SAN FRANCISCO
Auxiliary Enterprises
2024-25 Proposed Budget Summary

5/16/2024

	McAllister Tower	Parking Garage	Student Health Services	Special Events and Guest Services	Total Proposed Budget 2024-25
Revenues	-	2,724,000	1,139,295	612,375	4,475,670
Expenditures*	<u>100,000</u>	<u>1,189,963</u>	<u>1,089,183</u>	<u>300,269</u>	<u>2,679,415</u>
Net Operations	(100,000)	1,534,037	50,112	312,106	1,796,255
Nonoperating Revenues/(Expenses)					
Investment Income	80,000	-	6,000	8,400	94,400
Funded from Bond Proceeds	-	13,936	-	-	13,936
Debt Service	-	(1,491,936)	-	-	(1,491,936)
Transfer to/from Other Funds**	<u>-</u>	<u>-</u>	<u>-</u>	<u>(320,506)</u>	<u>(320,506)</u>
Sub-total	80,000	(1,478,000)	6,000	(312,106)	(1,704,106)
TOTAL CHANGE IN NET ASSETS	\$ (20,000)	\$ 56,037	\$ 56,112	\$ -	\$ 92,149

*Includes \$223,784 in administrative overhead assessments charged as 5% of operating revenues. Absent these indirect costs the budgeted net results for auxiliary enterprises is \$315,933.

**\$320,506 is the projected net income generated from Special Events and will be transferred to the nonstate college-wide. Absent this transfer out cost and the administrative overhead assessment, the net result for all Auxiliary Enterprises is projected at \$636,439.

	Proposed Budget 2024-25	Revised Budget 2023-24	Percentage Change 2024-25 Proposed to 2023-24 Revised Budget	Year-end Actual 2022-23
REVENUES				
Apartment & Commercial Rent	-	353,103	-100%	4,690,983
Other	-	4,527	-100%	14,926
TOTAL OPERATING REVENUES	\$ -	\$ 357,630	-100%	\$ 4,705,909
EXPENDITURES				
Salaries and Wages	-	-	-	131,481
Student Wages--Regular & Work-study	-	4,337	-100%	45,689
Staff Benefits	-	-	-	31,907
Regular Contract Services	-	89,778	-100%	1,748,243
Other Contract Services	-	-	-	432,941
Utilities	-	335,000	-100%	1,129,429
Maintenance & Special Repairs	-	140,000	-100%	273,304
Insurance	100,000 *	210,065	-52%	286,337
Supplies	-	7,773	-100%	98,733
Printing & Reproduction	-	105	-100%	672
Telephone & Mail	-	1,568	-100%	2,551
Miscellaneous	-	5,034	-100%	70,632
Computer Software	-	6,643	-100%	58,829
Equipment & Building Improvements	-	15,000	--	13,590
Overhead Pro Rata	- *	17,882	-100%	564,709
TOTAL OPERATING EXPENDITURES	\$ 100,000	\$ 833,185	-88%	\$ 4,889,049
NET OPERATIONS	\$ (100,000)	\$ (475,555)	-79%	\$ (183,140)
NONOPERATING REVENUES (EXPENSES)				
Investment Income	80,000	80,000	0%	66,356
Unrealized Gain/Loss on Investments	-	-	-	365,740
Transfer to Other Funds	-	-	-	(436,469)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 80,000	\$ 80,000	0%	\$ (4,372)
TOTAL CHANGE IN NET ASSETS	\$ (20,000)	\$ (395,555)	-95%	\$ (187,513)

* See attached narrative report.

UC LAW SAN FRANCISCO
Auxiliary Enterprises - Parking Garage and Retail
2024-25 Proposed Budget

5/16/2024

	Proposed Budget 2024-25	Revised Budget 2023-24	Percentage Change 2024-25 Proposed to 2023-24 Revised Budget	Year-end Actual 2022-23
REVENUES				
Parking Operations	2,798,000 *	2,765,999	1%	2,754,780
Parking Tax	(370,000) *	(400,000)	-8%	(418,031)
Retail Leases	288,000 *	226,925	27%	392,230
Other (including Storage)	8,000	8,000	0%	18,000
TOTAL OPERATING REVENUES	\$ 2,724,000	\$ 2,600,924	5%	\$ 2,746,978
EXPENDITURES				
Salaries and Wages	314,525 *	306,978	2%	290,361
Staff Benefits	145,192 *	141,586	3%	123,901
Regular Contract Services	5,000	30,000	-83%	264,488
Utilities	90,500	86,880	4%	83,032
Maintenance & Special Repairs	235,409 *	203,939	15%	55,314
Insurance	148,353	148,353	0%	130,766
Supplies & Noncapital Equipment	7,500	7,500	0%	5,069
Printing, Telephone and Mail	15,000	12,000	25%	12,656
Credit Card & Bank Fees	74,200	76,200	-3%	75,577
Miscellaneous	18,084	16,684	8%	28,966
Overhead Pro Rata	136,200 *	130,046	5%	329,330
TOTAL OPERATING EXPENDITURES	\$ 1,189,963	\$ 1,160,166	3%	\$ 1,399,461
NET OPERATIONS	\$ 1,534,037	\$ 1,440,758	6%	\$ 1,347,517
NONOPERATING REVENUES (EXPENSES)				
Investment Income	-	-		31,945
Funded from Bond Proceeds	13,936	13,936	0%	13,936
Debt Service (Principal & Interest)	(1,491,936)	(1,489,186)	0%	(1,480,811)
Capital Asset Additions (GASB 87, new FY22)	-	-	-	691,803
Capital Asset Deductions (GASB 87, new FY22)	-	-	-	(690,546)
Cash Short/Over	-	-	-	(2,560)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (1,478,000)	\$ (1,475,250)	0%	\$ (1,436,233)
TOTAL CHANGE IN NET ASSETS	\$ 56,037	\$ (34,492)	-262%	\$ (88,716)

* See attached narrative report.

UC LAW SAN FRANCISCO
Auxiliary Enterprises - Student Health Services
2024-25 Proposed Budget

5/16/2024

	Proposed Budget 2024-25	Revised Budget 2023-24	Percentage Change 2024-25 Proposed to 2023-24 Revised Budget	Year-end Actual 2022-23
REVENUES				
Fees	1,139,295 *	\$ 1,170,846	-3%	\$ 1,162,823
Other	-	-	--	-
TOTAL OPERATING REVENUES	\$ 1,139,295	\$ 1,170,846	-3%	\$ 1,162,823
EXPENDITURES				
Salaries and Wages	136,820 *	133,917	2%	134,367
Staff Benefits	60,891 *	57,927	5%	56,063
Consultants and Contracted Services	829,987 *	841,239	-1%	729,264
Supplies	1,000	1,000	0%	-
Printing and Mail	100	200	-50%	-
Travel and Training	2,500	2,500	0%	-
Miscellaneous	620	620	0%	1,654
Events	300	300	0%	-
Overhead Pro Rata	56,965 *	58,543	-3%	55,822
TOTAL OPERATING EXPENDITURES	\$ 1,089,183	\$ 1,096,246	-1%	\$ 977,169
NET OPERATIONS	\$ 50,112	\$ 74,600	-33%	\$ 185,654
NONOPERATING REVENUES (EXPENSES)				
Investment Income	6,000	6,000	0%	11,276
Realized Gain/Loss on Sale of Investments	-	-	--	-
Unrealized Gain/Loss on Investments	-	-	--	15,380
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 6,000	\$ 6,000	0%	\$ 26,656
TOTAL CHANGE IN NET ASSETS	\$ 56,112	\$ 80,600	-30%	\$ 212,309

* See attached narrative report.

UC LAW SAN FRANCISCO
Auxiliary Enterprises - Special Events and Guest Services
2024-25 Proposed Budget

5/16/2024

	Proposed Budget 2024-25	Revised Budget 2023-24	Percentage Change 2024-25 Proposed to 2023-24 Revised Budget	Year-end Actual 2022-23
REVENUES				
Room Rental	\$ 612,375 *	\$ 532,500	15%	\$ 436,760
TOTAL OPERATING REVENUES	\$ 612,375	\$ 532,500	15%	\$ 436,760
EXPENDITURES				
Staff Salaries and Wages	140,000 *	88,000	59%	73,162
Staff Benefits	61,150 *	34,850	75%	32,219
Other Contract Services	30,000	30,000	--	171
Supplies	20,000	20,000	--	4,953
Printing and Mail	1,500	5,000	-70%	2,286
Miscellaneous	17,000	12,250	39%	5,547
Overhead Pro Rata	30,619 *	26,625	15%	52,411
TOTAL OPERATING EXPENDITURES	\$ 300,269	\$ 216,725	39%	\$ 170,747
NET OPERATIONS	\$ 312,106	\$ 315,775	-1%	\$ 266,012
NONOPERATING REVENUES (EXPENSES)				
Investment Income	8,400	8,400	0%	5,864
Capital Asset Additions (GASB 87)	-	-	-	224,199
Capital Asset Deductions (GASB 87)	-	-	-	(224,548)
Nonmandatory Transfers to/from Other Funds	(320,506) *	(324,175)	-1%	(268,427)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (312,106)	\$ (315,775)	-4%	\$ (262,911)
TOTAL CHANGE IN NET ASSETS	\$ -	\$ -	-	\$ 3,102

* See attached narrative report.

ACTION ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** The Academe at 198 & AVFA – 2024-25 Proposed Budget
- 3. RECOMMENDATION:**

That the Board of Directors approves the attached 2024-25 proposed budget for the Academe at 198 and the Academic Village Finance Authority (formerly Hastings Campus Housing Finance Authority).

4. BACKGROUND:

The Academe at 198 building offers a total of 656 residential units, retail spaces, and academic spaces. The Occupancy Agreement with UCSF provides that 230 housing units be allocated to UCSF at stipulated rents. The Development Agreement and supporting financing indenture require stipulated revenue levels to support debt service and achieve requisite coverage ratios. In year two of operations, the pro forma requires a 3% increase over year one pro forma rental rates for all units. The College is applying a 5% increase to the actual rental rate charged to non-UCSF residents to acknowledge the continuing recovery of the San Francisco rental market while seeking to slowly reduce the rent subsidy. Presented here for approval by the Board of Directors are separate 2024-25 proposed budgets for operating The Academe at 198 and for the Academic Village Finance Authority (AVFA).

THE ACADEME AT 198

Revenues

- **Residential Rent & Rent Subsidy** – Revenue from residential units rent in 2024-25 is budgeted at \$17.57 million, which is 91% higher compared to the revised budget of 2023-24. The residential unit's occupancy rate is projected to increase from current 59% to 95% in 2024-25. Given the required 3% pro forma rental rate increase and the 5% increase to actual rental rates charged to non-UCSF residents, the College is effectively continuing with an 8% rent subsidy, amounting to \$2.6 million. This would achieve the 1.2 DSCR target contained in the indenture agreement. The \$2.6 million in nonstate funds used to finance the rent subsidy would be treated as an expense. Funding for this rent subsidy is from the investment income generated from the \$90M 100 McAllister Tower renovation project.

The College, working with the College’s real estate advisors, revised the rental rates for the Academe at 198 to better reflect the distinctions between the unit’s considering location, size, amenities, and view rather than only distinguishing between floors in the building as was done in year one of operations. The resulting 2024-25 rental rates, which are subject to further refinement, more closely align with the value provided by each unit type while also considering market value.

Rent Structure for 2024-25 – The Academe at 198

Unit Type	Min Rate	Median Rate	Max Rate
Efficiency	\$1,985	\$2,228	\$2,310
Studio	\$2,325	\$2,575	\$2,595
1 Bedroom	\$3,285	\$3,350	\$3,350
2 Bedroom*	\$2,195	\$2,295	\$2,395
*Note, price per bed rather than per unit.			
**All utilities are included in rental rates.			

- **Other Revenue** – Sources of revenue in this category include the 198 McAllister building room rentals and laundry machine income. The 2024-25 proposed budget has been adjusted down by 51% compared to the 2023-24 revised budget due to lower than expected actual income generated in 2023-24.

Expenditures

- **Salaries and Benefits** – Included in the proposed salaries budget of \$310,789 are three full-time staff positions and one part time mail clerk (3.2 FTE). Also included is the 3% salary increase effective on January 1, 2025, provided by the AFSCME contract. The AFSCME contract will expire on June 30, 2024, and the new contract is under negotiation. We are projecting a 3% increase for all union represented staff for 2024-25 until more information is available. There is no change in the combined benefit rate assessed to departments as a percentage of salaries, the projected expenditure increase is the result of wages increasing.
- **Regular Contract Services** – This reporting category includes janitorial, engineer and window washing contract services. The 2024-25 proposed budget decreased by 35% compared to the 2023-24 revised budget due to lower projected cost in all above categories.
- **Utilities** – This reporting category includes electricity, water, natural gas, and refuse disposal. The 2024-25 proposed budget increased by 31% compared to the 2023-24 revised budget mainly due to higher electricity and refuse disposal costs projected based on monthly actuals and a higher occupancy rate.
- **Maintenance and Special Repairs** – This reporting category includes regular ongoing building and elevator maintenance, pest control, and special repairs. The 2024-25 proposed budget decreased by 60% compared to the 2023-24 revised budget mainly due to lower elevator and recurring maintenance cost projected for this new building.

ACADEMIC VILLAGE FINANCE AUTHORITY (AVFA)
(Formerly Hastings Campus Housing Finance Authority)

Non-Operating Revenues / (Expenses)

- **Funded from Bond Proceeds** – The 2024-25 proposed budget had been reduced to \$0 because funds in the Capitalized Interest Fund have been fully exhausted.

SUMMARY

Including the \$2.6 million rent subsidies, the projected change in net assets for The Academe at 198 and the AVFA is \$3.5 million.

	The Academe at 198 Proposed Budget 2024-25	AVFA Proposed Budget 2024-25	Total Proposed Budget 2024-25
Revenues	22,572,507	-	22,572,507
Expenditures	<u>2,394,097</u>	<u>6,125</u>	<u>2,400,222</u>
Net Operations	20,178,410	(6,125)	20,172,285
Nonoperating Revenues/(Expenses)			
Debt Service (Principal & Interest)		(16,655,500)	(16,655,500)
Transfer to/from Other Funds	<u>-</u>	<u>6,125</u>	<u>6,125</u>
Sub-total	-	(16,649,375)	(16,649,375)
TOTAL CHANGE IN NET ASSETS	\$ 20,178,410	\$ (16,655,500)	\$ 3,522,910

5. PROPOSED RESOLUTION:

Resolved that the Board of Directors approves the attached 2024-25 proposed budget for The Academe at 198 and the Academic Village Finance Authority.

Attachment: 2024-25 Academic Village Finance Authority Programs Proposed Budgets

UC LAW SAN FRANCISCO
Academic Village Finance Authority Programs
2024-25 Proposed Budget Summary

5/16/2024

	The Academe at 198 Proposed Budget 2024-25	AVFA Proposed Budget 2024-25	Total Proposed Budget 2024-25
Revenues	22,572,507	-	22,572,507
Expenditures	<u>2,394,097</u>	<u>6,125</u>	<u>2,400,222</u>
Net Operations	20,178,410	(6,125)	20,172,285
Nonoperating Revenues/(Expenses)			
Debt Service (Principal & Interest)		(16,655,500)	(16,655,500)
Transfer to/from Other Funds	<u>-</u>	<u>6,125</u>	<u>6,125</u>
Sub-total	-	(16,649,375)	(16,649,375)
TOTAL CHANGE IN NET ASSETS	\$ 20,178,410	\$ (16,655,500)	\$ 3,522,910

	Proposed Budget 2024-25	Revised Budget 2023-24	Percentage Change 2024-25 Proposed to 2023-24 Revised Budget	Year-end Actual 2022-23
REVENUES				
Residential Rent	17,570,000 *	9,199,968	91%	-
Residential Rent Subsidy	2,600,000 *	1,400,000	86%	-
Commercial Rent	2,222,359	2,157,630	3%	-
Retail Leases	72,000	73,605	-2%	-
Other Revenue	108,148 *	219,792	-51%	-
TOTAL OPERATING REVENUES	\$22,572,507	\$13,050,995	73%	\$ -
EXPENDITURES				
Salaries and Wages	310,789 *	250,679	24%	25,482
Student Wages--Regular & Work-study	2,000	2,000	0%	-
Staff Benefits	130,409 *	106,790	22%	11,852
Regular Contract Services	289,010 *	447,000	-35%	-
Other Contract Services	54,000	54,000	0%	350
Utilities	1,092,100 *	831,100	31%	93
Maintenance & Special Repairs	79,200 *	200,000	-60%	-
Insurance	215,064	210,064	2%	-
Supplies	29,115	29,115	0%	-
Credit Card Fees	-	50,000	-100%	-
Computer Software	102,000	106,500	-4%	-
Printing & Reproduction	12,500	12,500	0%	521
Marketing	29,505	-	-	-
Miscellaneous	48,405	41,900	16%	-
TOTAL OPERATING EXPENDITURES	\$ 2,394,097	\$ 2,341,648	2%	\$ 38,298
NET OPERATIONS	\$20,178,410	\$10,709,347	88%	\$ (38,298)
NONOPERATING REVENUES (EXPENSES)				
Building Improvements	-	(1,180,000)	-100%	-
Transfers from Other Funds	-	1,180,000	-100%	-
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ -	\$ -	-	\$ -
TOTAL CHANGE IN NET ASSETS	\$20,178,410	\$10,709,347	88%	\$ (38,298)

* See attached narrative report.

	Proposed Budget 2024-25	Revised Budget 2023-24	Percentage Change 2024-25 Proposed to 2023-24 Revised Budget	Year-end Actual 2022-23
REVENUES				
Other	-	-	=	-
TOTAL OPERATING REVENUES	\$ -	\$ -	-	\$ -
EXPENDITURES				
Consultants	3,000	3,000	0%	2,500
Audit Services	2,625	2,625	0%	2,650
Miscellaneous	500	500	0%	-
TOTAL OPERATING EXPENDITURES	\$ 6,125	\$ 6,125	0%	5,150
NET OPERATIONS	\$ (6,125)	\$ (6,125)	0%	\$ (5,150)
NONOPERATING REVENUES (EXPENSES)				
Funded from Bond Proceeds	- *	8,917,706	-100%	18,722,290
Capital, Buildings	-	-	-	(126,279,059)
CIP Offset	-	-	-	126,279,059
Debt Service (Principal & Interest)	(16,655,500)	(16,655,500)	0%	(18,722,290)
Transfers from Other Funds	6,125	6,125	0%	126,279,059
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (16,649,375)	\$ (7,731,669)	115%	\$ 126,279,059
TOTAL CHANGE IN NET ASSETS	\$ (16,655,500)	\$ (7,737,794)	115%	\$ 126,273,909

* See attached narrative report.

ACTION ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** State Contracts in Excess of \$100,000
3. **RECOMMENDATIONS:**

That the Board of Directors authorizes award of the state contracts in excess of \$100,000 as described in this report.

Item: *7.4.1

Title: Annual Ellucian Software Subscription
Vendor Name: Ellucian Company LLC
Cost: \$237,187 (Year 1 of 5) - \$1,310,608 (5 Year total)
Term of Contract: 7/1/2024-6/30/2029

Description:

Five-year renewal for Ellucian Enterprise Resource planning (ERP) subscription and cloud software.

Item: *7.4.2

Title: Software Maintenance and Support Services for Academic Scheduling Management Platform
Vendor Name: Coursedog, Inc.
Cost: \$127,697.00
Term of Contract: 9/24/2024 – 9/23/2027

Description:

Authority to renew the Master Service Agreement with Coursedog, Inc. is requested to provide Academic Management Platform Software, along with related maintenance and support services.

Item: *7.4.3

Title: Extension and Increase of Grant – CNDR Training Program

Vendor Name: California Labor Commission

Revenue: \$555,192

Term of Contract: Nov 2024 to December 2026

Description:

The Center for Negotiation and Dispute Resolution (CNDR) is extending its agreement with the California Labor Commissioner’s Office for staff training in mediation and negotiation skills to assist in resolving cases through settlement or moving cases more effectively through their normal processes. Total estimated CNDR fees for proposed training have increased by \$555,192.

4. PROPOSED RESOLUTION:

That the Board of Directors authorize the award of the state contracts listed below:

*7.4.1 5-Year Renewal Ellucian Enterprise Resource Planning (ERP) Subscription & Cloud Software

*7.4.2 Amendment to extend MSA with Coursedog, Inc. for an additional three (3) year term

*7.4.3 Extension and Increase of Grant – CNDR Training Program

ACTION ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Nonstate Contracts and Grants in Excess of \$100,000
3. **RECOMMENDATIONS:**

That the Board of Directors authorizes the award of the nonstate grants and contracts in excess of \$100,000 as described in this report.

Item: *7.5.1

Title: Grant proposal for “Supporting Disability Rights in Pakistan” project
Vendor Name: US Dept of State / Bureau of Democracy, Human Rights, and Labor
Cost: \$1.5M (*note: proposed grant amount*)
Term of Contract: Oct 1, 2024 – Sept 30, 2026 (*note: proposed grant term*)

Description: Authority is requested to enter into a grant agreement with the US Dept of State / Bureau of Democracy, Human Rights, and Labor (DRL) for a “Supporting Disability Rights in Pakistan” project. If awarded, this grant/project would bring together a consortium of law-related and disability-focused organizations to develop and implement programming targeting organizations, government officials, and individuals in Pakistan who can advocate and realize reduction in discrimination against PWDs and empower PWDs to advocate for themselves. Proposed partners include the following Pakistan-based institutions Shaikh Ahmad Hassan School of Law at the Lahore University of Management Sciences, Search for Justice Pakistan, Digital Rights Foundation, Courting the Law, and Creative Alley.

4. PROPOSED RESOLUTION:

That the Board of Directors authorizes the receipt of the 2024-25 nonstate grants and award of contracts in excess of \$100,000 listed below:

*7.5.1 Grant proposal for “Supporting Disability Rights in Pakistan” project

ACTION ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** Cash Management – Investment Pool Liquidations – McAllister Tower Seismic Upgrade Project & Academic Village Initiatives.

- 3. RECOMMENDATION:**

That the Board of Directors approves the CFO to be authorized to draw down from investment pools established to support the McAllister Tower Seismic Upgrade project and managed by the Regents of the University of California to assure that cash is available to support this project and other Academic Village initiatives.

It is further recommended that regular reports be made to the Board of Directors with information on fund balances and the use of funds made available pursuant to this grant of authority.

- 4. BACKGROUND:**

Since 1993, UC Law has invested its funds with UC's Office of the Chief Investment Officer. The decision by the College to have investment management responsibilities performed by UC is in part a function of Education Code Section 92205 which stipulates that "in the investment and management of endowment funds and properties under its jurisdiction, the Board of Directors of the college shall comply, to the extent practicable, with the endowment investment and management policies of the Regents of the University of California." The College complies with this provision by investing its funds in pools managed by the Regents:

- The General Endowment Pool (GEP) is the Regents' primary investment vehicle for endowed gift funds. The GEP is a balanced portfolio of equities, fixed-income securities, and alternative investments that provides diversification and economies of scale in the investment process to participants.
- The Short-Term Investment Pool (STIP) is a cash investment pool. STIP allows fund participants to maximize the returns on their short-term cash balances by taking advantage of the economies of scale of investing in a larger pool. STIP consists primarily of current funds slated for payroll and operating expenses for all UC campuses and medical centers.
- The Total Return Investment Pool (TRIP) allows for maximized returns on long-term working capital, subject to an acceptable level of risk, by taking advantage of the economies of scale of investing in a larger pool and investing across a broad range of asset classes.

Cash balances supporting Academic Village projects are being carefully managed to optimize their use to support UC Law's strategic goals. Liquidity will be needed to fund budgeted activities related to the McAllister Tower Seismic Upgrade Project and Academic Village initiatives.

- **McAllister Tower Seismic Upgrade Project - Investment Accounts – Sources and Uses**

The 2022 Budget Act appropriated \$90 million General Fund to support the project. This project includes seismic structural upgrades conforming to UC Law's Seismic Safety Policy, maintaining 252 campus housing units at below-market rents that would otherwise no longer be available and renovating space within the facility for academic purposes. The project will add a minimum of five new campus housing units. These funds were subsequently deposited in separate investment accounts (i.e., TRIP and STIP) and have benefited from favorable investment returns.

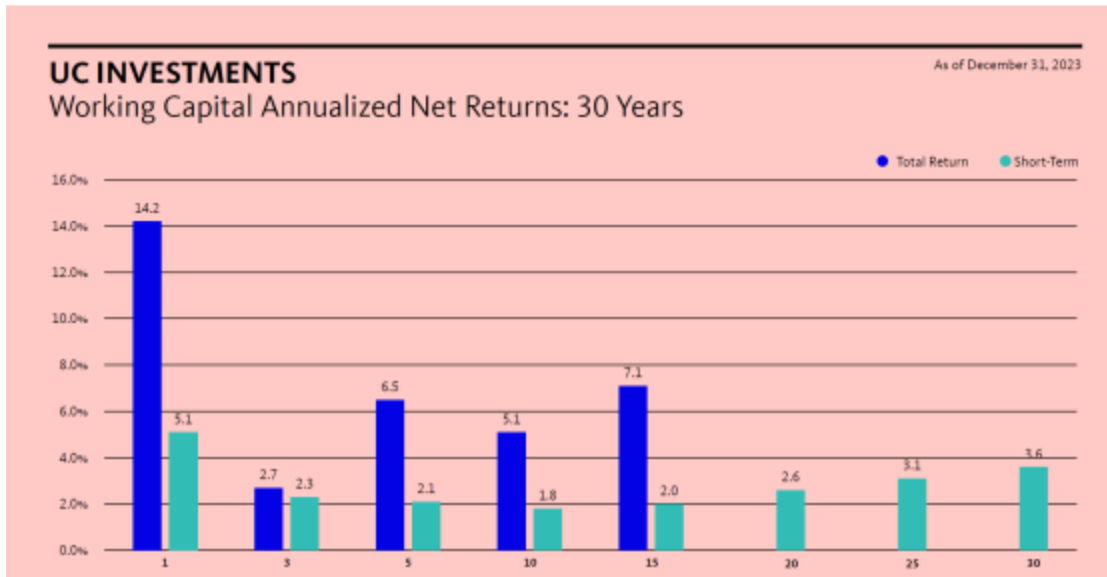
SOURCES:	TRIP	STIP	Total
UCOP - Office of the Chief Investment Officer Accounts			
Account Balance (as of 3-31-24)	49,558,345	48,477,544	98,035,889
USES:			
McAllister Tower Seismic Upgrade			
Remaining Costs to Complete	42,025,806	42,025,806	84,051,612
Cost incurred through 4-30-2024 (5-8-2024)	2,974,194	2,974,194	5,948,388
Project Budget - Contingency Reserve Increase	2,000,000	2,000,000	4,000,000
<i>Sub-total</i>	47,000,000	47,000,000	94,000,000
Academe at 198			
Rent Subsidy (Non UCSF tenants)			
2023-24	700,000	700,000	1,400,000
2024-25	1,300,000	1,300,000	2,600,000
Greystar Contract Closeout - Capital Transfer	175,000	175,000	350,000
Scion Group - Marketing Expenses & Commission	150,000	150,000	300,000
<i>Sub-total</i>	2,325,000	2,325,000	4,650,000
<i>Total</i>	49,325,000	49,325,000	98,650,000
<i>Ending Balance</i>	\$ 233,345	\$ (847,456)	\$ (614,111)

Note:

Figures do not include future investment income on fund balance or market gain/loss.

The ability to manage funding appropriated in support of the Tower Seismic Upgrade and other budgeted and authorized Academic Village initiatives balancing project liquidity and investment objectives is requested.

The table below summarizes investment performance over time for TRIP and GEP, with data as of December 31, 2023.



5. PROPOSED RESOLUTION:

Resolved, that the Board of Directors approves that the CFO be authorized to draw down from investment pools established to support the McAllister Tower Seismic Upgrade to assure that cash is available to support this project and other Academic Village initiatives.

Be it further resolved that regular reports be made to the Board of Directors with information on fund balances and the use of funds made available pursuant to this grant of authority.

ACTION ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** Premium for the UC Student Health Insurance Program (SHIP) for 2024-25

3. RECOMMENDATION

That the Board of Directors approves the premium for the UC Student Health Insurance Program for 2024-25 of \$6,590.

4. BACKGROUND

The By-laws and Standing Orders of the College provide that the Finance Committee considers and makes recommendations to the Board concerning the assessment of registration fees, educational fees, compulsory student activity fees, housing and parking charges, and all other fees of the College.

- **Premium for the UC Student Health Insurance Program (SHIP)**

UC Law participates in the UC Graduate SHIP managed by the University of California. This allows students and their spouses' health coverage at competitive rates by achieving economies of scale by virtue of the system-wide character of the program. A Campus Program Fee of \$100, to support administrative costs related to the program, is unchanged from the prior year. For 2023-24, the premium and program fee was \$5,867. Proposed is the rate of \$6,590 for the 2024-25 academic year. This fee can be waived upon presentation of proof of alternative equivalent coverage.

Graduate Mandatory	2022-23	2023-24	2024-25
Insurance Premium			
- Medical	4,944	5,514	6,235
-Dental	215	216	216
-Vision	45	37	39
<i>Subtotal</i>	\$ 5,102	\$ 5,767	\$6,490
UCSHIP Admin Fee	100	100	100
Total	\$ 5,202	\$ 5,867	\$6,590

5. PROPOSED RESOLUTION:

Resolved that the Board of Directors approves a premium for the UC Students Health Insurance Program of \$6,590 for 2024-25.

REPORT ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** State Budget Overview: 2024-25 and 2025-26

3. REPORT:

Budget hearings with the Assembly and Senate have been concluded. The budget proposed by the Legislature to be considered by the Governor is set to include the following adjustments:

- Approves Governor's Budget proposal to provide \$2.1 million ongoing General Fund (10%) to support a 3% workload base increase. The workload increase uses total support appropriations (excluding annual lease revenue allocations supporting 333 Golden Gate debt service).
- Approves May Revision proposal to reduce ongoing General Fund support by \$2.2 million (-7.95%) in 2025-26 as part of the state operations reductions.

State Budget Outlook 2024-25 & 2025-26

Board of Directors – June 7, 2024

Report of the CFO



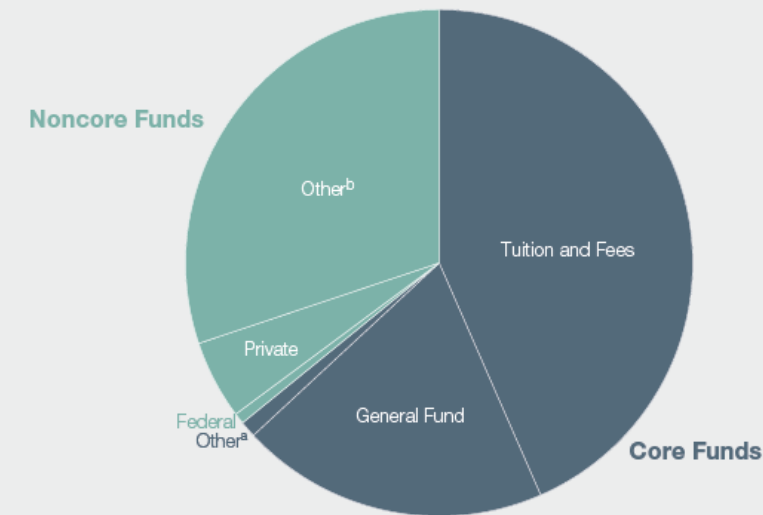
UC Law San Francisco

College of the Law, San Francisco Revenue Summary – Enterprise Wide 2023-24

- Tuition & Fees
 - JD Program 95%
 - Non-JD Programs 5%
 - Tuition is lower than average tuition charges at other UC's
- Diversified Noncore Revenue Flows
 - Grants and Contracts
 - Private Giving
 - Auxiliary Enterprises
- Beginning reserves for 2024-25:
 - Operating - \$24.5 million
 - Plant Fund - \$5 million

Figure 1

CLSF Receives Funding From Many Sources \$122 Million, 2023-24



^a Includes the State Lottery Fund, certain investment earnings, and income from scholarly publications.

^b Includes income from auxiliary enterprises and payouts from endowments.

CLSF = College of the Law, San Francisco.

LAOA

College of the Law, San Francisco (Item 6600)

Appropriation Status 2024-25 & 2025-26

The budget proposed by the Legislature to be considered by the Governor is set to include the following adjustments:

- Approves Governor's Budget proposal to provide \$2.2 million ongoing General Fund (11%) to support a 3% workload base increase.
 - Excludes annual lease revenue allocations supporting 333 Golden Gate debt service).
- Approves Governor's May Revision proposal to reduce ongoing General Fund support by \$2.1 million (-7.95%) in 2025-26.
- Preserves Fund Balances for Previous One-time Appropriations
 - Bench to School Initiatives
 - California Scholars Program
 - McAllister Tower Seismic Upgrade Project
- No replenishment of funding previously appropriated supporting the Urban Alchemy Program

College of the Law, San Francisco (Item 6600)

Appropriation Status 2017-18 to 2025-26

	2017-18	2018-19	2019-20	2020-21 ^a	2021-22	2022-23	2023-24	2024-25 (Prelim.)
Base General Fund adjustment	\$1.1	\$1.1	\$1.4	-\$0.5	\$2.1	\$2.0	\$2.2	\$2.2
Percent change in General Fund ^b	9%	9%	10%	-4%	14%	12%	12%	11%
Percent change in ongoing core funds ^c	1.9	1.9	2.5	-0.9	3.5	3.0	3.0	3.0

^aBase General Fund was reduced in response to the pandemic-related recession.

^bReflects base General Fund adjustment over the amount of total ongoing General Fund provided the previous year.

^cReflects base General Fund adjustment over total ongoing core funds provided the previous year.

Five Year Budget Model

Preliminary Fiscal Outlook

CORE OPERATIONS	Midyear Budget 2023-24	Projection 2024-25	Projection 2025-26	Projection 2026-27	Projection 2027-28
Core Operations					
Revenues	80,051,313	81,441,025	82,125,457	88,234,413	93,933,237
Expenditures	66,911,040	67,854,602	69,566,819	71,299,674	73,209,156
Student Financial Aid	14,511,086	16,661,889	18,262,723	19,059,038	20,010,746
<i>Income/(Loss)</i>	\$ (1,370,813)	\$ (3,075,466)	\$ (5,704,085)	\$ (2,124,299)	\$ 713,335
<i>As a % of Revenue</i>	-1.7%	-3.8%	-6.9%	-2.4%	0.8%

Key Assumptions:

1. State funding growth resumes in 2026-27 at 3% of workload budget (\$2.4 million).
2. Students fees for the JD program increase annually at 5%.
3. Operating expense growth is capped at 1.5% annually.
4. No new support staff.
5. Faculty hiring program is maintained.
6. Employee compensation growth - represented and nonrepresented increases are limited to 3%.
7. Financial aid tuition discounting is capped at 30%.
8. Excludes realized/unrealized gain/loss on investments.

Factors Not Included in Five Year Budget Model

1. Collective Bargaining
 - AFSCME
 - AFT
 - UAW (Pending)
2. Information Technology Upgrades
3. Support Staff – Probable Growth
4. Operating Cost Growth in Excess of 1.5%
 - Liability & Property Insurance Premiums
 - Utility Charges
5. Student Success Metric Improvements
 - Financial Aid – Student Recruitment and Retention Awards
 - Bar Passage Support
6. Surplus Revenues from Academic Village Finance Authority
 - Governed by Series 2020A Indenture Agreement (i.e., financial stabilization)
 - Debt Service for Series 2020B Commences in 2028-29



ACTION ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Long-Range Campus Plan – Budget Change - 2023-24
3. **RECOMMENDATION**

That the Board of Directors approve a budget change of \$284,000 funded from the nonstate Hastings Digardi Hall reserve account to fund 2023-24 costs supporting the Academic Village.

4. BACKGROUND:

Requested is authority to amend the 2023-24 nonstate budget by \$284,000. With this allocation, the Hastings Digardi Hall account will have a current-use fund balance of \$1,072,000 (based on the mid-year budget). Major drivers of this request are:

\$139,389	Department of Toxic Substance Control Generator Fees – The budget for the 198 McAllister project was double charged per statute for waste off-haul regulatory fees. A legislative remedy was sought in collaboration with the SF Housing Action Coalition. The effort was unsuccessful.
\$74,000	Academic Village Marketing – Videography production services for the Academic Village Media Package.
\$14,000	Telecommunications consultant for 198 McAllister project

Shown below is the overall project budget summary:

Description	Budget	Actuals (As of 5/29/24)	Encumbrances/ Cost Adjustments	Remaining	% Received/ Spent
INVESTMENT INCOME	26,500	22,234	-	4,266	84%
ENDOWMENT PAYOUT	178,853	178,853	-	0	100%
MARKET GAIN/LOSS	-	108,368	-	(108,368)	101%
OTHER REVENUE	590,210	590,189	-	21	100%
Total	795,563	899,644	-	(104,081)	13%
STAFF STIPENDS	15,000	12,500	-	2,500	83%
BENEFITS PROVISION	6,150	5,125	-	1,025	83%
CONTRACT-OTHER	1,384,244	1,398,313	289,858	(303,927)	125%
TRAVEL	-	3	-	(3)	101%
PRINTING & REPRODUCTION	5,157	156	-	5,001	3%
SUPPLIES	-	61	-	(61)	101%
FINES, PENALTIES, LATE FEES, TAXES, PERMITS	-	139,389	-	(139,389)	101%
LEGAL SERVICES	150,000	95,622	4,252	50,125	67%
MISCELLANEOUS	2,000	2,000	-	-	100%
ENDOWMENT MANAGEMENT FEE	21,620	21,620	-	0	100%
EVENTS, ENTERTAINMENT AND MEETINGS	12,282	13,908	-	(1,626)	113%
PROMOTIONAL ACTIVITIES	10,000	-	-	10,000	0%
EQUIPMENT-CAPITAL	2,279,843	2,186,625	0	93,218	100%
EQUIPMENT-NONCAPITAL	5,000	5,000	-	-	100%
CAPITAL PURCHASE OFFSET - EQUIPMENT	-	(39,442)	-	39,442	0%
CAPITAL PURCHASE OFFSET - FURNITURE	-	(115,185)	-	115,185	0%
OTHER CAPITAL ASSET DEDUCTIONS	-	154,627	-	(154,627)	101%
NONMANDATORY TRANSFERS	1,255,000	1,255,000	-	-	100%
Total	\$ 5,146,296	\$ 5,135,322	\$ 294,110	\$ (283,137)	6%

5. PROPOSED RESOLUTION:

That the Board of Directors approve revising the 2023-24 nonstate budget as described below:

8.2	Long Range Campus Plan	\$284,000
		(Hastings Digardi Hall)

ACTION ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Nonstate Contracts and Grants in Excess of \$100,000

3. **RECOMMENDATIONS:**

That the Board of Directors authorize acceptance of the contracts and grants exceeding \$100,000 as described in this report.

Item: *8.3.1

Title: Ripples Program – Community Art Curation
Vendor: Keen on Art - Esther Mallouh
Cost: \$140,000
Term of Contract: 18 months

Description:

Authority is requested to continue the Ripples community art program. The program celebrates the artists whose work adorns campus walls. The artworks are part of a rotating exhibit called “Ripples” overseen by art curator Esther Mallouh. It features some 72 artworks by 47 Bay Area artists. The program provides added exposure for local artists’ work while enriching the on-campus experience for students and the UC Law SF community. Total compensation under this agreement totals \$140,000 as is comprised of:

- Base Services – For day-to-day management of the Ripples program for the period July 1, 2024, through June 30, 2025, \$72,000 at an hourly rate of \$95 per hour.
- Special Projects – For work beyond the scope of managing the rotation of the artwork included in the base program, as authorized by the CFO prior to the commencement of any special project services, \$15,000 at an hourly rate of \$95 per hour.
- Extra Services for 2023-24 – For additional work undertaken in 2023-24 for the period through June 30, 2023, \$16,500.

Item: *8.3.2

Title: Marketing and Advertising – Academe at 198
Vendor: Scion Group
Cost: \$250,000
Term of Contract: One year

Description:

This agreement is still being negotiated. It will be discussed, and if the terms are finalized and an agreement reached with the vendor, presented to the Board of Directors for consideration.

Item: *8.3.3

Title: Tower Upgrade – Materials and Testing Services

Vendor: Consolidated Engineering Laboratories

Cost: \$124,316

Term of Contract: Five years

Description:

Materials testing services for the McAllister Tower Seismic Upgrade Project including but not limited to: concrete compression, strength and reinforcing steel strength testing, structural steel strength testing, and masonry shear strength testing.

Item: *8.3.4

Title: Center for Gender & Refugee Studies - Training and Technical Assistance for Legal Service Providers Representing Unaccompanied Children

Grantor: Acacia Center for Justice

Revenue: \$485,079

Term of Contract: One year

Description:

Authority to subcontract with the Acacia Center for Justice for the Center for Gender & Refugee Studies to provide training and technical assistance to a national network of post-release immigration legal service providers representing unaccompanied children. The subcontract is funded from the Office of Refugee Resettlement (ORR), part of the federal Department of Health and Human Services (HHS). This is a renewal of a prior year contract with the Vera Institute of Justice, which has now spun off their ORR contract to a newly formed entity, Acacia Center for Justice.

Item: *8.3.5

Title: Training and Technical Assistance to the San Francisco Immigrant Legal Defense Collaborative

Grantor: Central American Resource Center of Northern California

Revenue: \$373,342

Term of Contract: One year

Description:

Authority to subcontract with the Central American Resource Center (CARECEN) of Northern California for the provision of training and technical assistance to the San Francisco Immigrant Legal Defense Collaborative. The subcontract is funded from a grant from the Mayor's Office of Housing and Community Development (MOHCD) in the City of San Francisco, California.

4. PROPOSED RESOLUTION:

Resolved that the Board of Directors approve acceptance of the grant described below:

*8.3.1	Keen on Art – Community Art Program and Curation	\$140,000
*8.3.2	Scion Group – Marketing for the Academe at 198	\$250,000
*8.3.3	Materials Testing - Consolidated Engineering Laboratories	\$124,316
*8.3.4	Grant – CGRS - Training & Technical Assistance for Legal Service Providers Representing Unaccompanied Children	\$485,079
*8.3.5	Grant – CGRS - Training & Technical Assistance for the San Francisco Immigrant Legal Defense Collaborative	\$373,342

ACTION ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Change of Use – Conversion of the Hastings Law Loan Program to the UC Law SF Student Success Fund

3. RECOMMENDATIONS:

That the Board of Directors authorize the cessation of the Hastings Law Loan Program and designate that the fund balance and future loan repayments be allocated to the newly established Student Success Fund, a current-use fund established for the purpose of achieving student retention and bar passage objectives.

4. BACKGROUND:

UC Law SF, along with many institutions of higher education frequently offer students the opportunity to finance all or part of their education using some form of institutional credit. These arrangements vary greatly from a simple, short-term, no interest payment plan to a traditional, interest-bearing loan. These arrangements qualify as a “private education loan” under federal law, subjecting the institution to a multitude of federal regulations. These arrangements are also subject to state consumer finance laws, and in some instances, to state laws governing the authorization of postsecondary institutions. Staying apprised of these federal and state laws and administering an institutional student loan program in accordance with their complex requirements, is a significant challenge, especially for smaller institutions.

UC Law is reviewing its loan programs and has begun a process to repurpose the funds that support such programs as grants. An example is the recently converted Hastings Bar Preparation Loan Program, converted to the UC Law California Bar Preparation Support with fund balances transferred from the California Bar Preparation Loan Fund.

The proposal would have the Board of Directors approve the winddown of the Hastings Law Loan Program and transfer its fund balance and proceeds from future loan repayments to a newly established Student Success Fund, a current-use account intended to support student retention and bar passage objectives. The cash balance in the account is \$773,000; future notes receivable total \$149,000. The Provost and Academic Dean would manage the fund with disbursements programmed as part of the regular budget cycle.

5. PROPOSED RESOLUTION:

Resolved that the Board of Directors approves the cessation of the Hastings Law Loan Program and the transfer of fund balances to the UC Law SF Student Success Fund.

Attachment:

- Minutes – Hastings Scholarship and Loan Trust, February 22, 1999.

UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW

HASTINGS SCHOLARSHIP AND LOAN TRUST

MINUTES OF MEETING OF TRUSTEES
FEBRUARY 22, 1999

Not yet Approved
Per Pat
Tasheima
9.23.99

The Trustees of the Hastings Scholarship and Loan Trust ("HSLT") met on Monday, February 22, 1999, in the Office of the Dean, 200 McAllister Street, San Francisco.

1. In attendance were:

Trustees

Charlene P. Mitchell, Chair
John A. Sproul

Faculty Exec. Comm. Chair
ASUCH President

Professor Evan Lee
Aaron Fluss

Absent:

Trustee

Jan Lewenhaupt

Others in attendance were:

General Counsel/Secretary
Chief Financial Officer

Marcia J. Canning
David Seward

Marcia Canning called the meeting to order at Noon.

The discussion began with a recap of the Trustees' actions several years ago. Trustee Mitchell stated it was her memory that the funds left in the Trust after all claims were resolved, were to be used for merit scholarships and recalled that a portion of the principal was set aside for this purpose, the subject of the Trustees' agenda item 3, HSLT Multi-Year Scholarship. David Seward confirmed this. Trustee Mitchell further stated that the remainder of the monies were to be used for loans to be disbursed in accordance with the College's existing loan policy, the subject of agenda item 2, HSLT Multi-Year Loan Plan. David Seward confirmed this as well and noted that, in terms of a general loan category, there is also the James O'Neill Loan Fund, which is restricted to students from Sacramento County. He explained that agenda item 2 does not touch upon the O'Neill Fund, which he believes has to be marketed more aggressively to find qualified recipients, but does address the balance of the loan funds. He confirmed that the Trustees at this meeting will be voting to continue the existing framework of the Trust but approving modest changes before terminating the HSLT Board of Trustees and turning supervision over to the Hastings Board of Directors.

A brief discussion ensued as to the eligibility standards of the loans and scholarships, with David Seward noting that the eligibility standards were not being changed, just the per award amount.

1. HSLT Multi-Year Loan Plan

David Seward said this item proposes a loan program with a budget of \$125,000 which mirrors the Federal Perkins Loan Program and James O'Neill Loan Program, both of which

the College currently administers. The O'Neill program was approved by the Trustees in 1996 and is fashioned after the Perkins program. Trustee Mitchell said her only question relates to the maintaining of a 2.0 grade point average, which she said seems a bit low. David Seward responded that 2.0 is the eligibility for participation and while he is unfamiliar with the academic standards, believes this complies with College policy. Aaron Fluss stated that 2.0 is the College standard as that is the level disqualified students must achieve to be readmitted. Trustee Sproul asked if there were any other criteria, as the range could run from 3.0 GPAs down to 2.0. David Seward responded that the awards are based on the receipt of applications on a first-come, first-serve basis.

Trustee Mitchell noted that it appears there is more money available than recipients and David Seward said that is only the case with the O'Neill program, because the College cannot fulfill the donor's intent of limiting eligibility to those who have resided in Sacramento County and consequently the money has accumulated significantly given favorable market returns. David Seward said the College is going to advertise the fund more aggressively and be more proactive in looking for students who have resided in Sacramento County. He stated that the definition of "reside" has been modified to a two-to-three year period of residency. He said individual student files also will be reviewed to see if an expensive debt, such as a Stafford Loan or private loan, could be replaced with these funds.

- * Upon motion duly made, seconded and carried, the HSLT Board of Trustees adopted the following resolution:

RESOLVED, that the Trustees of the HSL Trust approve the establishment of the Hastings College of the Law Loan Program with the following provisions:

- Than an applicant is a full-time student with a GPA of at least 2.0 and be eligible for need-based financial aid;
- That the promissory note includes a provision to allow a loan applicant's credit history to be reviewed as a condition for a loan;
- That the promissory note authorize the College to report the borrowers' loan balances or repayment histories to national credit bureaus;
- That an administrative fee of \$50.00 per loan application be imposed to offset billing and loan collection costs;
- That an interest rate of 5% to mirror the interest rate charged under the Federal Perkins Loan Program and the James O'Neill Loan Program be applied to outstanding loan balances;
- That a 10-year repayment term with no interest accruing until the first day of the repayment period which begins nine months after enrollment drops below half-time;
- That the maximum loan to an individual be limited to the amount of actual resident fees; and,
- That an annual budget of \$125,000 be established for loan awards from the program.

3. HSLT Multi-Year Scholarship

David Seward said this item also revises a previously approved expenditure plan but increases the total amount budgeted from \$103,000 to \$111,000 a year, consistent with existing eligibility criteria adopted by the Trustees. He explained that when eligible students leave the College in the second year, non-awarded funds revert to the scholarship fund, leading to higher balances than originally anticipated. He characterized this as a relatively minor adjustment of a 6% increase a year. Trustee Sproul noted that the fund would have little left at the end of five years. David Seward replied theoretically that is the case, but if inflation kicks in, there most likely will be funds left due to the inverse relationship between inflation and the yield on equities and funds. Trustee Mitchell asked why the fund was being extinguished. David Seward responded that the fund is not being extinguished, but the accumulated balances are, adding that the goal is to equalize the amount of the awards with the amount of income earned in a year. He reassured the Trustees that the principal will not be touched.

Trustee Mitchell asked why an annual evaluation could not be done to determine the income for that year with scholarships awarded on a pro rata basis, based on the income each year rather than awarding a fixed amount each year. David Seward said that is done with all other non-HSLT scholarships where it is year-to-year, depending upon the income. Because the HSLT funds have been under the total control of the Trustees and not the Board of Directors and because the fund balances have accumulated, the use of a multi-year plan has been adopted to avoid a windfall with large awards to students who have the good fortune to be at the College in the year of award and to more evenly distribute benefits to a greater number of students.

* Upon motion duly made, seconded and carried, the Trustees approved the following resolution:

RESOLVED, that the Trustees of the HSL Trust approve a five-year disbursement plan commencing in 1999-00 resulting in annual awards from the scholarship funds, consistent with the terms of each endowment, in the amounts listed below:

HCL General Scholarship	\$ 71,475
Stanley Ehrman Scholarship	10,490
David Snodgrass Scholarship	8,560
Sonia Werchick Scholarship	15,370
E. Bennett Scholarship	3,320
Student Aid Fund	<u>1,965</u>
Total	\$111,180

BE IT FURTHER RESOLVED, that the amount awarded per scholarship be increased from \$3,000 to \$3,270.

4. Dissolution of HSLT Board of Trustees

Marcia Canning explained that in looking at the College's obligation to report annually to the Attorney General, who had been monitoring the Trust, she realized the Court Order creating the Trust expired in April, 1998. In discussions with David Seward, it was decided that

transferring oversight of the Trust to the College's Board of Directors would be beneficial. She cited several advantages to transferring control, including the fact that the Board of Directors meets more frequently than the Trustees and also reviews the budget annually which would make it easier to monitor the distribution of the available funds as part of the budget overview. She explained that the resolution is structured so that only if the Board of Directors agrees, would the Board of Trustees dissolve. Trustee Sproul asked if the Trustees have any legal standing now that the Trust Order has terminated. Marcia Canning said she believes the the Trustees could conceivably have dissolved in anticipation of the expiration of the Court Order; she also noted that she was not convinced that expiration of the Court Order requires that the Board dissolve. Trustee Mitchell remarked that it has been cumbersome for the College to have two different boards.

* Upon motion duly made, seconded and carried, the Trustees adopted the following resolution:

RESOLVED, that the Hastings Scholarship and Loan Trust Board of Trustees recommends to the Hastings College of the Law Board of Directors that it adopt the resolution regarding the Hastings Scholarship and Loan Trust Multi-Year Loan Program;

FURTHER RESOLVED, that the Hastings Scholarship and Loan Trust Board of Trustees recommends to the Hastings College of the Law Board of Directors that it adopt the resolution regarding the Hastings Scholarship and Loan Trust Multi-Year Scholarship Program; and

FURTHER RESOLVED, that it is the recommendation of the Hastings Scholarship and Loan Trust Board of Trustees that the responsibilities formerly exercised by it to ensure distribution of loan and scholarship funds, now be exercised by and at the direction of the Hastings College of the Law Board of Directors in keeping with the donors' intent and the College's policies and procedures governing investments.

FINALLY RESOLVED, that the Hastings Scholarship and Loan Trust Board of Trustees, established by Court Order in San Francisco Superior Court, to remain in effect from April 28, 1988, and for 10 years from that date, shall be immediately dissolved, as the 10 years have expired, upon acceptance by the Hastings College of the Law, Board of Directors of the Resolution set forth herein.

Marcia Canning thanked Trustees Mitchell and Sproul for their service in ensuring the Court Order was carried out, as well as Trustee Lewenhaupt who was absent due to a death in his family. Professor Lee added that their work was definitely above and beyond the call of duty, their having served on the Board of Directors and then continuing on as Trustees. Trustee Sproul remembered that the work was very contentious in the beginning but turned out to be a nice solution, with everything working out. David Seward agreed this action marks a nice closure.

There being no further business to come before the Trustees, the meeting was adjourned at 12:20 p.m.

Marcia J. Canning, Secretary

NOTICE OF MEETING

A MEETING OF THE TRUSTEES OF THE HASTINGS SCHOLARSHIP AND LOAN TRUST, HAS BEEN SCHEDULED FOR MONDAY, FEBRUARY 22, 1999, AT NOON, IN THE OFFICE OF THE DEAN, 200 McALLISTER STREET, THIRD FLOOR, SAN FRANCISCO, CALIFORNIA.

AGENDA

1. Roll Call

Charlene P. Mitchell, Chair
John A. Sproul
Jan Lewenhaupt

Prof. Evan Lee
Aaron Fluss

- * 2. HSLT Multi-Year Loan Plan (Written)
- * 3. HSLT Multi-Year Scholarship (Written)
- * 4. Dissolution of HSLT Board of Trustees (Written)

Pursuant to Government Code Section 1124, the following person can provide further information prior to the meeting:

Marcia J. Canning
General Counsel and Secretary
Hastings College of the Law
200 McAllister Street
San Francisco, CA 94102
Telephone: (415) 565-4715

ACTION ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** Hastings Loan Fund – Program Establishment and Annual Budget
3. **RECOMMENDATION:**

That the HSL Trustees establish the Hastings College of the Law loan program to provide a source of financial assistance in the form of loans to eligible students to be in place for the fall 1999 semester.

It is further recommended that a budget of \$125,000 per annum be established for this loan program.

4. **BACKGROUND:**

In December 1996, three proposals were presented to the Trustees of the Hastings Scholarship and Loan Trust (HSL). The goal of the proposals was to improve fund administration and to accelerate the use of funds that had accumulated over time. The trustees adopted the following recommendations:

1. That the HSL Trustees approve changes to the James O'Neill loan program to facilitate improved financial management and loan administration. It was further recommended that an annual budget of \$150,000 per annum be established for the O'Neill Loan fund.
2. That the HSL Trustees approve annual scholarship awards totaling \$103,330 annually for a five-year period from the General, Ehrman, Snodgrass, Werchik, Bennett Scholarships and the Student Aid Fund.
3. That the HSL Trustees approve the College allocating \$173,637 annually for six years from the Student Loan Fund and the Law Center Loan Fund for purposes of providing capital for the College's participation in the Federal Perkins Loan Program *Expanded Lending Option*.

The proposals' genesis in 1996 was the realization that notwithstanding the adoption of an earlier spending plan by then CFO Majerus, funds had accumulated in these accounts which could and should be distributed to eligible students pursuant to the terms associated with each individual fund. The amounts proposed for distribution were calculated with an aim to fully spending-down accumulated current-use fund balances and anticipated income over time to the point where at the end of the multi-year period accumulated balances would be fully depleted and only current-year income would be expensed.

These calculations were based on each fund's beginning fund balance – stated on a cost basis (or “book value”) – and investment income of an estimated 4 percent per annum. Up until June 30, 1997, the College's investments were stated at cost (or, “book value”). This means that financial statements and reports were presented using “cost” as the basis for valuation of invested funds. The Governmental Accounting Standards Board (GASB) adopted a new standard that required all entities falling under their jurisdiction to record the value of investments at their “market” value. This change became mandatory for fiscal year 1997-98 reporting. Hence, with this change the value of funds held by the College – including the HSL Trust – were restated to include the effect of realized and unrealized market-driven changes (i.e., appreciation). This had the effect of increasing fund balances by the change in value since 1993 – the date the College began investing its funds with the UC-Treasurer's Office.

Other factors that contribute to the existence of accumulated funds are:

- Current-income spending policy – The College's Board of Directors has adopted a current-income spending policy for endowed funds that limits disbursements to interest and dividend income. This policy has guided the management of all funds under the College's control. All appreciation is preserved to protect the purchasing power of the endowment.
- Favorable investment returns over time – Total return on invested funds has been very favorable even given the recent market downturn. The switch to market value in the middle of a prolonged bull market amplified the impact of the restatement and triggered a substantial upward adjustment to fund balances on a College-wide basis.
- Financial aid awards – Budgeted levels of financial aid (loans and scholarships) are not always expended due to applicants not meeting eligibility requirements or other factors.

Recommendation

To permit the use of accumulated fund balances in a manner consistent with the terms of the HSL trust, it is recommended that a new loan program be established. It would be named the Hastings College of the Law Loan Program and be modeled after the Federal Perkins Loan and James O'Neill Loan programs (excluding the Sacramento County residency requirement). This program would be structured to draw down current-use funds (in excess of funds necessary to maintain the College's participation in the Federal Perkins Loan Program *Expanded Lending Option*) with loans being disbursed over a five-year period beginning in the fall 1999 semester.

The loan program would have the following features:

- A. Eligibility – Applicants would be required to be full-time students with a GPA of at least 2.0 and be eligible for need-based financial aid.
- B. Credit Worthiness - A consumer credit report would be required to determine an applicant's credit history and assess their ability and willingness to repay debt.

- C. Credit Bureau Reporting - The promissory note would authorize the College to report the borrower's loan balance or repayment history to national credit bureaus to maintain consistency with Federal loan programs and to provide a greater disincentive to default.
- D. Administrative Fees - Billing costs associated with the College's third-party loan servicer (AFSA Corporation) are currently borne by the state. These costs would be recovered through the imposition of a one-time loan administration fee of \$50 per loan application.
- E. Interest Rate - Loans made through program would be made at a 5 percent interest rate consistent with the Federal Perkins and O'Neill loan programs. The application of an interest charge will generate funds to offset bad debts and to preserve the purchasing power of the loan fund over time.
- F. Maximum Loan Amount - The amount loaned to an individual is capped at the amount of actual resident fees on an annual basis.
- G. Repayment - A ten year repayment term with no interest accruing until the first day of the repayment period which begins nine months after enrollment drops below half-time.

Attached as Exhibit 1 is a table showing fund balances and draw downs for both the College's capital contributions to the Federal Perkins Loan Program *Expanded Lending Option* and the proposed Hastings College of the Law Loan Program. Please note that the federal government's commitment to the long-term maintenance of the *Expanded Lending Option* may change. In the event that the federal government discontinues this program at some future date, or if the amounts involved substantially vary from the planning assumptions, this spending plan will need to be revisited.

Annual Budget

Proposed is the establishment of an loan disbursement budget of \$125,000 per year. This amount would be awarded on a "first come, first serve" basis subject to the regulations governing the program.

5. PROPOSED RESOLUTION:

Resolved, that the Trustees of the HSL Trust approve the establishment of the Hastings College of the Law Loan Program with the following provisions:

That an applicant is a full-time student with a GPA of at least 2.0 and be eligible for need-based financial aid;

That the promissory note includes a provision to allow a loan applicant's credit history to be reviewed as a condition for a loan;

That the promissory note authorize the College to report the borrowers' loan balances or repayment histories to national credit bureaus;

That an administrative fee of \$50 per loan application be imposed to offset billing and loan collection costs;

That an interest rate of 5 percent to mirror the interest rate charged under the Federal Perkins Loan Program and the James O'Neill Loan Program be applied to outstanding loan balances;

That a ten year repayment term with no interest accruing until the first day of the repayment period which begins nine months after enrollment drops below half-time;

That the maximum loan to an individual be limited to the amount of actual resident fees; and,

That an annual budget of \$125,000 be established for loan awards from the program.

HSL Trust Worksheet - Loan Programs

Spending Plan for New HSLT Loan Awards New Loan Program Effective 1999/00 GL Account Number:	Student Loan Fund 38970	Law Center Loan Fund 38908	TOTAL	Ending Current-Use Balance
Beginning Fund Balance:				
HSLT Principal, Per Court Order	186,760	43,754	230,514	
Appreciation (Realized/Unrealized Gains/Losses)	260,069	31,445	291,514	
Current-use Funds (Accumulated Earnings)	852,831	151,247	1,004,078	
Fund Balance July 1, 1998	\$ 1,299,660	\$ 226,446	\$ 1,526,106	
1998/99:				
Beginning Balance, Current-Use Funds	852,831	151,247	1,004,078	
Endowment & Investment Income ¹	51,986	9,058	61,044	
Perkins Student Loan Program ELO Contribution	(135,905)	(21,089)	(156,994)	
Projected Beginning Balance July 1, 1999	768,912	139,216	908,128	\$ 908,128
1999/00:				
Endowment & Investment Income ¹	48,630	8,577	57,207	
Loan awards	(105,000)	(20,000)	(125,000)	
Projected Collections ²	-	-	-	
Perkins Student Loan Program ELO Contribution ³	(98,211)	(15,239)	(113,450)	
Net change	(154,581)	(26,662)	(181,243)	\$ 726,885
2000/01:				
Endowment & Investment Income ¹	42,446	7,510	49,956	
Loan awards	(105,000)	(20,000)	(125,000)	
Projected Collections ²	-	-	-	
Perkins Student Loan Program ELO Contribution ³	(98,211)	(15,239)	(113,450)	
Net change	(160,765)	(27,729)	(188,494)	\$ 538,391
2001/02:				
Endowment & Investment Income ¹	36,016	6,401	42,417	
Loan awards	(105,000)	(20,000)	(125,000)	
Projected Collections ²	11,025	2,100	13,125	
Perkins Student Loan Program ELO Contribution ³	(98,211)	(15,239)	(113,450)	
Net change	(156,170)	(26,738)	(182,908)	\$ 355,483
2002/03:				
Endowment & Investment Income ¹	29,769	5,331	35,100	
Loan awards	(105,000)	(20,000)	(125,000)	
Projected Collections ²	22,050	4,200	26,250	
Perkins Student Loan Program ELO Contribution ³	(98,211)	(15,239)	(113,450)	
Net change	(151,392)	(25,708)	(177,100)	\$ 178,383
2003/04:				
Endowment & Investment Income ¹	23,713	4,303	28,016	
Loan awards	(105,000)	(20,000)	(125,000)	
Projected Collections ²	33,075	6,300	39,375	
Perkins Student Loan Program ELO Contribution ³	(98,211)	(15,239)	(113,450)	
Net change	(146,423)	(24,636)	(171,059)	\$ 7,324
Total - Net Awards after 5 years	\$ (769,331)	\$ (131,473)	\$ (900,804)	
Projected Balance July 1, 2004	\$ (419)	\$ 7,743	\$ 7,324	

Notes:

¹The figures for Endowment and Investment Income are based on a projected current income payout rate of 4 percent. Appreciation subsequent to 1997/98 not included in projected earnings base.

²Projected collections are based on proposed loan terms: 10-year repayment period with annual interest rate of 5 percent beginning nine months after enrollment drops below half-time.

³Perkins Student Loan Program Extended Lending Option Contribution based on 1999/00 preliminary contribution levels. Total Hastings match, funded by State and HSLT loan funds, is equal to the annual federal contribution which varies from year to year and is not controlled by the College. Proration of mandatory Hastings ELO contribution is: State Funds 33%, HSLT Student Loan Fund 58%, HSLT Law Center Loan Fund 9% (per terms of resolution effective 1996-97).

The proposed one-time administrative fee of \$50 per borrower is not included in the budget plan.

REPORT ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Investment Report – As of March 31, 2024
3. **REPORT:**

Investment fund balances held by the University of California are displayed below:

	As of 6/30/2023	As of 12/31/2023	As of 3/31/2024
Hastings Endowment Fund (GEP)	\$51,855,613	\$54,617,558	\$55,404,998
Hastings Operating Fund (GEP)	70,108,481	72,415,667	76,040,014
Endowed Funds Held by Regents (GEP-7)	10,450,415	10,430,419	10,948,262
Hastings Operations – STIP	16,454	558,000	2,738,801
100 McAllister Project Fund – STIP	46,931,656	47,969,706	48,477,544
100 McAllister Project Fund – TRIP	45,000,000	47,557,780	49,558,345
Total	\$224,362,619	\$233,549,130	\$243,167,964

A quarterly update of investment performance data as of March 31, 2024 is not currently available from the University of California’s Office of the Chief Investment Officer.

REPORT ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** State Budget Report for 2023-24
-- As of March 31, 2024
3. **REPORT:**

Attached is the budget report for 2023-24 as of March 31, 2024. Significant variances in revenues and expenditures are described below:

Revenues

- **State Appropriations, General Fund** – With 2023-24 actual revenue at 72% of budget, we are on track for the remainder of the fiscal year. The appropriation is typically disbursed in allotments of 1/12 of the annual appropriation, or approximately \$1.93 million per month in 2023-24. In 2022-23 we received 96% of the total by March because \$90 million in one-time funding was included for the McAllister Tower Seismic Renovation project, received in October 2022.
- **Tuition and Related Fees, HPL Revenue Share** – The Master of Science, Health Policy and Law (HPL) program operates under a cost- and revenue-share agreement with UCSF. UC Law SF collects all the revenue upfront; that is the amount currently reported. At fiscal year-end the shared cost accounting will allocate out to UCSF their share of revenue reducing total actual revenues reflected as of March 31.
- **Investment Income** – Earnings on investments in the STIP and GEP pools with UC are posted at \$399,667 as of March 31, 2024, or 9% more than the \$365,558 distributed last year for the same period.
- **Unrealized Gain/Loss on Investments** – This category accounts for the change in the market value of the UC General Endowment Pool (GEP) and is not a budgeted item as there is no basis for a projection. The state account's share of pooled investment unrealized gains – an increase in the market value of GEP – are reported through March 2024 at \$3,643,341. The comparison figure as of March 2023 was gains at \$1,294,599 that were increased to \$3,225,167 by last fiscal year end.
- **Overhead Allowances** – Overhead allowances from auxiliary enterprises are captured at 2023-24 fiscal year-end and are budgeted at \$233,596. Overhead or indirect cost

allowances on federal, state, and private grants are included in the midyear revised budget at \$786,871 and as of March 2024 \$399,667 (51%) has been recognized.

Expenditures

- **Audit, Legal, and Case Costs** – Included in the 2023-24 budget is \$50,000 allocated for one-time legal expense related to the College’s renaming, with \$28,841 expended as of March 31, 2024. Included in the 2022-23 actuals totaling \$1,530,646 were one-time expenditures of \$1,171,425 for legal expense related to the College’s renaming, with \$988,830 in actual expenditures reflected as of March 31, 2023. Audit services budgeted at \$225,000 in 2023-24 reflect progress billing payments at \$110,000 as of March 2024.
- **Printing and Copier Service** – As of March 2024 only 50% of the 2023-24 budget has been expended. Included in this year’s budget is \$71,000 in the Communications Department to produce content and publications but, due to staffing turnover, no cost has been incurred as of March. Printing costs associated with Commencement are budgeted at \$11,000 but no actuals are posted as of March 2024.
- **Dues and Subscriptions** – This category includes membership dues or fees (e.g., ABA, AALS, WASC, Moody’s, Cal Bar), the College’s contribution to the UCDC Law Program, and the subscription to West Academic Publishing’s MBE simulation and preparation materials. The MBE fee is budgeted in 2023-24 at \$141,655 but no cost is reflected as of March, skewing the overall percentage of budget expended downward.
- **Equipment Maintenance** – The 2023-24 actuals reflecting 33% of budget expended include Security and Information Technology equipment maintenance costs. Security is on track with quarterly payments to maintain surveillance equipment and a total of \$86,370 expended as of March 31, 2024. The Information Technology department has expended \$20,664 and budgetary savings of \$120,000 are expected by year end due to overallocation in the 2023-24 budget line item.
- **Other Contract Services** – This budget category contains a variety of contracted services across all functions and departments of the College and the single largest expenditure is for security services with a budget of \$4.8 million. Actuals for security services reported as of March 2024 total \$2.5 million or 51% of budget because UCSF invoices quarterly and only two payments through 12/31/23 are reflected. One-time costs associated with the name change are budgeted at \$500,000 in 2023-24; actuals as of March are \$283,384 and include rebranded signage and wayfinding, website updates, communications consultants, and Windows server migration costs. Included in the midyear revised 2023-24 budget but without expenditures as of March are \$115,000 for firewall replacement and \$100,000 for technology consulting services.
- **Miscellaneous, including Bank Fees** – The 2023-24 actual expenditures appear to exceed the budget but there are pending corrections to adjust credit card fees out to The

198 Academe account; currently included at \$124,151, the adjusted actual in this category would be \$33,986 or 26% of the midyear reduced budget.

- **Equipment and Improvements** – Included in the 2023-24 midyear revised budget are allocations without actual activity as of March 31, the largest being \$172,000 for classroom electronic lock project.
- **Transfer to Other Funds** – In both years reported, a transfer of \$500,000 cash to the nonstate CILNE account is reflected in the budgeted and actual amounts. Also included in 2023-24 is \$763,403 to close-out the Business Center as an auxiliary enterprise and instead recognize it as a service provider supported in the state budget. In 2022-23, one-time funding of \$90 million received from the State for renovation of 100 McAllister was transferred to a capital project account.

Attachment:

- State Budget Report as of March 31, 2024

UC LAW SAN FRANCISCO
2023-24 State Budget Status Report - March 31, 2024

5/16/2024

REVENUES	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-2024	Actual Mar-2024 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-2023	Actual Mar-2023 as a Percent of 2022-23 Year-end Actual
State Appropriations							
General Fund	23,956,000	23,956,000	17,358,075 *	72%	109,674,000	104,980,917	96%
Lottery Fund	<u>172,000</u>	<u>234,000</u>	<u>80,816</u>	<u>35%</u>	<u>266,580</u>	<u>81,873</u>	<u>31%</u>
Subtotal	24,128,000	24,190,000	17,438,891	72%	109,940,580	105,062,789	96%
Tuition and Related Fees							
Non-resident Tuition	617,126	773,141	767,382	99%	562,590	562,590	100%
Registration Fee	50,859,363	51,419,732	51,454,587	100%	49,245,152	49,251,390	100%
Veteran Fee Waivers	(1,834,209)	(1,530,374)	(1,510,209)	99%	(1,752,066)	(1,702,058)	97%
LL.M. Tuition	1,425,000	1,198,408	1,198,408	100%	1,291,728	1,291,728	100%
MSL and CSL Tuition	507,000	503,750	503,750	100%	329,875	329,875	100%
MBE Support Fee	138,000	139,800	139,560	100%	113,728	113,728	100%
HPL Revenue Share	592,841	592,841	933,384 *	157%	468,146	583,422	125%
Summer Legal Institute	758,000	807,312	229,814	28%	577,031	263,201	46%
Other Student Fees	<u>131,650</u>	<u>184,835</u>	<u>183,542</u>	<u>99%</u>	<u>131,963</u>	<u>136,088</u>	<u>103%</u>
Subtotal	53,194,771	54,089,445	53,900,219	100%	50,968,147	50,829,964	100%
Scholarly Publications							
Subscription Revenues	<u>33,900</u>	<u>33,900</u>	<u>18,352</u>	<u>54%</u>	<u>36,835</u>	<u>18,968</u>	<u>51%</u>
Subtotal	33,900	33,900	18,352	54%	36,835	18,968	51%
Other Income							
Investment Income	150,000	600,000	532,067 *	89%	511,103	271,251	53%
Unrealized Gain/Loss on Investments	-	-	3,643,341 *	-	3,225,167	1,294,599	40%
Overhead Allowances	810,348	1,020,467	399,667 *	39%	1,599,713	365,558	23%
Miscellaneous	<u>45,716</u>	<u>67,501</u>	<u>52,989</u>	<u>79%</u>	<u>697,432</u>	<u>48,511</u>	<u>7%</u>
Subtotal	1,006,064	1,687,968	4,628,064	274%	6,033,416	1,979,918	33%
Transfer from Other Funds	0	50,000	50,000	100%	210,705	129,215	61%
TOTAL REVENUES	\$ 78,362,735	\$ 80,051,313	\$ 76,035,526	95%	\$ 167,189,682	\$ 158,020,854	95%

*See attached narrative report

UC LAW SAN FRANCISCO
2023-24 State Budget Status Report - March 31, 2024

5/16/2024

EXPENSES	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-2024	Actual Mar-2024 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-2023	Actual Mar-2023 as a Percent of 2022-23 Year-end Actual
Salaries & Wages	30,198,323	29,732,086	22,129,017	74%	27,831,895	20,809,237	75%
Student Wages-Reg. & Work-study	882,839	877,770	423,449	48%	513,160	315,764	62%
Staff Benefits	10,058,461	9,852,418	7,284,161	74%	12,166,161	7,012,263	58%
Consultants	722,843	755,513	515,980	68%	550,516	386,140	70%
Temporary Help (Contracted)	56,772	117,535	114,128	97%	251,756	166,569	66%
Employee Development & Testing	177,055	164,952	111,505	68%	144,561	120,770	84%
Recruiting & Advertising	555,692	520,214	419,826	81%	564,875	368,503	65%
Audit, Legal, and Case Costs	335,000	350,000	170,369 *	49%	1,530,646	1,168,962	76%
Insurance	674,273	813,324	803,331	99%	661,425	661,425	100%
Printing & Copier Service	410,420	401,480	200,521 *	50%	320,193	221,258	69%
Supplies	236,211	351,801	269,665	77%	312,590	192,109	61%
Travel	876,224	918,036	469,359	51%	637,782	498,410	78%
Dues & Subscriptions	389,901	388,363	203,911 *	53%	291,298	265,290	91%
Events & Entertainment	650,045	712,757	333,990	47%	570,523	323,873	57%
Computer Software	1,066,143	1,122,728	990,874	88%	1,102,479	1,194,501	108%
Data Processing	442,100	425,100	221,105	52%	365,522	198,905	54%
Electronic Databases & Bibliography Svs	524,560	546,862	545,181	100%	514,983	509,894	99%
Books & Bindings	651,862	620,053	473,414	76%	708,527	533,362	75%
Equipment Maintenance	331,979	331,979	110,424 *	33%	360,588	233,113	65%
Building Maintenance	4,858,033	4,419,465	2,866,840	65%	3,176,793	1,709,899	54%
Other Contract Services	6,529,238	7,146,596	4,048,026 *	57%	4,939,006	3,244,057	66%
Utilities	1,140,158	1,140,158	777,881	68%	1,036,746	641,243	62%
Telephone	31,782	35,090	37,292	106%	29,940	20,202	67%
Mail	34,622	41,799	21,624	52%	11,934	9,068	76%
Misc. (Including Bank Fees)	176,535	128,822	158,137 *	123%	393,607	391,978	100%
Equipment & Improvements	208,264	499,151	196,142 *	39%	546,370	210,885	39%
Space & Equipment Rental	2,904,022	3,148,564	2,278,500	72%	555,250	400,066	72%
Financial Aid Grants	14,406,930	14,511,086	14,477,898	100%	14,671,756	14,668,816	100%
Collection Costs	17,000	9,500	166	2%	5,055	4,944	98%
Transfer to Other Funds	<u>1,402,500</u>	<u>1,338,924</u>	<u>1,263,403</u> *	<u>94%</u>	<u>90,504,416</u>	<u>90,500,382</u>	<u>100%</u>
TOTAL EXPENSES	\$ 80,949,787	\$ 81,422,126	\$ 61,916,118	76%	\$ 165,270,353	\$ 146,981,889	89%

*See attached narrative report

SUMMARY - OPERATIONS	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-2024	Actual Mar-2024 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-2023	Actual Mar-2023 as a Percent of 2022-23 Year-end Actual
Operating Revenues (without Gains/Losses)	78,362,735	80,051,313	72,392,185	90%	163,964,514	156,726,255	96%
Operating Expense (without Financial Aid)	<u>(66,542,857)</u>	<u>(66,911,040)</u>	<u>(47,438,221)</u>	<u>71%</u>	<u>(150,598,597)</u>	<u>(132,313,072)</u>	88%
Operating Income (Loss)	11,819,878	13,140,273	24,953,964	190%	13,365,918	24,413,183	183%
Financial Aid Grants	(14,406,930)	(14,511,086)	(14,477,898)	100%	(14,671,756)	(14,668,816)	100%
Realized/Unrealized Gains (Losses)	<u>-</u>	<u>-</u>	<u>3,643,341</u>	<u>-</u>	<u>3,225,167</u>	<u>1,294,599</u>	40%
Change in Net Assets	(2,587,052)	(1,370,813)	14,119,407	-1030%	1,919,329	11,038,966	575%
Beginning Net Assets - Operating	<u>25,311,559</u>	<u>25,899,200</u>	<u>25,899,200</u>	100%	<u>21,134,946</u>	<u>21,134,946</u>	100%
Ending Net Assets - Operating	\$ 22,724,507	\$ 24,528,387	\$ 40,018,607	163%	\$ 23,054,275	\$ 32,173,912	140%

REPORT ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Auxiliary Enterprises Budget Report for 2023-24
-- As of March 31, 2024
3. **REPORT:**

Attached for all auxiliary enterprises of the College – McAllister Tower, Parking Garage, Student Health Services, and Special Events and Guest Services – are budget reports for 2023-24 as of March 31, 2024. Major variances are discussed below.

The following budget variances apply to all auxiliary enterprises with these categories.

Expenditures

- **Overhead Pro Rata** – All auxiliary enterprises are assessed administrative overhead expense to reflect indirect costs. The rate is 5% of total operating revenues for each auxiliary enterprise. Overhead expenditures for auxiliary enterprises will be posted at 2023-24 fiscal year-end. The 2023-24 revised budget for administrative overhead is a total of \$233,096 for all auxiliary enterprises.

Nonoperating Revenues/(Expenses)

- **Unrealized Gain/Loss on Investments** – This category accounts for the change in the market value of the UC General Endowment Pool (GEP) and is not a budgeted item as there is no basis for projection. Unrealized gains of \$430,539 (\$413,165 for McAllister Tower and \$17,374 for Student Health Services) have been recognized as of March 31, 2024.

MCALLISTER TOWER

Revenues

- **Apartment and Commercial Rent** – The revenue budget was adjusted at midyear to \$353,103 from \$414,418 with 15% decrease. This adjustment is due to the occupancy of residential units ending in August 2023 and offices located in Tower building moved out in November 2023, rather than the

previously planned move out time of December 2023. The actual rental income as of March 2024 is unchanged and includes \$166,088 from residential income earned in July and August 2023, and \$187,015 from commercial rental income generated from office spaces from July to November 2023.

Expenditures

- **Regular Contract Services** – The revised budget decreased by \$86,000 or 49% because we had centralized all security service contract expenses to state funded cost which was budgeted at \$104,000 at the beginning budget. The \$89,778 revised budget is for janitorial services for the McAllister Tower building which was closed for renovation in December 2023; actuals show slightly higher at \$105,525 for a variance of (\$15,747) as of March 31, 2024. A remaining budget variance of \$7,768 will clear with pending reclassifications of expenditures in engineer and security service categories.
- **Utilities** – The budget was revised at midyear from \$535,000 to \$335,000 with a 37% decrease due to budget reduction of \$200,000 for steam cost to align with year-to-date actuals. The McAllister Tower has been vacant since December 2023. The year-to-date actual is \$327,177 as of March 31, 2024, which mainly for steam and electricity cost.
- **Insurance** – The 2023-24 budget developed in April was established at last year's actual. The midyear revised budget has been adjusted down by 27% to reflect a decrease in premiums based on year-to-date actual payment and insurance premiums normally are fully paid at the beginning of the year.

PARKING GARAGE

Revenues

- **Retail Leases** – The retail leases revenue as of March 2024 is \$134,157, which is 59% of the budget. The retail leases revenue in prior year had reached 78% of the 2022-23 budget at \$304,574 as of March 2023. The drop is mainly due to Build Group's office lease expired on August 31, 2023. They were paying \$9,500 per month and we have not had a new tenant since then.

Expenditures

- **Maintenance and Special Repairs** – This reporting category includes regular ongoing maintenance costs including equipment, elevators, fire-life safety systems, and pest control. The 2023-24 budget includes one-time special repairs of \$157,100 for resurfacing the garage ramps, which has not started yet, which leads to low year-to-date expenses at 22% of the revised budget as of March 2024.
- **Insurance** - The midyear revised budget was adjusted up by \$17,353 or 13% to reflect an increase in premiums due to high inflation and statewide insurance premium surges. Insurance premiums

normally are fully paid at the beginning of the year, that is why 100% has been paid as of March 2024.

STUDENT HEALTH SERVICES

Revenues

- **Fees** – The revised fee revenue projections estimated 1,154 FTE students paying the \$965 Health Center Fee and 572 FTE (49.6%) paying the \$100 GSHIP Administration Fee for \$1,170,846 total revenues. The midyear revised budget had been increased by \$22,151 or 2% to align with higher year-to-date revenue actuals.

Expenditures

- **Consultant and Contracted Services** – The contract with Carbon Health is budgeted at \$59.51 per student per month and the 2023-24 projected enrollment of 1,154 FTE students. \$718,970, or 85% of the budget has been posted as of March 2024.

SPECIAL EVENTS AND GUEST SERVICES

Revenues

- **Room Rental** – The midyear revised revenue projection increased by 12% to \$532,500 includes continuation of classroom and space rental contracts with UC Davis Graduate School of Management, and increased space rental revenues from commercial rentals in the 198 Academe building, the 333 Golden Gate building's Roof Garden and Colloquium Room, and the Alumni Reception Center and Dining Commons in Kane Hall. \$447,977 or 84% of the projected room rental has been posted as of March 2024.

Expenditures

- **Nonmandatory Transfers to/from Other Funds** – The net cash generated from this auxiliary enterprise will be transferred at year end to the unrestricted nonstate college-wide support fund to support programmatic expenses that have no revenues of their own.

SUMMARY

The midyear revised budget reflects the best projections of revenues and expenses, which yields net operations of \$1,355,578 and after deducting debt service for the Parking Garage bond, the change in net assets just falling short of a balanced budget by \$(349,447). Take out the administrative overhead

expenses of \$233,096, this net would drop to \$(116,351). As of March 2024, the actual net operating income for all Auxiliaries Enterprises is \$1,400,455, the change in net assets is \$1,774,623 because most of the debit service expenses on the Parking Garage bond had not been paid.

	McAllister Tower		Parking Garage		Student Health Services		Special Events and Guest Services		Total 2023-24 Revised Budget	Total Actual as of Mar-24	Total Actual Mar-24 as a Percent of Revised Budget
	2023-24 Revised Budget	Actual as of Mar-24	2023-24 Revised Budget	Actual as of Mar-24	2023-24 Revised Budget	Actual as of Mar-24	2023-24 Revised Budget	Actual as of Mar-24			
Revenues	357,630	357,630	2,600,924	1,843,710	1,170,846	1,170,648	532,500	447,977	4,661,900	3,819,966	82%
Expenditures*	833,185	766,154	1,160,166	680,798	1,096,246	860,412	216,725	112,147	3,306,322	2,419,511	73%
Net Operations	(475,555)	(408,524)	1,440,758	1,162,912	74,600	310,237	315,775	335,830	1,355,578	1,400,455	103%
Nonoperating Revenues/(Expenses)											
Investment Income	80,000	59,160	-	20,111	6,000	8,082	8,400	9,459	94,400	96,813	103%
Funded from Bond Proceeds	-	-	13,936	3,484	-	-	-	-	13,936	3,484	25%
Unrealized Gain/Loss on Investments	-	413,165	-	-	-	17,374	-	-	-	430,539	-
Capital Asset Additions/Deductions	-	-	-	29,917	-	-	-	184	-	30,101	-
Cash Short Over	-	-	-	(722)	-	-	-	-	-	(722)	-
Debt Service	-	-	(1,489,186)	(186,046)	-	-	-	-	(1,489,186)	(186,046)	12%
Transfer to/from Other Funds**	-	-	-	-	-	-	(324,175)	-	(324,175)	-	0%
Sub-total	80,000	472,324	(1,475,250)	(133,257)	6,000	25,457	(315,775)	9,644	(1,705,025)	374,168	-22%
TOTAL CHANGE IN NET ASSETS	\$ (395,555)	\$ 63,801	\$ (34,492)	\$ 1,029,655	\$ 80,600	\$ 335,693	\$ -	\$ 345,474	\$ (349,447)	\$ 1,774,623	-508%

*The revised budget includes an indirect administrative overhead cost charge of \$233,096. Absent these indirect costs the net result for all Auxiliary Enterprises is projected at (\$116,351).

**\$324,175 is the projected net income generated from Special Events and will be transferred to the nonstate college-wide support fund. Absent this transfer out cost and the administrative overhead assessment, the net result for all Auxiliary Enterprises is projected at \$207,824.

Attachment:

- Auxiliary Enterprises Budget Report as of March 31, 2024.

Auxiliary Enterprises --

2023-24 Budget Status Report Summary - March 31, 2024

	McAllister Tower		Parking Garage		Student Health Services		Special Events and Guest Services		Total		Total Actual Mar-24 as a Percent of Revised Budget
	2023-24 Revised Budget	Actual as of Mar-24	2023-24 Revised Budget	Actual as of Mar-24	2023-24 Revised Budget	Actual as of Mar-24	2023-24 Revised Budget	Actual as of Mar-24	2023-24 Revised Budget	Total Actual as of Mar-24	
Revenues	357,630	357,630	2,600,924	1,843,710	1,170,846	1,170,648	532,500	447,977	4,661,900	3,819,966	82%
Expenditures*	833,185	766,154	1,160,166	680,798	1,096,246	860,412	216,725	112,147	3,306,322	2,419,511	73%
Net Operations	(475,555)	(408,524)	1,440,758	1,162,912	74,600	310,237	315,775	335,830	1,355,578	1,400,455	103%
Nonoperating Revenues/(Expenses)											
Investment Income	80,000	59,160	-	20,111	6,000	8,082	8,400	9,459	94,400	96,813	103%
Funded from Bond Proceeds	-	-	13,936	3,484	-	-	-	-	13,936	3,484	25%
Unrealized Gain/Loss on Investments	-	413,165	-	-	-	17,374	-	-	-	430,539	-
Capital Asset Additions/Deductions	-	-	-	29,917	-	-	-	184	-	30,101	-
Cash Short Over	-	-	-	(722)	-	-	-	-	-	(722)	-
Debt Service	-	-	(1,489,186)	(186,046)	-	-	-	-	(1,489,186)	(186,046)	12%
Transfer to/from Other Funds**	-	-	-	-	-	-	(324,175)	-	(324,175)	-	0%
Sub-total	80,000	472,324	(1,475,250)	(133,257)	6,000	25,457	(315,775)	9,644	(1,705,025)	374,168	-22%
TOTAL CHANGE IN NET ASSETS	\$(395,555)	\$ 63,801	\$(34,492)	\$ 1,029,655	\$ 80,600	\$ 335,693	\$ -	\$ 345,474	\$(349,447)	\$ 1,774,623	-508%

*Includes \$233,096 administrative overhead assessments charged as a percentage of operating revenues. Absent these indirect costs the net result for all Auxiliary Enterprises is projected at (\$116,351).

**\$324,175 is the projected net income generated from Special Events and will be transferred to the nonstate college-wide support fund. Absent this transfer out cost and the overhead assessment, the net result for all Auxiliary Enterprises is projected at \$207,824.

Auxiliary Enterprises - McAllister Tower

2023-24 Budget Status Report - March 31, 2024

	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-24	Actual Mar-24 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-23	Actual Mar-23 as a Percent of 2022-23 Year-end
REVENUES							
Apartment & Commercial Rent	414,418	353,103	353,103	*	4,690,983	3,692,887	79%
Other	1,200	4,527	4,527		14,926	7,426	50%
TOTAL OPERATING REVENUES	\$ 415,618	\$ 357,630	\$ 357,630	100%	\$ 4,705,909	\$ 3,700,313	79%
EXPENSES							
Salaries and Wages	-	-	-	-	131,481	96,117	73%
Student Wages--Regular & Work-study	-	4,337	5,056	117%	45,689	29,419	64%
Staff Benefits	-	-	-	-	31,907	18,653	58%
Regular Contract Services	175,778	89,778	97,757	*	1,748,243	1,090,429	62%
Other Contract Services	-	-	-	-	432,941	432,941	100%
Utilities	535,000	335,000	327,177	*	1,129,429	764,809	68%
Maintenance & Special Repairs	172,000	140,000	93,440	67%	273,304	243,429	89%
Insurance	286,337	210,065	210,065	*	286,337	286,337	100%
Supplies	32,773	7,773	507	7%	98,733	61,508	62%
Printing & Reproduction	1,800	105	104	99%	672	562	84%
Telephone & Mail	1,600	1,568	1,966	125%	2,551	1,842	72%
Computer Software	-	5,034	14,372	286%	70,632	78,242	111%
Miscellaneous	39,650	6,643	3,864	58%	58,829	25,300	43%
Equipment & Building Improvements	-	15,000	11,844	79%	13,590	7,832	58%
Overhead Pro Rata	-	17,882	-	*	564,709	-	0%
TOTAL OPERATING EXPENSES	\$ 1,244,938	\$ 833,185	\$ 766,154	92%	\$ 4,889,049	\$ 3,137,421	64%
OPERATING INCOME (LOSS)	\$ (829,320)	\$ (475,555)	\$ (408,524)	86%	\$ (183,140)	\$ 562,892	-307%
NONOPERATING REVENUES (EXPENSES)							
Investment Income	40,000	80,000	59,160	74%	66,356	34,941	53%
Unrealized Gain/Loss on Investments	-	-	413,165	*	365,740	146,809	40%
Transfer to Other Funds	-	-	-	-	(436,469)	-	0%
NET NONOPERATING REVENUES (EXPENSES)	\$ 40,000	\$ 80,000	\$ 472,324	590%	\$ (4,372)	\$ 181,750	-4157%
CHANGE IN NET ASSETS	\$ (789,320)	\$ (395,555)	\$ 63,801	-16%	\$ (187,513)	\$ 744,642	-397%

* See attached narrative report.

UC LAW SAN FRANCISCO
Auxiliary Enterprises
Parking Garage and Retail Operations
2023-24 Budget Status Report - March 31, 2024

5/16/2024

	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-24	Actual Mar-24 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-23	Actual Mar-23 as a Percent of 2022-23 Year-end
REVENUES							
Parking Operations	2,775,999	2,765,999	1,963,354	71%	2,754,780	2,056,326	75%
Parking Tax	(400,000)	(400,000)	(254,138)	64%	(418,031)	(271,290)	65%
Retail Leases	226,925	226,925	134,157 *	59%	392,230	304,574	78%
Other (including Storage)	8,000	8,000	338	4%	18,000	9,000	50%
TOTAL OPERATING REVENUES	\$ 2,610,924	\$ 2,600,924	\$ 1,843,710	71%	\$ 2,746,978	\$ 2,098,610	76%
EXPENSES							
Salaries and Wages	304,846	306,978	227,666	74%	290,361	208,747	72%
Staff Benefits	140,712	141,586	99,269	70%	123,901	89,816	72%
Regular Contract Services	30,000	30,000	15,722	52%	264,488	165,033	62%
Utilities	86,880	86,880	63,020	73%	83,032	59,719	72%
Maintenance & Special Repairs	194,939	203,939	44,843 *	22%	55,314	24,151	44%
Insurance	131,000	148,353	148,352 *	100%	130,766	130,766	100%
Supplies & Noncapital Equipment	10,000	7,500	5,265	70%	5,069	3,128	62%
Printing, Telephone and Mail	18,000	12,000	7,057	59%	12,656	8,969	71%
Credit Card & Bank Fees	67,200	76,200	57,733	76%	75,577	50,131	66%
Miscellaneous	16,884	16,684	11,871	71%	28,966	24,233	84%
Overhead Pro Rata	130,546	130,046	- *	0%	329,330	-	0%
TOTAL OPERATING EXPENSES	\$ 1,131,007	\$ 1,160,166	\$ 680,798	59%	\$ 1,399,461	\$ 764,694	55%
OPERATING INCOME (LOSS)	\$ 1,479,917	\$ 1,440,758	\$ 1,162,912	81%	\$ 1,347,517	\$ 1,333,916	99%
NONOPERATING REVENUES (EXPENSES)							
Investment Income	-	-	20,111	--	31,945	23,630	74%
Funded from Bond Proceeds	13,936	13,936.00	3,484	25%	13,936	3,484	25%
Debt Service (Principal & Interest)	(1,489,186)	(1,489,186.00)	(186,046)	12%	(1,480,811)	(194,921)	13%
Capital Asset Additions (GASB 87)	-	-	339,302	--	691,803	532,133	77%
Capital Asset Deductions (GASB 87)	-	-	(309,385)	--	(690,546)	(538,457)	78%
Cash Short/Over	-	-	(722.05)	--	(2,560)	(2,978)	116%
NET NONOPERATING REVENUES (EXPENSES)	\$ (1,475,250)	\$ (1,475,250)	\$ (133,257)	9%	\$ (1,436,233)	\$ (177,109)	12%
CHANGE IN NET ASSETS	\$ 4,667	\$ (34,492)	\$ 1,029,655	-2985%	\$ (88,716)	\$ 1,156,806	-1304%

* See attached narrative report.

Auxiliary Enterprises - Student Health Services
2023-24 Budget Status Report - March 31, 2024

	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-24	Actual Mar-24 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-23	Actual Mar-23 as a Percent of 2022-23 Year-end
REVENUES							
Fees	1,148,695	1,170,846	1,170,648	* 100%	1,162,823	1,162,823	100%
Other	-	-	-	--	-	-	--
TOTAL OPERATING REVENUES	\$ 1,148,695	\$ 1,170,846	\$ 1,170,648	100%	\$ 1,162,823	\$ 1,162,823	100%
EXPENSES							
Salaries and Wages	136,043	133,917	100,644	75%	134,367	98,928	74%
Staff Benefits	59,366	57,927	40,797	70%	56,063	41,727	74%
Consultants and Contracted Services	841,239	841,239	718,970	* 85%	729,264	281,408	39%
Supplies	1,000	1,000	-	--	-	-	--
Printing and Mail	200	200	-	--	-	-	--
Travel and Training	2,500	2,500	-	--	-	-	--
Miscellaneous	620	620	-	--	1,654	1,263	76%
Events	300	300	-	--	-	-	--
Overhead Pro Rata	57,435	58,543	-	* --	55,822	-	--
TOTAL OPERATING EXPENSES	\$ 1,098,703	\$ 1,096,246	\$ 860,412	78%	\$ 977,169	\$ 423,326	43%
OPERATING INCOME (LOSS)	\$ 49,992	\$ 74,600	\$ 310,237	416%	\$ 185,654	\$ 739,498	398%
NONOPERATING REVENUES (EXPENSES)							
Investment Income	6,000	6,000	8,082	135%	11,276	6,882	61%
Unrealized Gain/Loss on Investments	-	-	17,374	* --	15,380	6,173	40%
NET NONOPERATING REVENUES (EXPENSES)	\$ 6,000	\$ 6,000	\$ 25,457	424%	\$ 26,656	\$ 13,056	49%
CHANGE IN NET ASSETS	\$ 55,992	\$ 80,600	\$ 335,693	416%	\$ 212,309	\$ 752,553	354%

* See attached narrative report.

	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-24	Actual Mar-24 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-23	Actual Mar-23 as a Percent of 2022-23 Year-end
REVENUES							
Room Rental	<u>475,000</u>	<u>532,500</u>	<u>447,977</u> *	<u>84%</u>	<u>436,760</u>	<u>431,923</u>	<u>99%</u>
TOTAL OPERATING REVENUES	\$ 475,000	\$ 532,500	\$ 447,977	84%	\$ 436,760	\$ 431,923	99%
EXPENSES							
Staff Salaries and Wages	81,200	88,000	64,416	73%	73,162	53,162	73%
Staff Benefits	33,292	34,850	24,080	69%	32,219	24,019	75%
Other Contract Services	30,000	30,000	-	0%	171	-	0%
Supplies	20,000	20,000	14,207	71%	4,953	2,443	49%
Printing and Mail	5,000	5,000	644	13%	2,286	1,993	87%
Miscellaneous	9,000	12,250	8,801	72%	5,547	3,319	60%
Overhead Pro Rata	<u>23,750</u>	<u>26,625</u>	<u>-</u> *	<u>0%</u>	<u>52,411</u>	<u>-</u>	<u>0%</u>
TOTAL OPERATING EXPENSES	\$ 202,242	\$ 216,725	\$ 112,147	52%	\$ 170,747	\$ 84,935	50%
OPERATING INCOME (LOSS)	\$ 272,758	\$ 315,775	\$ 335,830	106%	\$ 266,012	\$ 346,988	130%
NONOPERATING REVENUES (EXPENSES)							
Investment Income	-	8,400	9,459	113%	5,864	2,930	50%
Capital Asset Additions (GASB 87)	-	-	183,905	--	224,199	163,633	73%
Capital Asset Deductions (GASB 87)	-	-	(183,721)	--	(224,548)	(163,307)	73%
Nonmandatory Transfers to/from Other Funds	<u>(272,758)</u>	<u>(324,175)</u>	<u>-</u> *	<u>0%</u>	<u>(268,427)</u>	<u>-</u>	<u>0%</u>
NET NONOPERATING REVENUES (EXPENSES)	\$(272,758)	\$(315,775)	\$ 9,644	-3%	\$(262,911)	\$ 3,256	-1%
CHANGE IN NET ASSETS	\$ -	\$ -	\$ 345,474	--	\$ 3,102	\$ 350,244	11293%

* See attached narrative report.

REPORT ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Academe at 198 & AVFA Budget Report for 2023-24 as of March 31, 2024
3. **REPORT:**

Attached are the budget reports for Academe at 198 and the Academic Village Finance Authority (formerly Hastings Campus Housing Finance Authority) for 2023-24 as of March 31, 2024. Major variances are discussed below.

ACADEME AT 198

Revenues

- **Residential Rent & Subsidy** – Revenue from renting residential units in 2023-24 is budgeted at \$9.2 million. The occupancy rate is projected at 60% for \$10.04 million projected revenues and the budget factors (\$0.83) million rent loss with a 30-day delay. In the project's inaugural year of operations, a \$1.4 million rent subsidy was recommended and approved by the Board of Directors that would reduce amounts charged to non-UCSF residents by approximately 10% on average. As of March 2024, \$6,365,041 or 69% of the budgeted rent revenue has been posted. Additionally, \$1,018,182 or 73% of the residential rent subsidy has been recognized as of March 2024.
- **Retail Leases** – The budget of \$73,605 assumed the Golden Gate Avenue retail space remains vacant and included only the lobby coffee shop lease. As of March 2024, no revenue has been posted due to delays in the space improvement for retail use. The first rental payment from Spro Café will be recognized in May 2024, and the total expected retail lease revenue declines to \$11,500.
- **Other Revenue** – Sources of revenue in this category include space rentals and laundry machine income. As of March 2024, \$28,131 has been posted, and based on current projections, other revenue at the end of FY will be \$34,548.

Expenditures

- **Regular Contract Services**—This category's budget encompasses janitorial and engineering services. As of March 2024, only \$90,406, or 26%, has been posted due to lower-than-expected monthly costs for both categories.
- **Other Contract Services** - As of March 2024, \$72,470 has been posted, which is 34% higher than the budget to accommodate actual vendor payments.
- **Utilities** –As of March 2024, \$304,154, or 37% of the revised budget, has been posted due to outstanding invoices from providers and lower utility costs than budgeted.
- **Maintenance and Special Repairs** – This reporting category includes regular ongoing building and elevator maintenance, pest control, window washing, and landscaping. As of March 2024, only \$28,483, or 10% of the revised budget, has been posted. Expenses in this

category are currently projected to be lower than budgeted due to warranty coverage. Additionally, many of these services are expected to be completed at the end of the fiscal year.

- **Insurance** – The midyear revised budget increased by \$30,064 or 17% to reflect increased premiums due to high inflation and statewide insurance premium surges. Insurance premiums have already been paid for the fiscal year.
- **Computer Software** –As of March 2024, 100% of the revised budget has been expended, and no additional costs are due for this FY.

Non-Operating Revenues / (Expenses)

- **Building Improvements** – The revised budget of \$1,180,000 is a Board approved transfer from Hastings Digardi Hall to fund the Academe of 198 tenant improvements for ground floor commercial space, specifically the Spro coffee shop and 4,400 square feet of currently vacant retail space at the corner of Golden Gate and Hyde. Expenses totaling \$186,286 have been posted as of March 2024. The remaining expenses will be re-budgeted and incurred in the next fiscal year.

ACADEMIC VILLAGE FINANCE AUTHORITY (AVFA) **(Formerly Hastings Campus Housing Finance Authority)**

Expenditures

- **Operating Expenditures** - The budget for auditing services has been reduced from \$24,000 to \$2,625 to fund the Bank of New York Melon Trust Company fee, which has been fully paid as of March 2024.

SUMMARY

Including the \$1.4 million rent subsidies in this first year of operations, the projected change in net assets (after excluding depreciation) for Academe at 198 and the AVFA is \$2.97 million.

	The Academe of 198		AVFA		Total Revised Budget 2023-24	Total Actual as of 31-Mar-24	Total Actual Mar-24 as a Percent of Revised Budget
	Revised Budget 2023-24	Actual as of 31-Mar-24	Revised Budget 2023-24	Actual as of 31-Mar-24			
Revenues	13,050,995	8,980,540	-	-	13,050,995	8,980,540	69%
Expenditures	2,341,648	1,112,005	6,125	2,625	2,347,773	1,114,630	47%
Net Operations	10,709,347	7,868,535	(6,125)	(2,625)	10,703,222	7,865,910	73%
Nonoperating Revenues/(Expenses)							
Funded from Bond Proceeds	-	-	8,917,706	10,536,428	8,917,706	10,536,428	118%
Debt Service	-	-	(16,655,500)	(10,536,428)	(16,655,500)	(10,536,428)	63%
Building Depreciation	-	-	-	(1,979,492)	-	(1,979,492)	-
Building Improvements	(1,180,000)	(186,286)	-	-	(1,180,000)	(186,286)	16%
Transfer from Other Funds	1,180,000	1,180,000	6,125	-	1,186,125	1,180,000	-
Sub-total	-	993,714	(7,731,669)	(1,979,492)	(7,731,669)	(985,778)	13%
TOTAL CHANGE IN NET ASSETS	\$ 10,709,347	\$ 8,862,249	\$ (7,737,794)	\$ (1,982,117)	\$ 2,971,553	\$ 6,880,132	

Attachment:

Academic Village Finance Authority Programs 2023-24 Budget Report as of March 31, 2024.

	The Academe of 198		AVFA		Total Revised Budget 2023-24	Total Actual as of 31-Mar-24	Total Actual Mar-24 as a Percent of Revised Budget
	Revised Budget 2023-24	Actual as of 31-Mar-24	Revised Budget 2023-24	Actual as of 31-Mar-24			
Revenues	13,050,995	8,980,540	-	-	13,050,995	8,980,540	69%
Expenditures	<u>2,341,648</u>	<u>1,112,005</u>	<u>6,125</u>	<u>2,625</u>	<u>2,347,773</u>	<u>1,114,630</u>	<u>47%</u>
Net Operations	10,709,347	7,868,535	(6,125)	(2,625)	10,703,222	7,865,910	73%
Nonoperating Revenues/(Expenses)							
Funded from Bond Proceeds	-	-	8,917,706	10,536,428	8,917,706	10,536,428	118%
Debt Service	-	-	(16,655,500)	(10,536,428)	(16,655,500)	(10,536,428)	63%
Building Depreciation	-	-	-	(1,979,492)	-	(1,979,492)	-
Building Improvements	(1,180,000)	(186,286)	-	-	(1,180,000)	(186,286)	16%
Transfer from Other Funds	<u>1,180,000</u>	<u>1,180,000</u>	<u>6,125</u>		<u>1,186,125</u>	<u>1,180,000</u>	
Sub-total	-	993,714	(7,731,669)	(1,979,492)	(7,731,669)	(985,778)	13%
TOTAL CHANGE IN NET ASSETS	\$ 10,709,347	\$ 8,862,249	\$ (7,737,794)	\$ (1,982,117)	\$ 2,971,553	\$ 6,880,132	

	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-24	Actual Mar-24 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-23	Actual Mar-23 as a Percent of 2022-23 Year-end
REVENUES							
Residential Rent	10,599,968	9,199,968	6,365,041 *	69%	-	-	-
Residential Rent Subsidy	-	1,400,000	1,018,182 *	73%	-	-	-
Commercial Rent	2,157,630	2,157,630	1,569,185	73%	-	-	-
Retail Leases	73,605	73,605	- *	0%	-	-	-
Other Revenue	<u>219,792</u>	<u>219,792</u>	<u>28,131</u> *	<u>13%</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING REVENUES	\$ 13,050,995	\$ 13,050,995	\$ 8,980,540	69%	\$ -	\$ -	-
EXPENDITURES							
Salaries and Wages	276,004	250,679	170,219	68%	25,482	-	0%
Student Wages--Regular & Work-study	5,000	2,000	-	0%	-	-	-
Staff Benefits	113,167	106,790	71,511	67%	11,852	-	0%
Regular Contract Services	452,000	352,000	90,406 *	26%	-	-	-
Other Contract Services	25,000	54,000	72,470 *	134%	350	-	0%
Utilities	745,000	831,100	304,154 *	37%	93	-	0%
Maintenance & Special Repairs	265,000	295,000	28,483 *	10%	-	-	-
Insurance	180,000	210,064	210,064 *	100%	-	-	-
Supplies	20,009	29,115	18,535	64%	-	-	-
Credit Card Fees	50,000	50,000	-	0%	-	-	-
Computer Software	-	106,500	106,628 *	100%	-	-	-
Printing & Reproduction	-	12,500	7,821	63%	521	174	33%
Miscellaneous	<u>13,900</u>	<u>41,900</u>	<u>31,713</u>	<u>76%</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENDITURES	\$ 2,145,080	\$ 2,341,648	\$ 1,112,005	47%	\$ 38,298	174	0%
NET OPERATIONS	\$ 10,905,915	\$ 10,709,347	\$ 7,868,535	73%	\$ (38,298)	\$ (174)	-
NONOPERATING REVENUES (EXPENSES)							
Funded from Bond Proceeds	8,380,204	-	-	--	-	-	-
Debt Service (Interest)	(16,655,500)	-	-	--	-	-	-
Building Improvements	-	(1,180,000)	(186,286) *	16%	-	-	-
Transfers from Other Funds	-	1,180,000	1,180,000 *	100%	-	-	-
Transfer to Other Funds	<u>(135,136)</u>	<u>-</u>	<u>-</u>	<u>--</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (8,410,432)	\$ -	\$ 993,714	-	\$ -	\$ -	-
TOTAL CHANGE IN NET ASSETS	\$ 2,495,483	\$ 10,709,347	\$ 8,862,249	83%	\$ (38,298)	\$ (174)	0%

	Beginning Budget 2023-24	Revised Budget 2023-24	Actual as of 31-Mar-24	Actual Mar-24 as a Percent of Revised Budget	Year-end Actual 2022-23	Actual as of 31-Mar-23	Actual Mar-23 as a Percent of 2022-23 Year-end
REVENUES							
Other	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Consultants	5,000	3,000	-	0%	2,500	2,500	100%
Travel	2,000	-	-	-	-	-	-
Training	3,000	-	-	-	-	-	-
Audit Services	24,000	2,625 *	2,625 *	100%	2,650	2,650	100%
Miscellaneous	500	500	-	0%	-	-	-
Events, Entertainment & Meetings	7,500	-	-	-	-	-	-
Board of Directors Meetings	2,000	-	-	-	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 44,000	\$ 6,125	\$ 2,625	43%	\$ 5,150	\$ 5,150	100%
NET OPERATIONS	\$ (44,000)	\$ (6,125)	\$ (2,625)	43%	\$ (5,150)	\$ (5,150)	100%
NONOPERATING REVENUES (EXPENSES)							
Funded from Bond Proceeds	-	8,917,706	10,536,428	118%	18,722,290	10,394,540	56%
Building Depreciation	-	-	(1,979,492)	-	-	-	-
Debt Service (Principal & Interest)	-	(16,655,500)	(10,536,428)	63%	(18,722,290)	(10,394,540)	56%
Transfers from Other Funds*	44,000	6,125	-	-	126,279,059	91,384,403.71	72%
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 44,000	\$ (7,731,669)	\$ (1,979,492)	26%	\$ 126,279,059	\$ 91,384,404	72%
TOTAL CHANGE IN NET ASSETS	\$ -	\$ (7,737,794)	\$ (1,982,117)	26%	\$ 126,273,909	\$ 91,379,254	72%

* In FY 2022/2023, transfers within the Authority (198/ Authority/ Bonds Series A and Series B) were reported in actuals. Starting FY 2023/2024, internal transfers are excluded.

REPORT ITEM

1. **REPORT BY:** Chief Operating Officer Rhiannon Bailard
Chief Financial Officer David Seward
Deputy Chief Financial Officer Sandra Plenski
2. **SUBJECT:** The Academe at 198 McAllister – Leasing Update
3. **REPORT:**

The following licensing¹ status for the Academe at 198 is current as of May 29, 2024.

Institution	Current Residents	Existing Residents Renewed*	New Residents Contracted/ Pending Applications
UC Law SF	175	68	102/58
UCSF	102	24	36/18
UC Allocable - Berkeley	0	0	0/2
UC Allocable - Davis	8	1	2/0
USF	2	0	10/1
UOP Dugoni	7	1	1/4
Golden Gate University	2	0	0/0
CA Conservatory of Music	0	0	1/0
SF Ballet School	0	0	1/0
Alonzo Kings Ballet	0	0	1/0
SF State	0	0	0/1
Offices (UC Law SF)	22	22	0/0
	318	116	154/84

*Renewal offers concluded for all residential terms ending in September 2024 or before. The College continues to provide rolling renewal offers for licenses expiring in October 2024 and beyond, however, it is a small number of approximately 20. All licenses are rolling and offered on a 12-month term.

Summary of License Status for 2024-25

UC Law SF & Non-UC Allocable Licenses Executed (Including Renewals):	171
UCSF + UC Allocable Licenses Executed (Including Renewals):	63
Total Licenses Executed:	234
UC Law SF & Non-UC Allocable Applications Pending:	64
UCSF + UC Allocable Applications Pending:	20
Total Applications Pending	84

¹ The Academe at 198 housing agreement utilizes a license template. All references to licensing status refer to the status of housing agreements.

With the current executed license numbers (including renewals) combined with the UCSF occupancy agreement, the College is projecting a 66% occupancy rate for year two of occupancy if leasing activity were to halt today. Given that the College's greatest month of leasing activity is in June, the 66% provides an optimistic possibility of achieving the College's 95%+ occupancy target.

Sales & Marketing Update

In support of year two of the Academe at 198 lease-up and to maximize the likelihood of achieving the College's 95%+ occupancy target, the College has expanded the role of the Scion Group, which is the largest owner/operator of off-campus student housing communities globally. Scion has provided the College consulting services in campus housing starting with the demand study for the 198 McAllister Project through to advising Housing & Operations staff on marketing strategies by their advisory group. Now, Scion Group will provide the direct support of their dedicated sales and marketing team along with all associated proprietary systems and technologies. Scion has lease-up expertise in more than 250 campus markets.

Recent updates by the Housing team to support sales and marketing efforts include:

- Housing table set up in the lobby of 198 to easily answer questions and provide visibility.
- Complete refresh academe198sf.com website including photos of units and amenities with occupants rather than rendered images.
- Addition of virtual tours available online.
- In-person tours provided daily.
- Collateral provided to all Academic Village partners.
- Participation in admitted student day events at UC Law SF, UOP, and UCSF.
- Programming and events for existing residents including tickets to Opera Parallele, painting night, community mixers, tabling with food and housing information.

Retail Space Update

Spro Café in the lobby of the Academe at 198 opened in April 2024. It is a welcome addition to the amenities for the building and the campus. The College has sent a letter of intent to a prospective tenant for the retail space located at Golden Gate & Hyde, which is under their review now.

REPORT ITEM

1. **REPORT BY:** Chief Operating Officer Rhiannon Bailard
Chief Financial Officer David Seward
Deputy Chief Financial Officer Sandra Plenski
2. **SUBJECT:** The Academe at 198 McAllister – Operations & Marketing Update
3. **REPORT:**

The following licensing¹ status for the Academe at 198 is current as of May 1, 2024.

Institution	Current Residents	Existing Residents Renewed*	New Residents Contracted/ Pending Applications
UC Law SF	227	70	42/61
UCSF	102	24	12/24
UC Allocable - Berkeley	0	0	0/2
UC Allocable - Davis	8	0	0/2
USF	2	0	1/3
UOP Dugoni	7	1	1/2
Golden Gate University	2	0	0/0
CA Conservatory of Music	0	0	0/1
SF Ballet School	0	0	0/1
Alonzo Kings Ballet	0	0	0/1
Offices (UC Law SF)	22	22	0/0
	370	117	56/97

*Renewal offers concluded for all residential terms ending in September 2024 or before. The College continues to provide rolling renewal offers for licenses expiring in October 2024 and beyond, however, it is a small number of approximately 20. All licenses are rolling and offered on a 12-month term.

Summary of License Status for 2024-25

UC Law SF & Non-UC Allocable Licenses Executed (Including Renewals):	137
UCSF + UC Allocable Licenses Executed:	12
Total Licenses Executed:	149

UC Law SF & Non-UC Allocable Applications Pending:	69
UCSF + UC Allocable Applications Pending:	28
Total Applications Pending	97

Sales & Marketing Update

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REPORT ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** Long Range Campus Plan – McAllister Tower Upgrade – Status Update
- 3. REPORT:**

A series of reports will be presented to the Finance Committee at its February 2024 meeting.

Attachments:

- 100 McAllister - Monthly Report – March 2024



UC College of the Law, San Francisco

100 McAllister Street Tower
Retrofit and Renovation
Phase 1

Monthly Report
April 2024

Prepared by Century | Urban

Project Overview

Originally built in 1929 by the Methodist Episcopal Church, the 100 McAllister Street Tower served as both a church and a hotel. The first four floors feature spacious common rooms, lofty ceilings, and a flexible assembly hall, while the Tower’s height allowed for the operation of a hotel to provide revenue for the construction and operation of the church. The project’s lender foreclosed on the property in the midst of the Great Depression in 1936, and the structure was rebranded as the “Empire Hotel” and boasted the city’s first 360-degree view lounge in the “Sky Room” on the 24th floor. The Tower was then sold to the US government during World War II initially for wartime uses and eventually as an IRS office building before UC College of the Law, San Francisco (“UC Law SF”) acquired the building in 1978 and converted it to campus housing, a purpose it serves to this day. An iconic Gothic Revival and Art Deco structure, the Tower is located within the Uptown Tenderloin Historic District, which is listed in the National Register of Historic Places, and has been designated by the City of San Francisco as a Category I Significant Building, a designation that typically prohibits demolition or visually significant exterior alterations.

The Tower rises 28 stories and currently includes 252 housing units, offices for academic and administrative functions, as well as the Sky Room and other amenity/support spaces. The Tower also includes the Great Hall, which is the church’s former sanctuary space and has been vacant and unused for over three decades.

The project will be implemented through two phases:

- **Phase 1**
 - Full Seismic Upgrade
 - Partial Window Repair/Replacement, Waterproofing Improvements, and State Office of Historic Preservation Interface
 - Exterior Skin Repair
 - Interior Abatement/ Demolition
 - Sustainability Feasibility Review
 - Design and Permitting for Phase 2
- **Phase 2**
 - Full Seismic Upgrade
 - Exterior Skin Repair
 - Residential Apartment and Academic/Office/Retail Space Modernization Improvements
 - Comprehensive Building Systems (e.g., MEP, Fire Life Safety, IT/Data, Code/Wayfinding/Identity Signage, Sustainability, Elevator, etc.) Replacement and Upgrades
 - Building amenities (e.g., fitness facilities, study rooms) renovations
 - Potential Great Hall design and renovation

The current project program and unit mix based on the schematic design package are summarized in the tables below.

Building Area by Program Area	
Program	Total Area (SF)
Circulation/Other	27,935
Core	54,451
Lobby	1,815
Amenity	61,488
Great Hall	14,157
Academic/ Administrative	16,004
Residential	94,972
Total	270,821

Building Area by Level	
Building Floor Levels	Total Area (SF)
Basement	22,194
Ground Level	12,836
Level 1	15,973
Level 1 Mezzanine Floor	12,688
Level 2	10,947
Level 3	9,948
Level 4	10,508
Level 5	14,675
Mid-Rise Even Levels 6, 8, 10 & 12	42,553
Mid-Rise Odd Levels 7, 9, 11 & 13	42,577
Levels 14 - 19	51,508
Level 20	4,034
Levels 21 - 23	9,674
Level 24	2,801
Level 25	1,838
Level 26	1,829
Level 27	2,118
Level 28	2,120
Total Building Area	270,821

Residential Unit Mix			
	Average Area (SF)	Total No. of Units	Total No. of Beds
1 - Bed	650	13	13
2 - Bed	875	22	44
3 - Bed	1000	1	3
4 - Bed	1250	9	36
5 - Bed	1695	26	130
6 - Bed	2179	9	54
Total		80	280

Project Budget/Costs

Prior costs to date for the 100 McAllister Phase 1 project total \$4,621,497.34. Current project costs to be paid upon approval for payment total \$1,315,718.74. Prior and current project costs to date total \$5,937,216.08 or approximately 6.6% of the total Phase 1 project budget of \$90 million.

UC LAW SF
100 McAllister Project - Phase 1
Project Budget Summary

5/13/2024

No.	Description of Work	Original Budget	Current		Previous		Total Changes	Revised Budget	Prior Costs to Date		Current Cost	Total Costs To Date		% Complete	Remaining Costs to Complete	
			Changes		Changes				Date							
1.)	Pre-Construction/ Construction	\$64,374,040.00	737,848.71	-	371,007.46	\$ 1,108,856.17	\$65,482,896.17	\$ 635,209.75	\$ 635,209.75		\$ 932,343.32	\$1,567,553.07		2.4%	\$ 63,915,343.10	
2.)	Design Services	11,267,493.00	-	-	125,400.00	125,400.00	11,392,893.00	2,793,250.84	2,793,250.84		25,400.00	2,818,650.84		24.7%	8,574,242.16	
3.)	Geotechnical Services	467,100.00	-	-	-	-	467,100.00	259,501.03	259,501.03		30,260.63	289,761.66		62.0%	177,338.34	
4.)	Soils Environmental Testing	35,000.00	-	-	24,500.00	24,500.00	59,500.00	59,481.25	59,481.25		-	59,481.25		100.0%	18.75	
5.)	Building Scan	86,310.00	16,000.00	-	685.00	16,685.00	102,995.00	86,995.00	86,995.00		-	86,995.00		84.5%	16,000.00	
6.)	Site Survey	18,900.00	-	-	91,100.00	91,100.00	110,000.00	14,900.00	14,900.00		83,494.00	98,394.00		89.4%	11,606.00	
7.)	Materials Testing	450,000.00	-	-	-	-	450,000.00	28,113.13	28,113.13		24,272.49	52,385.62		11.6%	397,614.38	
8.)	Deputy Building Official	126,000.00	-	-	-	-	126,000.00	16,937.50	16,937.50		2,937.50	19,875.00		15.8%	106,125.00	
9.)	Seismic Peer Review Panel	115,000.00	9,500.00	-	58,290.00	67,790.00	182,790.00	64,510.68	64,510.68		9,925.00	74,435.68		40.7%	108,354.32	
10.)	Inspector of Record	340,000.00	-	-	-	-	340,000.00	7,900.00	7,900.00		3,800.00	11,700.00		3.4%	328,300.00	
11.)	Special Inspections	800,000.00	-	-	-	-	800,000.00	-	-		-	-		0.0%	800,000.00	
12.)	Permits & Fees	2,000,000.00	-	-	-	-	2,000,000.00	3,932.00	3,932.00		-	3,932.00		0.2%	1,996,068.00	
13.)	Insurance	1,000,000.00	-	-	-	-	1,000,000.00	-	-		-	-		0.0%	1,000,000.00	
14.)	Legal Services	100,000.00	-	-	75,000.00	75,000.00	175,000.00	122,627.28	122,627.28		3,849.30	126,476.58		72.3%	48,523.42	
15.)	Market Study	18,500.00	-	-	-	-	18,500.00	18,500.00	18,500.00		-	18,500.00		100.0%	-	
16.)	Environmental Services	-	-	-	313,050.00	320,811.00	320,811.00	85,392.00	85,392.00		9,229.00	94,621.00		29.5%	226,190.00	
17.)	Real Estate Advisory	2,000,000.00	-	-	-	-	2,000,000.00	424,246.89	424,246.89		62,667.50	486,914.39		24.3%	1,513,085.62	
18.)	Neighbor Allowance	-	-	-	200,000.00	200,000.00	200,000.00	-	-		-	-		0.0%	200,000.00	
19.)	Building Decommissioning	-	-	-	127,540.00	127,540.00	127,540.00	-	-		127,540.00	127,540.00		100.0%	-	
20.)	Local 12 Alley Improvements	-	-	-	175,000.00	175,000.00	175,000.00	-	-		-	-		0.0%	175,000.00	
21.)	Contingency - Hard & Soft	6,801,657.00	(771,109.71)	(1,561,572.46)	(2,332,682.17)	(2,332,682.17)	4,468,974.83	-	-		-	-		0.0%	4,468,974.83	
Total Draw		\$90,000,000.00	\$ -	\$ -	\$ -	\$ -	\$90,000,000.00	\$4,621,497.34	\$4,621,497.34		\$1,315,718.74	\$5,937,216.08		6.6%	\$ 84,062,783.92	

Project Timeline

Major milestones from the current draft preliminary project schedule prepared by Plant Construction dated February 20, 2024, are summarized in the table below.

Project Milestone	Schedule Date
Conceptual Design Completion	9/29/2023
Schematic Design Completion	3/1/2024
Existing Conditions Surveys and Studies Completion	3/12/2024
Design Development Completion	6/6/2024
Historic Tax Credits Approval	8/9/2024
Seismic Review Committee Approval	10/10/2024
Lobby, Walnut Room, Levels 5-28 Soft Demolition and Abatement Completion	12/23/2024
Prepare Preliminary Financing Package and engage with Potential Lenders	1/1/2025
Basement Excavation/Below-Grade Underground Work Completion	1/29/2025
Construction Documents Completion	2/21/2025
Department of State Architect Approval	5/2/2025
Select Lender	6/1/2025
State Fire Marshall Final Approval	6/3/2025
Close Construction Financing	7/1/2025
Superstructure, Foundation, Hard Demolition and Structural Work Completion – Phase 1 Complete	3/18/2026
Architectural, TI Fit-Out, MEPS, Façade/Windows, Site Work Completion – Phase 2/Project Complete	2/8/2027

Materials testing and exploratory investigations are in progress. A revised limited demolition plan set was submitted to the Office of the State Fire Marshall (“OSFM”) on 3/29/24, following which a demolition permit was issued on 4/17/24. MEPF sub-contractor request for bids were received and final scoring was posted on 4/22/24. Execution of an LOI between Local 2 and UC Law for alley licensing and improvements work is in progress.

Project Photos

There are no project photos for the current month.

DRAFT

REPORT ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** State Budget Update for 2024-25
3. **REPORT:**

Governor Newsom is set to announce the May Revision of his proposed 2023-24 budget on May 10, 2024. A verbal update on the state budget and its impact on UC Law's budget will be provided to the committee at its May 16, 2024 meeting.

Attachments:

- Agenda - Assembly Budget Subcommittee No. 3 on Education Finance – May 7, 2024
- Agenda – Senate Budget & Fiscal Review No. 1 – March 7, 2024

SUBCOMMITTEE NO. 1

Agenda

Senator John Laird, Chair

Senator Dave Min

Senator Scott Wilk



Thursday, March 7, 2024
9:30 a.m. or Upon Adjournment of Session
1020 O Street, Room 2100

Consultants: Christopher Francis, Ph.D.

Items for Discussion

<u>Item</u>	<u>Department</u>	<u>Page</u>
6440	University of California (UC).....	2
6610	California State University (CSU)	2
6870	California Community Colleges (CCC)	2
6980	California Student Aid Commission.....	2
Issue 1: Cal Grant and Middle Class Scholarship Programs		3
6600	UC College of the Law, San Francisco (CLS F)	9
Issue 2: CLSF Base Adjustment and Updates		9
6120	California State Library	13
Issue 3: Governor’s Proposals for the State Library		14

Public Comment

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

DISCUSSION ITEMS

- 6440 UNIVERSITY OF CALIFORNIA (UC)
- 6610 CALIFORNIA STATE UNIVERSITY (CSU)
- 6870 CALIFORNIA COMMUNITY COLLEGES (CCC)
- 6980 CALIFORNIA STUDENT AID COMMISSION

Overview

The California Student Aid Commission (Commission) was created in 1955, and is the state agency responsible for administering financial aid programs for students attending public and private universities, colleges, and vocational schools in California. The mission of the Commission is to promote educational equity by making postsecondary education affordable for all Californians by administering financial aid and outreach programs. The Commission consists of 15 members; 11 members are appointed by the Governor and confirmed by the Senate, two members are appointed by the Senate Rules Committee, and two members are appointed by the Speaker of the Assembly. In general, members serve four-year terms; the two student members, appointed by the Governor, serve two-year terms.

Commission Total Budget. The below table from the LAO details the Commission’s budget in 2022-23 and 2023-24 as well as the proposed budget in 2024-25. The Governor’s budget assumes total financial aid expenditures of \$3.3 billion, of which \$2.5 billion supports the Cal Grant Program, and \$636 million supports the Middle Class Scholarship Program. The two main fund sources for the Commission are state General Fund and federal Temporary Assistance for Needy Families (TANF). In 2023-24, state General Fund would comprise 87 percent of Commission funding and federal TANF would comprise 12 percent. The remainder would come from various sources, including reimbursements from other departments.

Table 1: California Student Aid Commission Budget (*Dollars in Millions*)

	2022-23 Actual	2023-24 Revised	2024-25 Proposed	Change From 2023-24	
				Amount	Percent
Spending					
Local assistance					
Cal Grants	\$2,211	\$2,393	\$2,541	\$148	6.2%
Middle Class Scholarships	568	847 ^a	636	-211	-25
Learning-Aligned Employment Program	300	—	—	—	—
Golden State Teacher Grants ¹	137	177	134	-43	-24
Other programs	56	38	39	1	1.6
Subtotals	(\$3,272)	(\$3,456)	(\$3,351)	(-\$105)	-3.0%
State operations	\$28	\$26	\$24	-\$3	-10%
Totals	\$3,300	\$3,482	\$3,374	-\$108	-3.1%

1. **Staff Comment:** Staff notes a Subcommittee No. 1 hearing on April 11, 2024 will cover the Golden State Teacher Grants program.

Issue 1: Cal Grant and Middle Class Scholarship Programs**Panel**

- Amanpreet Singh, Department of Finance
- Lisa Qing, Legislative Analyst's Office
- Jake Brymner, California Student Aid Commission
- Shawn Brick, University of California
- Noelia Gonzalez, California State University
- Gina Browne, California Community Colleges

Governor's Budget

Governor's Budget Reflects Spending Increase in 2024-25 for Cal Grant Spending. The Governor's budget revises 2023-24 Cal Grant spending upward by \$83 million (3.6 percent) to align with the Commission's most recent cost estimates. From the revised 2023-24 level, it further increases Cal Grant spending by \$148 million (6.2 percent) in 2024-25 to reflect projected growth in recipients and award amounts. These adjustments bring total Cal Grant spending to \$2.5 billion in 2024-25. These cost estimates underlying the Governor's budget were prepared in October 2023 and the Student Aid Commission plans to update its estimates based on more recent program data for 2023-24 in the Spring. The Administration is expected to update its Cal Grant spending levels at the May Revision accordingly.

Governor Proposes No Changes to Cal Grant Equity Framework Provisions. The Governor's budget does not include any changes to the Cal Grant reforms included in the 2022 Budget Act.

Governor Proposes To Forego A Planned One-Time Middle Class Scholarship Increase. Under last year's budget agreement, the state would have provided a total of \$926 million General Fund (consisting of \$637 million General Fund ongoing and \$289 million General Fund one-time) for the program in 2024-25. Due to the state budget condition, the Governor's budget forgoes the one-time funds but retains the ongoing funds. Specifically, the Governor's budget proposes to forego the MCS planned appropriation of \$289 million in 2024-25. As a result, the proposed funding level would cover 24 percent of students' remaining costs in 2024-25—down from 36 percent in 2023-24.

Background

Over the last three years, the subcommittee and Legislature discussed the future of financial aid for Californians, ongoing challenges, and significant reforms for Cal Grants and Middle Class Scholarships—the with two largest state financial aid programs.

Cal Grant Program

The Cal Grant program, the state's largest financial aid program, is intended to help students with financial need cover college costs. The program offers multiple types of Cal Grant awards. The amount of aid students receive depends on their award type and the segment of higher education they attend. Cal Grant A covers full systemwide tuition and fees at public universities and a fixed amount of tuition at private universities. Cal Grant B provides the same amount of tuition coverage as Cal Grant A in most cases, while also providing an "access award" for nontuition expenses such as food and housing. Cal Grant C, which is only available to students enrolled in career technical education programs, provides lower award

amounts for tuition and nontuition expenses. Across all award types, larger amounts of nontuition coverage are available to students with dependent children as well as current and former foster youth.

Table 2: Estimated Cal Grant Recipients between 2022-23 and 2024-25

	2022-23 Actual	2023-24 Revised	2024-25 Proposed	Change From 2023-24	
				Amount	Percent (%)
Total Recipients	383,666	404,132	418,015	13,883	3.4
By Segment:					
California Community Colleges	136,579	149,616	159,528	9,912	6.6
California State University	137,777	139,688	140,014	326	0.2
University of California	78,166	83,642	87,362	3,720	4.4
Private nonprofit institutions	25,709	24,773	24,530	-243	-1.0
Private for-profit institutions	5,413	6,394	6,561	167	2.6
Other public institutions	24	18	19	1	5.8
By Award Type:					
Cal Grant B	261,616	275,841	282,496	6,655	2.4
Cal Grant A	119,619	125,252	132,378	7,126	5.7
Cal Grant C	2,433	3,038	3,140	102	3.3
By Renewal or New:					
Renewal	224,305	226,828	234,698	7,870	3.5
New	159,361	177,304	183,317	6,013	3.4
Data reflect California Student Aid Commission estimates.					

Cal Grant Equity Framework in 2022 Budget Agreement. The 2022 Budget Act included the Cal Grant Equity Framework subject to state General Fund availability over the multi-year forecasts beginning in fiscal year 2024-25. The reform would be triggered in 2024-25 if the state determines in Spring 2024 that sufficient General Fund is available to support these actions over a multiyear period. If “triggered on” the budget agreement will provide \$364.8 million General Fund in 2024-25, \$348.8 million in 2025-26 and ongoing for this reform.

The reform will restructure the Cal Grant program. Specifically, it would replace the existing award structure with a Cal Grant 2 award that provides nontuition coverage to California Community College (CCC) students and a Cal Grant 4 award that provides tuition coverage at all other segments. The eligibility requirements of the new program would differ in several ways from those of the current program. First, whereas the current Cal Grant program has its own income and asset ceilings, the new program would have the same income ceilings as the federal Pell Grant program. Because of the change, the new income ceilings generally would be lower than the current ones. Second, whereas the current program provides only a limited number of awards to older students attending the universities, the new program would have no age or time-out-of-high-school restrictions at any segment. Third, whereas the current program requires students to have a minimum grade point average (GPA), the new program will not have a GPA requirement for CCC students. These program changes are projected to lead to a net increase of 150,000

award offers in 2024-25, at an estimated additional net cost of \$365 million. The reform also expresses legislative intent that UC and CSU use institutional aid to cover non-tuition costs for its students.

Cal Grant Trigger Agreement for Independent, Non-Profit Colleges and Universities in 2022 Budget Agreement. The 2022 Budget Act also included changes to improve regional transfer for low-income students by extending transfer entitlement portability for community college transfer students to those transferring to an independent, non-profit California college or university. If “triggered on,” then the agreement would provide \$10.4 million General Fund in 2024-25, \$16.4 million General Fund in 2025-26 and ongoing to support this portability.

Middle Class Scholarship (MCS)

MCS provides undergraduate students, including students pursuing a teaching credential, with a scholarship, recently revamped to account for cost of attendance, to attend a UC, CSU or CCC Bachelor’s degree program. Students with family income and assets up to \$201,000 may be eligible.

MCS Significantly Reformed in 2021 Budget Act for Cost of Attendance. The original MCS program was enacted in 2014 to help middle-income UC and CSU students, who are part of households with incomes and assets each under \$171,000, not receiving tuition coverage through the Cal Grant program receive partial tuition coverage. The Commission provided these scholarships to eligible students who fill out the FAFSA. Awards covered between 10 percent and 40 percent of systemwide tuition and fees, with the percentage graduated downward as household income increases. State law capped spending on the original MCS program at \$117 million annually.

The revamped program assists CSU and UC students with their total cost of attendance. To determine each student’s award amount, the Commission will first determine each students’ remaining cost of attendance, after accounting for other available gift aid, a student contribution from part-time work earnings, and a parent contribution for dependent students with a household income of more than \$100,000. Then, the Commission will determine what percentage of each student’s remaining costs to cover based on the annual appropriation for the program.

MCS Implementation Costs and Budget Act Investments. In 2022-23 the Commission determined that program funding, \$568 million General Fund, was sufficient to cover 26 percent of each recipient’s remaining costs for the first year of the revised program. The 2023 Budget Act included additional \$227 million one-time General Fund for the program, bringing the total funding level to \$864 million. The Commission initially estimated this funding level would cover about 36 percent of each recipient’s remaining costs. The Governor’s budget revises this funding level downward by \$17 million (1.9 percent) to align with the most recent cost estimates for covering 36 percent of each students’ remaining costs. Based on CSAC’s cost estimates, this is the maximum percentage of coverage possible without going over the budget act appropriation. The 2023 Budget Act also included an agreement to provide \$289 million one-time General Fund in 2024-25 to cover a similar percentage of each recipient’s costs that year.

Table 3: Middle Class Scholarship Program Information by Segment

	2022-23 Actual	2023-24 Revised	2024-25 Proposed	Change from 2023-24	
				Amount	Percent
Recipients					
CSU	205,037	215,889	233,161	17,272	8%
UC	90,060	91,849	99,197	7,348	8

CCC ^a	37	40	43	3	8
Total	295,134	307,778	332,401	24,623	8%
Spending (Dollars in Millions)					
CSU	\$419	\$617	\$463	-\$154	-25%
UC	150	230	173	-57	-25
CCC ^a	— ^b	— ^b	— ^b	— ^b	-25
Total	\$568	\$847	\$636	-\$211	-25%
Average Award					
CSU	\$2,041	\$2,858	\$1,987	-\$871	-30%
UC	1,663	2,506	1,742	-764	-30
CCC ^a	2,622	5,325	3,725	-1,600	-30
Data for 2022-23 and 2023-24 reflect California Student Aid Commission estimates. Data for 2024-25 reflect Commission estimates adjusted by LAO to align with the proposed funding level in the Governor's budget.					
^a In addition to undergraduate students at UC and CSU, CCC students in bachelor's degree programs are eligible for the Middle Class Scholarship program.					
^b Less than \$500,000.					

Staff Comments. Recent changes at the federal level are causing delays and creating barriers for students seeking financial aid.

Free Application for Federal Student Aid (FAFSA) Simplification Act. On Dec. 27, 2020, the United States Congress passed the Consolidated Appropriations Act, which included the FAFSA Simplification Act. Implemented by the United States Department of Education, the Simplification Act makes significant changes processes and systems used to award federal student aid starting with the 2024-25 award year. Representing the first major redesign of the FAFSA in 40 years, the initiative intends to create a more streamlined and accessible process through a reduction in the amount of questions asked to filers and use of previously collected data, expanded eligibility for federal Pell Grants and other federal aid, and revisions to methodologies that determine student aid eligibility.

Initial Federal Student Aid FAFSA Simplification Act Concerns and Legislative Response in 2023 Budget Act. Traditionally, October 1, 2023 would be the launch date for the 2024-25 FAFSA period but communications between state and federal officials suggested that a delay to January 1, 2024 could occur. Because of the delayed launch and uncertainty, a filing period that is up to three months shorter may occur and result in more students without Cal Grant that would have otherwise qualified. In response to these concerns, SB 117 (Committee on Budget), Chapter 50, Statutes of 2023 extended the priority deadline from March 2, 2024 to April 2, 2024 for every financial aid program administered by the Commission, including the Cal Grant and Middle Class Scholarships programs. In subsequent years, the deadline will revert to March 2.

In December 2023, the Department of Education announced a soft launch for the new FAFSA from December 2023 through late January 2024. After the launch of the revised applications, multiple issues surfaced that impacted students, families, and campuses that rely on receipt of information from the Department of Education to create financial aid packages.

New FAFSA Simplification Act Implementation Issues and Impacts on CA First-Time College and University Applicants. Two issues with the new FAFSA undermine student accessibility to financial aid.

First, the Department of Education announced on January 30, 2024 that it would not send students' data from FAFSA to colleges and universities until the first half of March 2024. Because of this delay, which is approximately two months later than initially planned, campus financial aid offices will receive pertinent information and package financial aid offers much later than usual. Students, particularly new first-time, first-year admitted students whom rely on financial aid packages to inform their enrollment decisions, will have less time to contemplate their admissions offers as a result. As of this subcommittee hearing, the UC and CSU responded by extending their enrollment commitment deadlines. All nine UC undergraduate campuses extended their Statement of Intent to Register (SIR) deadline for first-year undergraduate students to May 15. CSU extended the SIR deadline to no earlier than May 15, 2024 for all 23-university campuses.

Another prominent issue is that students with contributors who do not have a social security number (SSN) are unable to start or access the FAFSA form. This issue affects students from mixed status families and puts them at risk of missing the recently extended priority application deadline for California financial aid programs. On February 20, 2024, the Department of Education announced that it would resolve the SSN issue permanently in the first half of March 2024 while also offering an interim workaround solution until the permanent fix is provided to filers. Nevertheless, this delay could impact at least 100,000 students who had a parent that did not report an SSN on the FAFSA.

The Legislature may wish to consider immediate solutions to alleviate these issues for California students, families, colleges and universities. Any continued challenges could lead to fewer state financial aid applications in 2024-25.

Suggested Questions on FAFSA issues

- **CA Student Aid Commission:** Please provide an update on FAFSA filings for the 2024-25 school year. How many students are impacted by these FAFSA issues?
- **CA Student Aid Commission, CCC, CSU, & UC:** Do you have any recommendations that the Legislature should consider to address these issues?

Suggested Questions on Middle Class Scholarship

- **CA Student Aid Commission, CSU, & UC:** Please provide an on implementation of revamped program. When did UC and CSU students receive scholarship funding for Fall 2023? Are there any administrative challenges and additional issues that require the Legislature's attention?
- **Administration, CSU & UC:** What was the Administration's rationale for eliminating the 2024-25 planned augmentation for the Middle Class Scholarships? How will this affect the segments and their progress towards debt free college for its students?

Suggested Questions on Cal Grant

- **CA Student Aid Commission:** Please provide an update on potential implementation and cost estimates of Cal Grant Equity Framework in 2024-25. If there are revised costs then please explain, at a high-level, the causes for this revision.

- **CA Student Aid Commission:** With a budget deficit and limited funding available, what are some ways to phase-in the Cal Grant Equity Framework? Why are these ways most critical? Who would be most impacted if this approach was taken?
- **CCC, CSU, & UC:** How are you thinking about the implementation of the Cal Grant Equity Framework, if funding is included in the 2024-25 Budget Act? What challenges do you anticipate? Do you have recommendations or thoughts on a phase-in approach?

Staff Recommendation. Hold Open.

6600 UC COLLEGE OF THE LAW, SAN FRANCISCO (CLSF)

Issue 2: CLSF Base Adjustment and Updates

Overview

California has five public law schools. The University of California (UC) operates four of these schools—at its Berkeley, Los Angeles, Davis, and Irvine campuses. The fifth school is affiliated with UC but operates independently in many respects, having its own governing board (known as the Board of Directors). The institute was founded by, and initially named after, Serranus Clinton Hastings, the first Chief Justice of the State of California.

Mission and Responsibilities. UC College of the Law, San Francisco, as recently re-named, is the oldest law school and one of the largest public law schools in the United States. CLSF's board has similar responsibilities as the UC Board of Regents, including establishing policy, ratifying collective bargaining agreements, adopting budgets, and setting student tuition and fee levels. CLSF's affiliation with UC offers it certain benefits. For example, CLSF uses UC's payroll processing and investment management services. Additionally, CLSF's employees participate in UC's employee health and pension programs.

The mission of the CLSF is to train students for the legal profession with a comprehensive understanding and appreciation of the law. CLSF is the oldest law school and one of the largest public law schools in the United States. The business of the college is managed by an 11-member Board of Directors. CLSF is approved by the American Bar Association and accredited by the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges. CLSF is a member of the Association of American Law Schools. The Juris Doctor degree is granted by the Regents of the University of California and is signed by the President of the University of California and the Chancellor and Dean of the College of the Law, San Francisco.

Of the school's more than 1,000 students, approximately 95 percent are enrolled in the Juris Doctor (JD) program (the most common degree students pursue to enter the legal field). The school also offers three master's programs, one of which is a joint Health Policy and Law program with UC San Francisco (UCSF).

Name Change. In November 2021, the school's Board of Directors voted to authorize its leadership to work with state legislators and other stakeholders to change the College's name after the discovery that the school's founder committed genocidal acts against Native Californians in the Round and Eden valleys during the 1850s. In January 2022, Board of Directors approved an initiative to change the school's name. An official name change required legislation, passing in 2022. The 2022 Budget Act appropriated \$885,000 General Fund to support costs associated with changing the name of the institution, conditioned upon enactment of legislation authorizing a name change. As of March 2024, the school has incurred \$1.8 million in costs associated with its name change due to external contracts with several firms to implement needed changes relating to its internet domain and other re-branding efforts and legal costs.

3-YEAR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
5530	Support	269.2	277.3	284.8	\$233,582	\$127,971	\$125,620
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		269.2	277.3	284.8	\$233,582	\$127,971	\$125,620
FUNDING				2022-23*	2023-24*	2024-25*	
0001	General Fund			\$112,762	\$27,052	\$26,273	
0814	California State Lottery Education Fund			288	234	233	
0993	University Funds--Unclassified			120,532	100,685	99,114	
TOTALS, EXPENDITURES, ALL FUNDS				\$233,582	\$127,971	\$125,620	

Panel

- Gabriela Chavez, Department of Finance
- Ian Klein, Legislative Analyst's Office
- David Faigman, Chancellor and Dean, UC College of the Law, San Francisco

Available for additional details and questions: David Seward, Chief Financial Officer, UC College of the Law, San Francisco

Governor's Budget

Base Adjustment. The Governor's budget proposes an increase of \$2.2 million General Fund ongoing to support operating costs. This represents a three percent increase base augmentation.

UC College of the Law Spending Plan

UC Law SF Is Budgeting for Several Cost Increases. As is detailed below, UC Law SF is planning for several cost increases in 2024-25. Core funds support UC Law SF's core operations, including faculty and staff compensation. The school also uses core funds to provide merit-based student financial aid. UC Law SF currently spends around 30 percent of the tuition revenue it generates from each JD cohort on financial aid. The largest planned expense is for student financial aid. Beyond these expenses, UC Law SF intends to increase to its overall employee salary pool by three percent as well as cover employee benefit cost increases.

School's Spending Plan Supports Several Increases

Core Spending Increases, 2024-25 (In Thousands)

Spending Component	Amount
Student financial aid	2,256
Faculty hiring	1,890
Salary pool increase (three percent)	1,032
Benefit cost increases	100
Operating expenses and equipment ^a	-2,138
Total	\$3,141

^aReflects One-time renaming costs, legal, 100 McAllister Tower Office Space Rent, 198 McAllister Street new academic building rents and common area charges, Adjustment of lease revenue expenditures, related to the Academic Village 333 Golden Gate

Background

Tuition Revenue Is Law School’s Largest Fund Source. Of the school’s core funding, just over 70 percent comes from student tuition revenue and one-quarter comes from state General Fund. Remaining core funding comes from investment income, scholarly publication income, fee revenue, and the State Lottery Fund. Beyond core funding, UC Law SF receives noncore funding from certain self-supporting auxiliary programs (including its housing and parking programs). In addition, the school receives noncore funding from private donations as well as external grants and contracts.

UC Law SF Increased Tuition Charges in 2022-23. From 2012-13 through 2021-22, UC Law SF held enrollment fees flat at \$43,486 for resident students. For the 2022-23 academic year, the UC Law SF Board of Directors increased tuition charges for resident students by three percent to \$44,791. The board also increased supplemental tuition charges for nonresident students. After holding the supplemental tuition charge flat at \$6,000 from 2012-13 through 2021-22, the board increased the supplemental charge by seven percent to \$6,420 in 2022-23.

Student Enrollment. After hovering at approximately 950 full-time equivalent (FTE) students from 2016-17 through 2020-21, the school grew its enrollment notably in 2021-22. That year, it enrolled 151.3 additional FTE students, with its total enrollment reaching 1,101.3 students. The bulk of the came from CLSF’s JD program and the remaining growth came from its master’s degree programs. In 2022-23, CLSF experienced higher-than-typical growth, with total enrollment reaching 1155.2 FTE students. The bulk of this growth also came from the school’s JD program. The below table documents the estimated 2023-24 and projected 2024-25 enrollment outlook, which shows a slight decrease from 2022-23 levels.

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25¹</u>
Full-Time Equivalent Students			
Juris Doctor Program (JD)			
Resident Students	1,015.4	993.0	988.0
Non-resident Students	87.6	89.0	86.0
Total Juris Doctor Program (JD) Students	1,103.0	1,082.0	1,074.0
Master of Laws Program (LL.M.)	30.3	30.0	31.5
Master of Studies in Law Program (MSL)	8.7	13.0	13.7
Master of Science, Health Policy and Law Program (HPL)	13.2	17.0	20.0
Totals, Full-Time Equivalent Students	1,155.2	1,142.0	1,139.2

Though still relatively small, the CLSF’s master’s degree programs roughly doubled in size between 2020-21 and 2023-24. This is partly attributable to the addition of the new Master of Science in Health Policy and Law program launched in 2022-23.

State Often Provides the School With General Fund Base Increases. Each year, the law school faces pressure to cover cost increases associated with employee compensation, OE&E, student financial aid,

and enrollment growth, among other factors. Over the past decade, the primary way the school has covered its core operating cost increases is through state General Fund base augmentations. (The school also receives state General Fund adjustments for its lease revenue bond debt service and, in certain years, specific program initiatives.) As Table 4 shows, the size of UC Law SF's base adjustments has varied since 2015-16. Average annual growth in the school's General Fund support during this period (excluding 2020-21) was roughly 10.6 percent.

Table 4: State Has Provided Law School with Base Augmentations in Most Years
(Dollars in Millions)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Base General Fund adjustment	\$1.0	\$1.0	\$1.1	\$1.1	\$1.4	-\$0.5	\$2.1	\$2.0	\$2.2
Percent change in General Fund	11.0	10.0	9.0	9.0	10.0	-4.0	14.0	12.0	10.0
Percent change in ongoing core funds	1.9	1.9	1.9	1.9	2.5	-0.9	3.5	3.0	4.5

School Is Responsible for Campus Safety. UC Law SF is located in downtown San Francisco between the Civic Center and the Tenderloin District. Over the years, the school has faced public safety issues. It has contracted with the UCSF police department for campus patrols and responses to security issues. The school also has used UCSF Public Safety Ambassadors, who lack police powers, to staff its buildings and security posts and report issues as appropriate to police personnel. The school has paid for these contract costs using its ongoing core funds. In August 2020, the Urban Alchemy nonprofit organization received funding from UC Law SF for a program to further promote campus safety. This program relies less heavily on traditional methods of policing in favor of sidewalk safety services (including interrupting public drug usage, noise disturbances, and public urination and defecation). The program prioritizes employing individuals who were formerly incarcerated or homeless in their programming. The school has been using \$1.4 million annually of its ongoing core funds redirected from the UCSF contract for Urban Alchemy to provide its programming. The school has supplemented this funding with \$3 million one-time General Fund that the state provided in 2021-22, to be spent evenly over three years (through 2023-24). The 2023 Budget Act provided an additional \$3 million, available over three years, for the program.

Student Housing Updates as of March 2024. The 2022 Budget Act appropriated \$90 million General Fund to support the facility improvement project at the institution's 100 McAllister Street building. This project includes seismic structural upgrades conforming to UC Law's Seismic Safety Policy, maintaining 252 campus housing units at below-market rents that would otherwise no longer be available the 198 McAllister structure completed in 2023, renovating space within the facility for academic purposes, and adding an estimated five new campus housing units for a total of 257 units at below-market rents. UC Law SF indicated that the remaining project costs will be split between conventional debt-financing and the historic tax credit equity program, which is a federal program focused on the rehabilitation of certified historic buildings.

"The Academe at 198" launched in Fall 2023 and is a 656-unit structure includes three levels of academic- and community-serving space with two courtrooms, meeting spaces, a café, and street-level retail space.

The project broke ground in September 2020 and completed work in Summer 2023. Apartments are provided at below-market rates to UC Law and other partner institution students, including more than 230 graduate students and trainees from UC San Francisco.

Legislative Analyst's Office Comments and Recommendations

LAO Recommendation: *Reject Proposed General Fund Base Augmentation.* As discussed in the LAO's overview of the Governor's budget, the state faces large projected operating deficits over the next few years. Providing CLSF with an ongoing General Fund base augmentation when the state is facing projected budget deficits would only further exacerbate those deficits. The LAO recommends the Legislature reject this proposal and retain state funding for CLSF at its existing level. While they recommend against providing CLSF with a General Fund base augmentation, they note that the college could use other core fund sources to pay for some of its anticipated cost increases. The \$2.3 million that CLSF anticipates collecting in additional tuition and fee revenue in 2024-25 is sufficient to cover nearly half of the school's anticipated operating cost increases.

Suggested Questions for CLSF updates

- **CLSF:** Please provide status updates on your current and future student housing projects, enrollment outlook, capital outlay projects, and Urban Alchemy program.

Staff Recommendation. Hold Open

6120 CALIFORNIA STATE LIBRARY

Overview

The California State Library, established in 1850, collects, preserves, generates, and disseminates information. The Library administers programs funded by state and federal funds to support local public libraries and statewide library programs. The State Librarian is appointed by the Governor.

The California Library Services Board (the state board) consists of 13 members; 9 members are appointed by the Governor, 2 members are appointed by the Senate Rules Committee, and 2 members are appointed by the Speaker of the Assembly. Members serve four-year terms. The state board determines policy for and authorizes allocation of funds for the California Library Services Act. The state board also functions as the State Advisory Council on Libraries for the federal Library Services and Technology Act. The State Librarian serves as chief executive officer of the state board.

The current State Librarian is Greg Lucas. Greg Lucas was appointed California's 25th State Librarian by Governor Jerry Brown on March 25, 2014. Prior to his appointment, Greg was the Capitol Bureau Chief for the San Francisco Chronicle where he covered politics and policy at the State Capitol for nearly 20 years.

State Library Oversees Both State-Level and Local Initiatives. The State Library's main state-level functions are (1) serving as the central library for state government; (2) collecting, preserving, and publicizing state literature and historical items; and (3) providing specialized research services to the Legislature and the Governor. In addition, the State Library passes through state and federal funds to local

libraries for specified purposes and provides related oversight and technical assistance. These local assistance programs fund literacy initiatives, internet services, and resource sharing, among other activities.

Public Libraries Are Run and Funded Primarily by Local Governments. In California, local public libraries can be operated by counties, cities, special districts, or joint powers authorities. Usually the local government operator designates a central library to coordinate activities among all the library branches within a jurisdiction. Currently, 185 library jurisdictions with 1,130 sites (including central libraries and their branches) are operating in California. Local libraries provide a diverse set of services that are influenced by the characteristics of their communities. Most libraries, however, consider providing patrons with access to books, media, and other informational material as a core part of their mission. Around 95 percent of local library funding comes from local governments and the remaining 5 percent comes from state and federal sources.

3-YEAR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
5310	State Library Services	113.4	146.1	146.1	\$28,339	\$33,755	\$46,284
5312	Library Development Services	30.3	30.0	31.0	480,201	73,099	178,942
5314	Information Technology Services	10.9	12.8	12.8	3,200	3,673	3,683
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		154.6	188.9	189.9	\$511,740	\$110,527	\$228,909

Issue 3: Governor’s Proposals for the State Library

Panel

- Devin Mitchell, Department of Finance
- Ian Klein, Legislative Analyst’s Office
- Greg Lucas, California State Librarian

Available for additional questions or details: Jennifer Louie, Department of Finance

Governor’s Budget Proposals

Reducing Support for Local Library Infrastructure. The Governor’s budget proposes to pull back \$131 million one-time General Fund of the \$439 million General Fund provided in the Budget Act of 2021 and forego \$100 million spread across the 2024-25 to 2026-27 fiscal years that would have supported local library infrastructure projects.

Reducing Support for Statewide Library Broadband Services. The Governor’s budget proposes to pull back \$29 million General Fund of the \$35 million General Fund to expand broadband access to isolated and under-served communities. The Governor’s budget also rescinds \$29 million of the \$35 million one-time General Fund provided in the 2021-22 Budget Act to expand local library broadband access to isolated and under-served communities. The Governor’s budget redirects \$4.9 million of the remaining program funding to the California Department of Education for broadband infrastructure grants.

Tribal and Rural Libraries Library Programs Consultant. The Governor’s budget includes permanent position authority for one Library Programs Consultant in fiscal year 2024-25 and ongoing to provide Library services to Tribal and Rural Libraries. The position will be paid for with federal funds provided annually to the State Library by the Institute of Museum and Library Services.

Background

Library Infrastructure Grant Program and Previous Budget Actions. The Budget Act of 2021 provided \$439 million General Fund one-time for a local library infrastructure grant program to support infrastructure improvements, broadband and technology upgrades and purchasing of devices. In a February 23, 2022 Subcommittee No.1 hearing, the State Library identified the total need identified for modernization, rehabilitation, renovation, and replacement of the state’s library system and its network of 1,130 local libraries as \$5 billion. The Budget Act of 2022 subsequently included an additional \$50 million General Fund in 2022-23 and assumed \$100 million General Fund in 2023-24 to support local library infrastructure projects. Due to the budget deficit for 2023-24, the Budget Act of 2023 delayed the \$100 million earmarked for 2023-24 to the 2024-25 (\$33 million), 2025-26 (\$33 million), and 2026-27 (\$34 million) fiscal years.

Implementation Update on Grant Program. In a status update to the subcommittee, the State Library noted that \$484 million of the \$489 million appropriated in fiscal years 2021-22 and 2022-23 has been committed to a project. Specifically, the State Library reported that a total of \$312 million went to 246 projects in 182 cities across 34 counties in 2022. In October 2023, the State Library reported an additional \$172 million in library facilities improvement grants will be awarded to 34 local libraries in 29 cities across 18 counties. The State Library noted that it implements payment plans for large scale grants to ensure that funds are being used properly and projects are progressing prior to the release of the total award. Of the \$484 million in committed project funding, \$236 million has been expended to libraries and the remaining \$248 million has been awarded to and is encumbered for specific projects.

Library Broadband. The 2021 Budget Act included \$35 million one-time to support local projects to expand broadband access and upgrade equipment to access high-speed connectivity in isolated and under-served communities through a collaborative partnership of local and regional libraries, local education agencies, and telehealth providers on projects eligible to leverage funding available through the Federal Universal Service Program for Schools and Libraries. The projects funded through the proposed program are eligible to leverage funding available through the Federal Universal Service Program for Schools and Libraries (“E-Rate”). These funds are available for encumbrance or expenditure until June 30, 2025. The California State Library shall submit a report to the Department of Finance and the Legislature by April 1 of each year through 2025. The Administration reports that the State Library connectivity program has allocated only approximately \$250,000 to date.

Tribal and Rural Libraries Library Programs. Previously the State Library had a dedicated Library Consultant position the creation of grant programs and communication and outreach specific to tribal communities. Upon the retirement of that consultant, duties were reassigned to existing library consultants in 2018-19. A significant increase in total number of local assistance programs and the reassignment of these responsibilities meant that the State Library no longer had a dedicated position to strengthen tribal and rural library engagement and capacity.

Currently, there federally funded grant programs to assist Native American tribes with improvement of library services for their communities. Most prominently, the Institute of Museum and library Services (IMLS) administers Native American Library Services enhancement grants of which the typical award amount varies from \$10,000 to \$150,000 per grantee. Funding is awarded to projects that include some or all of the following: “Educational programming for all ages; oral history collection and documentation; digital media and technology enhancements; institutional planning and policy development; professional training, internships, and mentorships; supporting and engaging with cultural practitioners and scholars; research and development of language and cultural material and tools; digitization and digital asset management, and retrofitting of library spaces for staff and public.” Despite this grant and non-competitive

grants, the State Library estimated that only 24 of 109 eligible federally recognized tribes in California submitted applications for IMLS grants.

Suggested Questions on Local Library Infrastructure Reduction

- **DOF:** Explain the rationale behind this reduction.
- **State Library:** What are most common types of projects funded by the grant program? If the Governor's proposal is included in the final budget agreement, then what will be the impact on the program? Will awards be pulled back?

Staff Recommendation. Hold Open.

California State Assembly



Agenda

Assembly Budget Subcommittee No. 3 on Education Finance

Assemblymember David Alvarez, Chair

Tuesday, May 7, 2024
9:00 A.M. – State Capitol, Rm 447

ITEMS TO BE HEARD		
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	2. Past Appropriations Review	7
6600	UC College of the Law, San Francisco	10
Issue	3. Budget Overview/Base Operations Increase Proposal	10
0954	Scholarshare Investment Board	18
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Public Comment will be taken in person before or after the completion of all panels and any discussion from the Members of the committees, at the discretion of the chair.

Items To Be Heard

6120 California State Library

Issue 1: Budget Overview/Local Library Facilities Improvement Program Proposal

The Subcommittee will discuss the State Library Budget and the Governor's Budget proposal to pull back \$131 million one-time General Fund from the local library infrastructure grant program, and forego \$100 million spread across the 2024-25 to 2026-27 fiscal years that would have supported the program.

Panel 1

- Devin Mitchell, Department of Finance
- Ian Klein, Legislative Analyst's Office
- Greg Lucas, California State Librarian

Background

State Library Oversees Both State Activities and Local Assistance Programs. Located in Sacramento, the State Library serves as the central library for state government. The State Library collects, preserves, and publicizes state literature and historical items. It maintains an extensive collection of documents from the state's history. State employees, as well as visitors, may access the State Library's collections. Those with State Library cards may borrow designated library materials at no charge. The State Library also provides specialized research services to the Legislature and the Governor. In addition, the State Library passes through state and federal funds to local libraries for specified purposes and provides related oversight and technical assistance. These local assistance programs fund literacy initiatives, Internet services, and resources sharing, among other activities.

Public Libraries Are Run and Funded Primarily by Local Governments. In California, local public libraries can be operated by counties, cities, special districts, or joint power authorities. Usually the local government operator designates a central library to coordinate activities among all the library branches within a jurisdiction. Currently, 186 library jurisdictions with 1,127 sites (including central libraries and their branches) are operating in California. Local libraries provide various services that are influenced by the characteristics of their communities. A core part of the mission of all libraries, however, is to provide patrons with access to books, media, and other informational material. Around 95 percent of local library funding comes from local governments and the remaining 5 percent comes from the state and federal governments.

State Library Relies Primarily on State and Federal Funds. Approximately 70 percent of the State Library's ongoing budget is supported by the state General Fund. Nearly 25 percent comes from federal funds, with the remainder coming from special funds and reimbursements. For 2024-25, the Governor's budget includes \$40 million in ongoing state operations funding for the State Library and \$34 million in ongoing local assistance funding. The Governor's budget also includes \$155 million one-time General Fund, nearly all of which reflects carryover funds associated with one-time local assistance initiatives funded in recent years.

California State Library Budget

(Dollars in Millions)

	2022-23 Actual	2023-24 Revised	2024-25 Proposed	Change from 2023-24	
				Amount	Percent
Local Assistance					
Library Services and Technology Act	\$10.6	\$11.3	\$11.3	—	—
Library Literacy and English Acquisition	7.3	7.3	7.3	—	—
Lunch at the Library	5.5	5.5	5.5	—	—
California Library Services Act	4.6	4.6	4.6	—	—
Statewide Library Broadband Services	3.5	4.0	4.1	\$0.1	1.3%
Telephonic Reading for the Blind	0.6	0.6	0.6	—	—
California Newspaper Project	0.4	0.4	0.4	—	—
State Government Oral Histories	0.1	0.1	0.1	—	—
One-time initiatives	553.0	21.0	2.4	-19.0	-88.8
One-time carryover ^a	2.9	11.8	141.1	129.3	1,093.5
Subtotals	\$588.5	\$67.0	\$177.3	(\$110.3)	(164.7%)
State Operations					
State Library Services	\$27.6	\$31.4	\$42.3	\$10.9	34.7%
Library Development Services	6.8	5.6	5.6	— ^b	— ^b
Information Technology Services	3.2	3.7	3.7	— ^b	— ^b
Subtotals	(\$37.6)	(\$40.7)	(\$51.6)	(\$10.9)	(26.9%)
Totals	\$626.0	\$107.7	\$228.9	\$121.3	112.6%
Funding					
General Fund—Ongoing	\$37.0	\$52.3	\$52.5	\$0.3	0.5%
General Fund—One-Time	568.6	33.4	154.5	121.0	362.2
Federal Trust Fund	15.7	18.4	18.4	— ^b	— ^b
Other ^c	4.6	3.6	3.5	-0.1	-1.6

^a The 2021-22 and 2022-23 amounts reflects carryover from an original 2021-22 appropriation for the California English Acquisition and Literacy program. The 2023-24 amount reflects carryover from appropriations made in 2022-23 for local library infrastructure grants and disaster preparedness.

^b Less than \$500,000 or 0.5 percent.

^c Includes California State Law Library Special Account, Central Service Cost Recovery Fund, and the Deaf and Disabled Telecommunications Program Administrative Committee Fund.

State Recently Provided Substantial One-Time Funding for Local Infrastructure Projects.

Chapter 21 of 2021 (AB 128, Ting) appropriated \$439 million one-time General Fund to support local library infrastructure projects. Chapter 249 of 2022 (AB 179, Ting) appropriated an additional \$50 million one-time General Fund for the same purpose. The combined \$489 million represents the largest single, state-funded initiative for California’s local libraries. Beyond these appropriations, the 2022-23 budget package included intent language to provide an additional \$100 million General Fund in 2023-24 for local library infrastructure projects. Subsequently, the 2023-24 budget package delayed the additional \$100 million until future years. Specifically, \$33 million was delayed until 2024-25, \$33 million was delayed until 2025-26, and \$34 million was delayed until 2026-27.

Initiative Supports Various Types of Local Library Infrastructure Projects.

In response to the state appropriations and certain state programmatic requirements, the State Library created the Building Forward Library Facilities Improvement Program. This program gives funding priority to libraries located in communities with poverty rates higher than the statewide poverty rate. The program has a local matching requirement, with grant recipients generally required to contribute half of the funding for a project. The State Library, however, may reduce the local match if a local library demonstrates it has insufficient financial resources to meet the full matching requirement. To date, grant recipients have made approximately \$260 million in local matching contributions. The state funds, together with these local matching funds, support new capital projects, maintenance projects, broadband and technology upgrade projects, and device purchases.

Grants Have Been Awarded for the Program.

The State Library announced the first round of infrastructure grant awards in October 2022. As Figure 1 shows, the State Library approved awards for 244 projects in the first round, with associated General Fund costs totaling \$312 million. Per-project award amounts ranged from just under \$14,000 to \$10 million. The State Library announced the second round of grant awards in October 2023. The second round consisted of 33 award winners, with associated General Fund costs totaling \$172 million. Per-project award amounts in the second round ranged from just over \$13,000 to \$10 million. The State Library reports that of the \$489 million General Fund appropriated for this program, only \$4.8 million remains unencumbered.

Figure 1
Many Infrastructure Grants Have Been Awarded

Summary of Grants by Award Round (Dollars in Millions)

	Round One	Round Two	Total
Number of projects	244	33	277
Amount encumbered ^a	\$312	\$172	\$484
Local match	178	81	259
Average state award	\$1.3	\$5.2	\$1.7

^aReflects amount of state funding awarded, as of January 30, 2024.

Governor's 2024-25 Budget

The Governor's Budget proposes to revert \$131 million one-time General Fund from the Building Forward Library Facilities Improvement Program, along with forgoing the additional \$100 million in program funding that the state had intended to spread across the next three years.

LAO Recommendation

Revert Available Prior-Year Funds From the Infrastructure Grant Program. We recommend the Legislature approve the Governor's basic proposal to revert any unspent one-time General Fund for the Building Forward Library Facilities Improvement Program. The State Library, however, reports that only \$4.8 million, rather than \$131 million, is available for reversion as of January 30, 2024. We recommend the Legislature revert at least the \$4.8 million. If additional budget solution were needed, the Legislature could work with the State Library and Department of Finance to determine if any other program funding could be reverted at this point without notable project disruption. Some local library grant recipients, for example, could still be in early project planning phases. Given the state's projected budget deficits, we also recommend the Legislature adopt the proposal to forgo an additional \$100 million one-time General Fund that the state intended to provide in 2024-25 through 2026-27.

Staff Comments

The library infrastructure program is the largest state investment ever made to local libraries, and has provided critical funding to hundreds of libraries. Projects have ranged from upgrading 17 library branches in Kern County, seismic repairs in Sonoma County, and installing a reliable cooling center at the city of Hemet's public library. The funds are also helping build 14 new libraries, including a replacement for Porterville after a fire destroyed its library in 2020. The program has supported an overwhelming need: a 2023 report from the State Library reported about \$4 billion in modernization, renovation, and replacement costs identified by the state's public libraries.

Staff notes there is concern among libraries regarding the Administration's proposal to pull back previously-appropriated funding, as most of the funding has been awarded. For example, the city of San Leandro wrote a letter to the Assembly and Senate Budget Committees noting that about half of their \$4.1 million award through this program has not been disbursed yet, but they were expecting full funding to help support the construction of a new branch library. The new library is intended to serve a neighborhood that does not have easy access to other libraries.

The California Library Association has provided a letter to the Subcommittee opposing the pulling back of funds, noting that the State Library typically sends awards in several check distributions to each library, with the final check distribution only coming once the library can

demonstrate completion of the project. CLA is concerned that any pledged (encumbered) but currently unissued dollars that are swept could lead to major financial problems for libraries.

Staff notes that the proposal to forego the planned future funding for this program may need to be considered, depending on the state's budget position. This funding has not been awarded and would be less disruptive to libraries if it was not provided.

Suggested Questions:

- How much of the past funding has been awarded? What would the impact to local libraries be if the Legislature swept the \$131 million in funding?
- How many applicants has the State Library received for this program? How many applicants did not receive funding?
- What other sources of funding are available to libraries to support infrastructure improvements?

Staff Recommendation: Hold Open

Issue 2: Past Appropriations Review

The Subcommittee will discuss previous appropriations for the State Library. The item is intended to provoke conversation about state support for the State Library during the state budget downturn.

Panel

- Ian Klein, Legislative Analyst's Office
- Devin Mitchell, Department of Finance
- Greg Lucas, California State Librarian

Background

Recent state budgets have allowed the Administration and Legislature to support numerous initiatives for both the State Library and local libraries. In addition to the local library infrastructure grants discussed in the previous item, new funding has supported an online tutoring program in six languages, an online job training program, and to expand the Dolly Parton Imagination Library program in California. The program provides free books every month to children up to age 5.

The LAO chart on the next page indicates one-time General Fund initiatives over the past few years. As the chart shows, a total of \$200 million one-time General Fund was provided for 12 initiatives in the *2021-22 Budget Act* and *2022-23 Budget Act*. The LAO notes that of that amount, \$132 million had been encumbered or spent as of January 1, 2024.

Staff notes that the Legislature included one library expenditure in its early action package in April. The action pulled back \$34 million one-time General Fund that was intended to expand local library broadband access in isolated and under-served communities. To date, only one project had received funding (\$250,000) from the program. According to the LAO, the State Library attributed low program demand to the complexity of the application process, and, in the case of rural areas, the need to synchronize projects with the construction of fiber backbone via the California Middle Mile Broadband Initiative. Most of this backbone is not expected to be completed for at least a few more years.

Figure 2

Two-Thirds of Recent One-Time Funding Has Been Spent or Encumbered*Estimates of General Fund Spent or Encumbered as of January 1, 2024 (In Millions)*

One-Time Initiatives	Year Funded	Appropriation	Amount Spent or Encumbered ^a
Statewide Imagination Library	2022-23	\$68.2	\$9.3 ^b
Local library infrastructure grants	2022-23	50.0	49.9
English as a second language programs	2021-22	15.0	15.0
Digitization of state agency resources	2022-23	12.7	4.6
Online job training and workforce development	2022-23	10.2	10.2
Outreach Grants to Ethnic Media Program	2021-22	10.0	9.7
Online tutoring for K-12 students	2021-22	6.4	6.4
Broadband connectivity	2021-22	6.0	6.0
Inland Congregations United for Change Parent and Youth Civic Engagement	2021-22	6.0	6.0
Civil Liberties Public Education Act	2021-22	5.0	5.0 ^c
Early learning and after-school programs	2021-22	5.0	5.0
Ethnic media grants	2022-23	5.0	4.8
Total		\$199.5	\$131.9

^aThe definition of "encumbrance" used by the State Library includes any funds that have a drafted award letter and have been encumbered in the State's Financial Information System for California. In some cases, grant awards that are pending executed agreements are considered encumbered. Encumbered amounts also include allowed administrative funds that the State Library has submitted requests to use.

^bIncludes \$777,000 associated with a pending application.

^cIncludes \$1.7 million that will be encumbered in April 2024. Applications for those funds are currently under review.

LAO Comments

Revert Unspent One-Time Funding From Other Prior-Year Initiatives. Based on a data request to the State Library, our preliminary estimate is that \$68 million one-time General Fund from other prior-year State Library initiatives has not yet been encumbered or spent as of January 1, 2024. None of this \$68 million is included in the Governor's budget. Most of the remaining funding is associated with the Statewide Imagination Library initiative. We recommend the Legislature pull back all of the unencumbered and unspent one-time funds from these initiatives, achieving a like amount of General Fund savings.

Staff Comments

The state's budget situation requires difficult conversations about support for the State Library, and how to continue important library projects amid a revenue downturn. Most of the one-time funding provided to the State Library in the last few years has been spent or encumbered, so budget savings for library programs may be difficult to come by.

The Imagination Library program provides age-appropriate books on a monthly basis, at home, to each child registered in the program, from birth to their fifth birthday, inclusive, at no cost to families. The program was funded and established by SB 1183 (Grove) in 2022 and requires a dollar-for-dollar match from a local entity. Funding is managed by a 501(c)3 non-profit organization, which partners with affiliates around the state, including First 5, Friends of the Library, Kiwanis Clubs, United Way chapters, and county offices of education.

Staff notes that the California Library Services Board, which includes Assembly, Senate and Administration appointees representing public, school and special libraries, wrote a letter in support of the statewide online tutoring program, and the online job training programs. The board noted that the online tutoring program provides tutoring in English, Spanish, Mandarin, Cantonese, Vietnamese and Tagalog, and provided more than 250,000 one-on-one tutoring sessions in its first nine months of operations, and services such as practice tests and virtual study rooms were used 1.5 million times. The job training program, called CAreer Pathways, offers multiple programs ranging from free college courses to digital literacy and entrepreneurship programs. CAreer Pathways reports more than 864,000 courses accessed in calendar year 2023. Funding for both of these programs will run out at the end of this fiscal year.

Suggested Questions:

- Does the Library have updated expenditure/encumbrance information for these programs?
- What is the expenditure plan for the Imagination Library program?
- Will the State Library and local libraries continue the online tutoring and job training programs if state funding runs out?

Staff Recommendation: Hold Open

6600 UC College of the Law, San Francisco**Issue 3: Budget Overview/Base Operations Increase Proposal**

The Subcommittee will discuss the UC College of the Law, San Francisco (UC Law) budget and the Governor's Budget proposal to provide a \$2.2 million ongoing General Fund increase to the college's operations budget.

Panel

- Gabriela Chavez, Department of Finance
- Ian Klein, Legislative Analyst's Office
- David Faigan, Chancellor and Dean, UC College of the Law, San Francisco
- David Seward, Chief Financial Officer, UC College of the Law, San Francisco

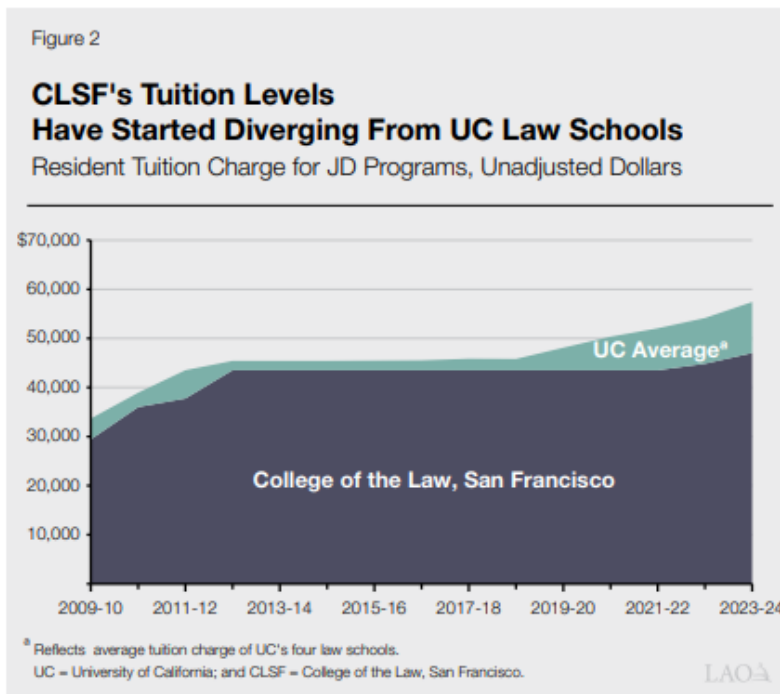
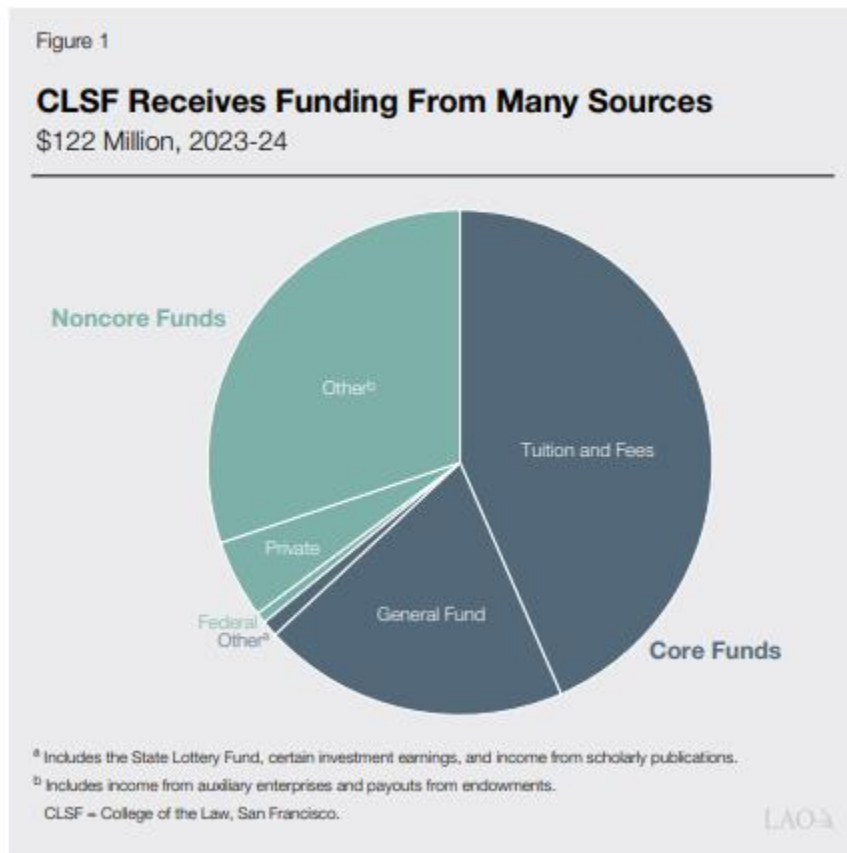
Background

UC Law Is a Public Law School. UC Law, formerly Hastings College of the Law, is affiliated with the University of California (UC) but has its own governing board - the Board of Directors. The Board of Directors oversees the school's finances and makes key decisions, such as setting employee compensation levels. The board also sets the school's tuition levels and enrollment targets. Of the school's approximately 1,100 students in 2023-24, 95 percent are enrolled in the Juris Doctor (JD) program (the most common degree students pursue to enter the legal field). The school also offers three law-related master's programs.

Tuition Revenue Is Law School's Largest Fund Source. UC Law received a total of \$122 million in ongoing funding in 2023-24. As Figure 1 on the next page shows, this funding came from "core" and "noncore" sources. Of the school's core funding, 68 percent comes from student tuition and fee revenue and 31 percent comes from state General Fund. Remaining core funding comes from various sources, including the State Lottery Fund, certain investment earnings, and income from scholarly publications. Beyond core funding, UC Law receives noncore funding from certain self-supporting auxiliary programs (including its housing and parking programs). In addition, the school receives noncore funding from private donations as well as external grants and contracts.

UC Law Recently Increased Its Tuition Charges. As Figure 2 on the next page shows, UC Law increased its JD tuition charges during and shortly after the great recession, then held tuition flat from 2012-13 through 2021-22. For the past two consecutive years, UC Law has raised JD tuition charges—by 3 percent in 2022-23 and 5 percent in 2023-24. Nonresident students pay a supplemental tuition charge. UC Law has also recently increased these charges by 7 percent

in 2022-23 and 8 percent in 2023-24. Despite the recent increases, UC Law tuition charges remain lower than the average tuition charges of UC's four JD programs.



While resident UC Law JD tuition was about 5 percent below the resident tuition levels of UC's JD programs from 2012-13 through 2018-19, it was almost 20 percent below in 2023-24.

State Often Provides Base General Fund Augmentations. Some years, the primary way UC Law has covered its operating cost increases has been through state General Fund base augmentations. As Figure 3 shows, the size of the UC Law's base adjustments has varied over the past eight years. UC Law also receives state General Fund adjustments for its lease revenue bond debt service and, in certain years, specific program initiatives. Unlike UC and the California State University (CSU), the state has not funded enrollment growth at UC Law directly, and there is no marginal cost calculation used to determine state funding per student. In the past, the state has provided General Fund base augmentations to the school regardless of whether enrollment increased or decreased.

Figure 3

State Has Provided Law School With Base Augmentations in Most Years

(Dollars in Millions)

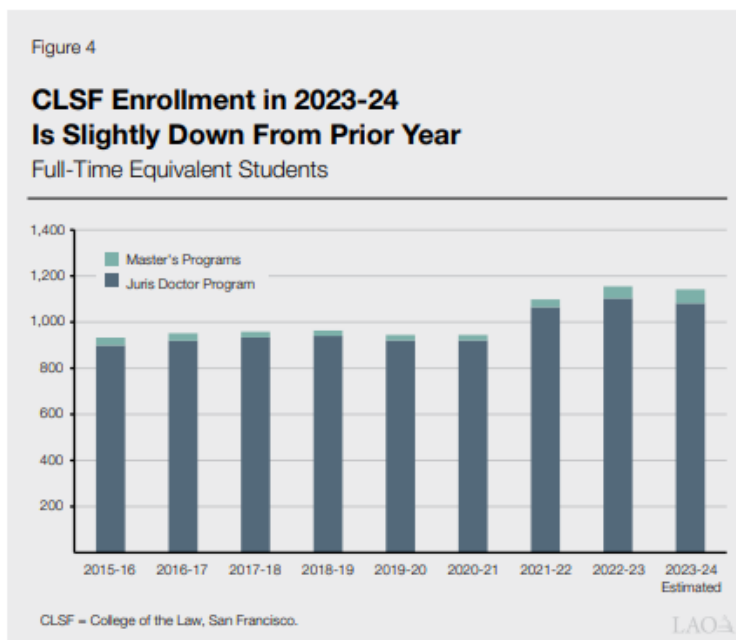
	2016-17	2017-18	2018-19	2019-20	2020-21 ^a	2021-22	2022-23	2023-24
Base General Fund adjustment	\$1.0	\$1.1	\$1.1	\$1.4	-\$0.5	\$2.1	\$2.0	\$2.2
Percent change in General Fund ^b	10%	9%	9%	10%	-4%	14%	12%	12%
Percent change in ongoing core funds ^c	1.9	1.9	1.9	2.5	-0.9	3.5	3.0	3.0

^a Base General Fund was reduced in response to the pandemic-related recession.

^b Reflects base General Fund adjustment over the amount of total ongoing General Fund provided the previous year.

^c Reflects base General Fund adjustment over total ongoing core funds provided the previous year.

Total Enrollment Is Almost Flat in 2023-24. As Figure 4 shows, UC Law enrollment remained nearly flat from 2015-16 through 2020-21. The college then experienced two years of notable growth—with enrollment increasing 16 percent in 2021-22, followed by 5.1 percent in 2022-23. During these two years, enrollment grew in the school's JD program as well as its master's programs. In 2023-24, UC Law expects total enrollment to decline by 13 full-time equivalent (FTE) students (1.1 percent). The majority of the decline is from the JD program, which is expected to decline by 22 FTE students. UC Law did not meet its entering JD class target in 2023-24. This decline in JD enrollment is expected to be partially offset by enrollment increases in two master's programs.



Employee Compensation Is School's Largest Expense. Each year, UC Law faces pressure to cover cost increases associated with the school's operations. Personnel costs (including salaries and benefits) comprise roughly 50 percent of the school's total operating costs. Roughly 60 percent of the school's personnel (including faculty) are not represented, whereas 40 percent are represented by labor unions. Specifically, school personnel is represented by the American Federation of State, County and Municipal Employees (AFSCME) and the American Federation of Teachers (AFT). In prior years, UC Law has provided general salary increases and merit increases, as applicable, for its non-represented personnel. It has provided salary adjustments for its represented employees consistent with their associated collective bargaining agreements. The current AFSCME and AFT bargaining agreements expire June 30, 2024 and October 31, 2024, respectively. New agreements are still under negotiation for 2024-25. Given its small size and affiliation with UC, UC Law participates in certain UC benefit programs, including the University of California Retirement Plan and UC health and retiree health programs. The costs of these programs have been increasing over time. In addition to personnel costs, UC Law spends around 30 percent of the tuition revenue it generates from each JD cohort on financial aid.

UC Law Maintains Reserves. Like other higher education segments, UC Law maintains reserves to mitigate risks and manage potential cash flow issues. The Board of Directors adopted a policy to maintain a minimum reserve level equivalent to 5 percent of the school's total annual operating revenues. As of 2021-22, UC Law had built up its reserve to 5.5 months of operating expenditures. This level has since declined to 4.2 months of operating expenditures as a result of UC Law using some reserves to offset increased ongoing operating costs in 2023-24.

Governor's 2024-25 Budget

The Governor's Budget proposes to provide UC Law with an ongoing General Fund base augmentation of \$2.2 million (11 percent) to "support operating costs." The Governor does not propose to defer this base augmentation as he does with the UC and CSU base augmentations. The administration indicates it took a different approach because UC Law is a small agency with smaller reserve amounts and less access to borrowing.

UC Law Spending Plan

UC Law Is Planning to Increase JD Student Tuition Charges. Resident tuition is scheduled to increase by \$2,352 (5 percent), reaching \$49,383 in 2024-25. The nonresident supplemental tuition charge is also scheduled to increase for the third consecutive year. It is set to grow by \$554 (8 percent), reaching \$7,488 in 2024-25. Even with these tuition increases, the school's JD tuition would remain below the tuition level of all of UC's JD programs.

UC Law Enrollment Is Projected to Remain Nearly Flat in 2024-25. The school is projecting a second consecutive year of nearly flat total enrollment. UC Law anticipates JD enrollment to decline by 8 FTE students (0.7 percent) in 2024-25. The school expects this drop to be partially offset by a small anticipated increase in master's program enrollment (expected to grow by 5 FTE students).

Core Funding Per Student Is Increasing. Beyond the Governor's proposed \$2.2 million General Fund increase, the school expects to generate an additional \$2.3 million in tuition revenue as a result of its planned tuition increases. Altogether, the school expects its core funding to increase \$4.5 million (5.6 percent). As Figure 5 shows, on a per-student basis, the school's core funding increases by approximately \$4,100 (5.9 percent).

Figure 5

School's Core Funding Continues to Increase

(Dollars in Millions, Except Per-Student Amounts)

	2022-23 Actual	2023-24 Revised	2024-25 Proposed	Change From 2023-24	
				Amount	Percent
Core Ongoing Funding					
Student tuition and fees	\$51.0	\$53.2	\$55.4	\$2.3	4.2%
General Fund ^a	18.8	21.0	23.2	2.2	10.6
Other ^b	3.3	1.3	1.3	—	2.9
Totals	\$73.1	\$75.4	\$79.9	\$4.5	5.6%
Full-time equivalent students	1,155	1,142	1,139	-2.8	-0.2%
Funding per student	\$63,280	\$66,046	\$70,170	\$4,124	5.9
^a Excludes lease revenue bond debt service and one-time funds.					
^b Includes State Lottery Fund, certain investment earnings, and income from scholarly publications.					

UC Law Is Budgeting for Several Cost Increases. As Figure 6 shows, UC Law is planning for several cost increases in 2024-25. Its largest planned cost increase is for student financial aid. UC Law also plans to fund a total of nine new positions, including six new tenure-track faculty and three lecturers. UC Law reports that despite the anticipated decline in enrollment, the college is hiring additional faculty to work towards an American Bar Association goal of having a minimum share of classes taught by full-time faculty. Beyond these expenses, UC Law intends to increase its overall employee salary pool by 3 percent as well as cover employee benefit cost increases. These costs are partially offset by savings associated with a reduction in certain rental payments and transfers.

UC Law Plans to Use Reserves to Cover Some Operating Costs. To cover expected operating costs, UC Law plans to use \$4.2 million of its reserves in 2024-25. This would be the third consecutive year that UC Law went into its reserves to pay for some of the school's ongoing operating costs. UC Law estimates its reserves will drop to \$24 million as of June 30, 2025. Even with the projected decline in reserves, UC Law still would have reserves equating to 3.3 months of operating expenses. UC Law projects that its reserves will begin to increase again in 2027-28.

Figure 6

School's Spending Plan Has Several Components

Changes in Core Spending, 2024-25 (In Thousands)

Spending Component	Amount
Student financial aid	\$2,257
Faculty hiring	1,891
Salary pool increase (3 percent)	1,032
Operating expenses and equipment	302
Benefit cost increases	101
Health Policy and Law master's program start-up	48
Office rent ^a	-586
Transfers ^b	-1,403
Total	\$3,642

^a Reflects savings from lower rent costs associated with three university facilities.

^b Reflects reduction in funding transferred to certain programs outside of the school.

LAO Comments

Reject Proposed General Fund Base Augmentation. As we discuss in The 2024-25 Budget: Overview of the Governor's Budget, the state faces large projected operating deficits over the next few years. Providing UC Law with an ongoing General Fund base augmentation in 2024-25 contributes to those deficits. We recommend the Legislature reject this proposal and retain state funding for UC Law at its existing level. Without a General Fund augmentation, the school still would have \$2.3 million in additional tuition and fee revenue that it could use to cover some components of its spending plan. Given it could not cover all of its spending priorities, the school indicates it likely would consider various cost-containment measures, including potentially providing smaller salary increases or hiring fewer new faculty. If the state budget situation were to improve in 2025-26, the state could offer UC Law a base increase at that time that it could afford.

Staff Comments

UC Law is a stand-alone law school, and therefore faces budget challenges that other UC Law schools, which are part of larger campuses, do not. The Legislature and Administration have recognized that in the past few years, providing healthy annual increases. While the Governor's Budget proposes a relatively small amount of new funding, the state's budget challenge requires further discussion this year of UC Law's budget and how the state and the college can potentially weather a few years of strained state budgets.

Staff notes that in addition to recent base increases, the 2022 Budget Act provided UC Law with \$90 million one-time General Fund to support the seismic strengthening of a student housing structure built in 1929. The project includes seismic structural upgrades conforming to UC Law's Seismic Safety Policy, partial replacement of systems including fire/life safety, window replacement and interior remodeling to achieve compliance with ADA/Title 24. The project also renovates space on the building's lower levels that would be used for academic purposes. Renovation of McAllister Tower will maintain 252 campus housing units at below-market rents that would otherwise no longer be available and add an estimated five new campus housing units for a total of 257 units at below-market rents. The project, which is in the first phase of construction now, will house UC Law students, but is also available to students at UC San Francisco, San Francisco State University, and other nearby university programs.

The state also provided \$3 million one-time General Fund in the 2023 Budget Act to support the Urban Alchemy program, which provides security for the college using non-traditional policing methods, including employing the formerly-incarcerated. The funding is to be used over a three-year period.

Suggested Questions:

- How will UC Law use the increased funding? How would the college handle its budget if this funding was not available?
- Can the college provide an update on the new student housing project?
- Can the college provide an update on the Urban Alchemy program?
- What are the college's enrollment plans over the next several years?

Staff Recommendation: Hold Open.

0954 Scholarshare Investment Board**Issue 4: CalKIDS Program Update**

The Subcommittee will hear an update on the California Kids Investment and Development Savings (CalKIDS) college savings program.

Panel

- Julio Martinez, Executive Director, Scholarshare Investment Board
- Noah Lightman, Manager, Children's Savings Accounts Initiatives, Scholarshare Investment Board
- Lisa Qing, Legislative Analyst's Office
- Jessica Deitchman, Department of Finance

Background

CalKIDS Program Provides College Savings Accounts to Children. The state created the CalKIDS program in the 2019-20 budget package. Under the program, the Scholarshare Investment Board (SIB) opens college savings accounts and makes deposits for eligible children. The deposits are invested so they have the potential to grow over time. (Parents cannot contribute to these accounts, but they may open a Scholarshare 529 account to save their own funds.) To access funds in a CalKIDS account, a family must register on SIB's online portal. Once the child goes to college, the funds in their CalKIDS account can be spent on qualified higher education expenses—generally tuition and fees, books and supplies, computer equipment, and room and board costs. The funds can be spent at any higher education institution eligible for federal financial aid as well as registered apprenticeship programs. If the funds are not spent by the time the beneficiary reaches age 26, the funds revert to the CalKIDS program.

All Newborns Receive Seed Deposits. The CalKIDS program has two main components. Under the first component, SIB is to open a college savings account for every child born in California and provide a seed deposit of at least \$100 in each account. This component is universal, meaning all newborns receive seed deposits regardless of their financial need. The state is providing \$15 million ongoing General Fund to support seed deposits for children born on or after July 1, 2022.

Low-Income First Graders Receive Additional Deposits. Under the second component of the CalKIDS program, SIB is to provide a deposit of \$500 to each first grader who is low-income (as defined under the Local Control Funding Formula). First graders qualify for an additional \$500 deposit if they are foster youth and an additional \$500 deposit if they are homeless, leading to a maximum deposit of \$1,500. SIB is to add these deposits to the existing CalKIDS accounts of

any first graders who had an account created as a newborn, while creating new accounts for any first graders who do not already have one. The state provided \$170 million ongoing General Fund to support deposits for low-income first graders beginning in 2022-23. Additionally, the 2021-22 Budget Act provided \$1.8 billion one time for deposits to low-income students enrolled in grades 1 through 12 in that year. Thus, eligible high school seniors who graduated in Spring 2022 and Spring 2023 are currently eligible for college funding.

State has funded several CalKIDS marketing and outreach efforts. The 2022 and 2023 Budget Acts included the following actions to support SIB for CalKIDS marketing and outreach:

- \$5 million ongoing for financial literacy outreach to CalKIDS participants and their families.
- \$5 million one-time for contracts with local college savings account programs to conduct outreach and coordinate with the CalKIDS program.
- \$3.1 million one-time and \$900,000 ongoing to send notification letters informing participants' families of their accounts.
- \$8 million in unspent program funds to support a statewide marketing and outreach campaign.
- Authorized a pilot program to allow Scholarshare to enter into data-sharing agreements with the Riverside County Office of Education and the Los Angeles Unified School District to increase outreach and participation in the CalKIDS program.

Millions of college savings accounts have been opened, more than \$12 million in support for college costs have been distributed, but participation is low so far. Scholarshare has provided the Subcommittee with participation information from the start of the program – July 1, 2022 – through the end of March 2024. The data indicates that:

- Scholarshare has opened accounts for about 3.6 million students and 667,000 newborns.
- About 7% of newborns and students who have had an account opened for them have registered with the program.
- More than 31,000 Scholarshare accounts have been linked to CalKIDS accounts, and nearly 30,000 personal accounts have been newly opened in conjunction with the CalKIDS accounts.
- About 24,000 students who have graduated from high school have requested funding, out of about 571,000 students who were eligible. (Eligible students are low-income students who graduated from high school in 2022 or 2023.)
- Students who are in college now have received about \$12.4 million in support for college costs.

CalKIDS Participation Results – Since Inception (July 1, 2022 – March 31, 2024)

Participant Group	Enrollments	Online Portal Registrations ³	Percent Registered ⁴	Online Distribution Requests	Amount of Distribution Requests (\$)	ScholarShare 529 Accounts Linked	Average ScholarShare 529 Account Savings	New ScholarShare 529 Accounts Opened and Linked ⁵	Opted Out Accounts
Newborns ¹	667,167	42,312	6.3%	N/A	N/A	14,971	\$3,280	14,862	49
Students ²	3,665,607	271,133	7.4%	24,044	\$12,366,837	16,353	\$2,533	14,528	24
Foster	30,786	2,008	6.5%	137	\$136,335	127	\$578	115	0
Homeless	172,165	9,398	5.5%	862	\$836,432	515	\$656	482	0
Foster & Homeless	1,383	83	6.0%	11	\$15,856	6	\$533	6	0
TOTAL	4,332,774	313,445	7.2%	24,044	\$12,366,837	31,324	\$2,890	29,390	73

Note: Approximately 3.6 million eligible student participants and over 667,000 newborns were automatically enrolled into the Program.

¹ Data for the newborn participants is reflective of births for months of July 2022 – March 2024.

² Foster, Homeless, and Foster & Homeless are subsets of the entire eligible student population.

³ Registrations mean the participant has viewed their account.

⁴ Percent Registered means the percentage of children registered compared to the enrollment amounts.

⁵ Linked New ScholarShare 529 Accounts means new accounts opened during this time period.

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Governor's Budget 2024-25

The Governor's Budget includes \$190.3 million ongoing General Fund for the CalKIDS program, which includes \$45.3 million to create new college savings accounts for newborns, \$140 million to create new college savings accounts for first-graders, and \$5 million for financial literacy outreach activities.

LAO Comments

We recommend reverting up to \$26.5 million in previous General Fund appropriations.

Recommend Reverting Unspent 2019-20 CalKIDS Funds. The 2019-20 budget appropriated \$25 million one-time General Fund for SIB to launch CalKIDS accounts for newborns. In 2021-22, the state provided \$15.3 million ongoing General Fund for the newborn accounts. Because the ongoing funding has fully covered the cost of the newborn accounts since they launched (July 1, 2022), SIB has not needed the 2019-20 one-time appropriation for this purpose. To date, SIB reports it has encumbered or spent \$380,000 of this appropriation for program administration and marketing. It is in the process of awarding an additional \$7.6 million for marketing, pursuant to a provision in last year's trailer legislation. After accounting for this anticipated spending, we estimate \$17 million of the 2019-20 appropriation remains available. Given these funds are no longer needed to cover program costs, we recommend reverting them to address the state budget deficit. (The funds have not reverted automatically because they are being held a special account—the CalKIDS Program Fund.)

Recommend Reverting Unspent 2022-23 and 2023-24 Funds for Financial Literacy Outreach. The 2022-23 budget provided \$5 million ongoing General Fund to SIB for a financial literacy outreach program serving CalKIDS participants and their families. This program remains under development. SIB reports it encumbered or spent \$500,000 of the 2022-23 appropriation, leaving \$4.5 million unspent. We are working with SIB to determine whether it has spent any funds from the 2023-24 appropriation. We recommend reverting the \$4.5 million in unspent 2022-23 funds, along with any unspent funds (up to \$5 million) from the 2023-24 appropriation. Under this approach, SIB still would retain \$5 million ongoing for the program in 2024-25, and it could use these funds for any program activities it anticipates launching in the coming months.

Staff Comments

College savings account programs can be an important tool in increasing college access and completion. Research has shown that when kids have a college savings account in their own name – even with less than \$500 in it – they’re three times as likely to attend college, and four times more likely to finish college. Programs such as CalKIDS are now becoming more common, in California and around the country. California cities and counties, including San Francisco, Oakland, Los Angeles, and San Joaquin County, have programs, as do states such as Tennessee, Pennsylvania, Indiana and Maine. California’s program is by far the largest in the country.

As the data indicates, the challenge for CalKIDS is in outreach and marketing, to ensure that California families understand that there is free money for college available to them. With only about 7% of families registering for their accounts, and only 4% of eligible students who have graduated from high school accessing their money, there is a clear need to increase awareness of the program. Scholarshare officials note that these participation rates are not significantly different from those in other states. Both the Legislature and Scholarshare have taken steps to address this issue.

Scholarshare has redesigned its website this year and made changes to initial letters to improve communication around the program. They have also sought to advertise the program in various media, from billboards to social media. Scholarshare reports it is close to awarding a contract for a large-scale media campaign using the \$8 million in funding provided in the 2023 Budget Act, and it awarded funding to 11 local college savings programs in May 2023, allowing those programs to conduct locally-based outreach. Based on trailer bill language in the 2023 Budget Act, Scholarshare and the Riverside County Office of Education have signed a data-sharing agreement that will allow Riverside access to Scholarshare data to understand which eligible students are not participating in the program, and to conduct outreach to those students.

Scholarshare notes that the complexity of the program makes marketing more difficult, as there are multiple target audiences: families of newborns, families of low-income first-graders, and

families of older students who are eligible for funding now or in the near future. It is unclear if administrative support is sufficient for a program of this size: CalKIDS has three staff.

In addition to administrative support, staff notes that it is unclear if the funding appropriated so far for this program is the right amount. Funding levels to launch the programs were set based on projected birthrates and K-12 enrollment, and an estimated start date, and the Department of Finance has confirmed that about \$120 million has been over-appropriated in previous years as actual enrollment and birthrates have been less than projected. That funding has already been swept.

Staff also notes that the Subcommittee has received a request from the John Burton Advocates for Youth to provide the current \$500 augmentation awarded to foster youth to all school age foster youth rather than only students who are in the foster care system during the first grade. This request is in line with a policy bill (AB 2508, McCarty.)

Suggested Questions:

- What are Scholarshare's participation goals going forward? What more can be done in the next year to improve visibility and understanding of the program?
- Has the \$8 million marketing contract been awarded? What are the goals of that contract?
- What is the current amount of unspent funds in the program?
- What is Scholarshare's response to the LAO recommendations to pull back some funding from this program?
- Can Scholarshare provide an update on the data-sharing agreement with Riverside County Office of Education? What are the goals for this project?
- Are there ideas for simplifying this program?

Staff Recommendation: Hold Open

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 3 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Mark Martin.

REPORT ITEM

1. **REPORT BY:** Deputy CFO and Controller Sandra Plenski
2. **SUBJECT:** Listing of Checks and Electronic Transfers over \$100,000
3. **REPORT:**

Listed below are checks & electronic transfers issued by the College for the period of 2/1/2024 – 4/30/2024:

Check Date	Check Number	Vendor	Check Amount	Description
2/2/2024	E0075124	Mid-Market Foundation	\$ 556,716.49	Urban Alchemy Security November and December 2023
2/9/2024	E0075161	Carbon Health Technologies, Inc.	\$ 292,740.00	Student Health Services – Spring 2024
2/16/2024	E0075274	George S. Hall, Inc.	\$ 190,068.57	Engineering Services – January 2024
2/16/2024	E0075283	The Regents of the University of California	\$ 106,833.79	UCSHIP Premium – Fall 2023
2/23/2024	E0075348	Perkins & Will, Inc.	\$ 703,843.71	Design Services -100 McAllister Renovation – August - November 2023
2/23/2024	E0075350	Plant Construction Company LP	\$ 154,942.65	Construction – 100 McAllister Renovation – January 2024
2/23/2024	E0075355	Township Building Services, Inc.	\$ 147,524.01	Janitorial Services – February 2024
2/28/2024	0281200	PG&E Company	\$ 179,501.24	Gas and Electric – October 2023 - February 2024
2/28/2024	ACH2376	Regents of the University of California	\$ 4,202,090.55	Payroll – January 2024
3/1/2024	E0075410	Township Building Services, Inc.	\$ 113,048.83	Janitorial Services – December 2023
3/8/2024	E0075462	Computershare	\$ 365,125.00	Bond Fund Series 2017 Interest Payment – April 2024
3/8/2024	E0075474	Computershare	\$ 744,736.29	Bond Fund Series 2017 Principal Payment – April 2024
3/15/2024	E0075499	George S. Hall, Inc.	\$ 177,946.00	Engineering Services – February 2024
3/15/2024	E0075505	Mid-Market Foundation	\$ 274,686.79	Urban Alchemy Security – January 2024
3/20/2024	0281284	PG&E Company	\$ 181,839.73	Gas and Electric – December 2023 - March 2024
3/22/2024	E0075570	MF Digital Marketing, Inc.	\$ 122,328.16	MSL Advertising – December 2023
3/25/2024	ACH2384	Regents of the University of California	\$ 4,034,121.89	Payroll – February 2024
3/28/2024	E0075650	The Regents of the University of California	\$ 680,307.16	UCSHIP Premium – Spring 2024
3/29/2024	E0075637	Perkins & Will, Inc.	\$ 580,357.97	Design Services -100 McAllister Renovation – December 2023 - January 2024
3/29/2024	E0075638	The Regents of the University	\$ 800,000.00	UCShip Premium – Spring 2024
3/29/2024	E0075644	UCSF Police Department	\$ 225,336.00	UCSF Security – October 2023 - December 2023
4/5/2024	E0075810	Applied Video Solutions, Inc.	\$ 101,868.95	Pilot Project - Weapon Detection Upgrades – March 2024
4/12/2024	E0075879	West Academic Publishing	\$ 127,720.00	Bar Passage Membership – February 2024 - July 2024
4/19/2024	E0075936	George S. Hall, Inc.	\$ 177,946.00	Engineering Services – March 2024
4/19/2024	E0075951	Township Building Services, Inc.	\$ 149,635.21	Janitorial Services – April 2024
4/26/2024	E0076047	Mid-Market Foundation	\$ 245,037.49	Urban Alchemy Security – February 2024
4/26/2024	E0076049	Perkins & Will, Inc.	\$ 701,344.86	Architecture – February 2024
4/26/2024	E0076050	Plant Construction Company LP	\$ 178,765.94	Construction – 100 McAllister Renovation – February 2024
4/29/2024	ACH2391	Regents of the University of California	\$ 4,015,679.19	Payroll – March 2024