

A LOOK AT THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

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INTRODUCTION.....	page 1
POLITICAL CONNECTIONS.....	page 3
MONEY.....	page 7
CONCLUSIONS.....	page 11
THE IDEA OF DEMOCRACY.....	page 12
NOTES & REFERENCES.....	page 15
TALLY SHEET.....	back cover

"Everybody knows this - and now someone has actually researched it."

- Lisa Simpson

The Governor's appointments to the UC Board of Regents must be confirmed by the State Senate. Usually this is only a formality; however, the Hearing on April 4, 1990, before the Senate Rules Committee produced this interesting colloquy.

SENATOR MELLO: [I]f you look at the results, the University is not doing the kind of excellence in higher education that we once achieved.

I know Jerry Brown appointed a lot of his friends, I guess, to the Board of Regents. I guess each Governor does the same thing....

[I]t's sort of a family of close friends of the Governor that gets the nod to serve on the University.

This gentleman [someone just nominated as a Regent by Governor Deukmejian] will be up here pretty soon. To my knowledge, he hasn't involved himself too much in education....

CHAIRMAN ROBERTI: I agree with what you're saying, Senator Mello, but I might interject that it's been thus on the Board of Regents....

[T]he area from which people are selected, ever since, I think, any of us can remember politics in California, has been a narrow group of people that the Governor's selected.

SENATOR MELLO: That's very true....

I'm just saying that we all should be thinking about the diversity in California, and the fact that we have an opportunity to really fulfill the kind of education that we want and dream for all of our students.

INTRODUCTION

The University of California shall constitute a public trust, to be administered by the existing corporation known as "The Regents of the University of California," with full powers of organization and government, ... Said corporation shall be in the form of a board composed of seven ex officio members, ... and 18 appointive members appointed by the Governor ...

The university shall be entirely independent of all political or sectarian influence and kept free therefrom in the appointment of its regents and in the administration of its affairs ...

- from Article IX, Section 9 of the Constitution of the State of California

This wonderful idea - the political independence of the university - is the central thing to keep in mind. How else can a democracy explain the monarch-like powers given to the Board of Regents? The legitimacy of the regental-corporate system for governing the university rests upon the faithful protection of this independence.

In contrast to this high-minded principle, seasoned observers of the California scene describe the actual appointment of the university's Regents in quite different terms. According to the authors of "California Green Book - The authoritative reference on California government and politics":

In reality the appointments [as UC regents] are highly prized and virtually always go to men and women who have supported the appointing governor.

Similarly, the authors of "California Political Almanac" state:

The long-term appointments as [UC] regents are considered to be among the most prestigious civic positions in California, much prized by the wealthy and politically well-connected.

As for the ex officio Regents, four are elected state officials: the Governor, the Lieutenant Governor, the Speaker of the Assembly, and the Superintendent of Public Instruction. Over the last two years the Board of Regents and its several committees met on a total of 31 days, and these four ex officio Regents were present on only 3, 14, 1 and 2 of those days, respectively; that is an average attendance record of 16 %. Three other Board members serve one year terms: the President and the Vice President of the Alumni Association, and one student. Finally, there is the President of the University, appointed by the Regents to be their chief executive officer.

Thus, the overwhelming weight of power lies with 18 appointed Regents, who hold 12 year terms. Presently, four of these Board members remain from appointments made by Governor Jerry Brown (Democrat 1975-83); the large majority of 14 were appointed by Governor George Deukmejian (Republican 1983-91.)

These appointed Regents are the subject of the study reported here; and the central question is: What qualifications led to the selection of these particular individuals to run the world's greatest public university?

University of California, Berkeley
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Berkeley, California 94720
May 10, 1991

Governor George Deukmejian
Sidley and Austin
633 West 5th Street Suite 3500
Los Angeles, CA 90071

Dear Governor Deukmejian;

As a UC faculty member, I have long been concerned with deep-rooted questions concerning the governance of this university. During your eight years as Governor of California, you appointed most of the present members of the University's Board of Regents, and those choices will continue to have a profound influence upon the course of the university for many years.

I have begun a research project trying to look closely at the nature of the Board of Regents; and it would be of enormous assistance to me if you would consent to an interview on this subject. I would like to learn of the general philosophy guiding your choice of Regents, as well as particular criteria that you applied in individual cases.

I am very flexible about arrangements for this interview; and I shall call your office in several days to see if an appointment can be arranged.

Thank you for your consideration.

Sincerely yours,

Charles Schwartz
Professor of Physics

Sidley & Austin
633 West Fifth Street Suite 3500
Los Angeles, California 90071
May 16, 1991

Professor Charles Schwartz
University of California, Berkeley
Department of Physics
Berkeley, California 94720

Dear Professor Schwartz:

This is in reply to your request for an interview regarding appointments that I made to the Board of Regents.

It has been my policy not to give interviews regarding personnel matters. Therefore, it would serve no purpose to arrange for such an interview.

Most cordially,

George Deukmejian

The sources of information I have used are all written materials in the public domain, principally: documents from the public information offices of the university, biographical reference books, newspaper and magazine indexes and microfilm, interviews with political figures found in the library's oral history collection, financial disclosure and campaign contribution records - provided by California's Fair Political Practices Commission (FPPC) - and a variety of other references found in the library.

It should be understood that these data sources cannot tell the complete story. The biographical sources provide only what the subject persons choose to disclose; the records of campaign contributions and financial holdings have lapses and loopholes that prevent us from getting the complete picture; the details of political appointments and private business relations are customarily shrouded in secrecy. Nevertheless, what emerges from this compilation is a striking revelation.

POLITICAL CONNECTIONS

The data I present below on the fourteen Regents appointed by Governor Deukmejian are not intended to be complete *curricula vitae* for these individuals; rather, I have selected that information which may shed some light on the question of how each of them may be tied in with the Governor who appointed them.

First, for reference, a chronology of George Deukmejian's political career:
elected to the Legislature (Assembly) 1962, 1964 (minority whip 1965);
elected to the State Senate 1966, 1970, 1974 (majority leader 1970);
elected Attorney General of California 1978;
elected Governor of California in 1982, and reelected in 1986.

WILLIAM T. BAGLEY, a lawyer and politician from San Rafael, was appointed to fill a vacancy on the UC Board of Regents in 1989, and re-appointed to a full term in 1990. He was first elected to the Assembly of the California Legislature in 1960, and served there through 1974. He has described himself as one of a band of four "Young Turks" in those early years in the legislature; and when Deukmejian arrived in Sacramento, Bagley said, "He became one of our guys." After four years in Washington, Bagley returned to California and was Chairman of the Board of the California Republican League, the moderate wing of the party, during 1980-82; and he took an early leading role in the Committee of 100 that promoted Deukmejian's candidacy for governor before the 1982 primary campaign. The Governor later appointed Bagley to the state Public Utilities Commission 1983-86, and to the California Transportation Commission 1983-89, and also its chairman. Bagley made personal contributions of \$2,536 to Deukmejian's campaign during 1981-82.

ROY T. BROPHY, a real estate developer and builder in Sacramento, was appointed to the Regents in 1986. He has been active in the Republican Party, serving as Chair of the Sacramento County Republican Central Committee and also on the statewide Republican Central Committee. Early in the race for the 1982 Republican gubernatorial nomination, Brophy hosted a \$30,000 fund-raiser for Deukmejian at his home in Sacramento County. Through three of his companies, Brophy contributed a total of \$10,600 to Deukmejian's campaign funds during 1981-88.

CLAIR W. BURGNER, a San Diego realtor and politician, was appointed a UC Regent in 1988. His terms in the state legislature paralleled Deukmejian's: first elected as Assemblyman in 1962, 1964, and then as State Senator in 1966, 1970. He was then elected to the Congress and served in Washington 1973-83. When Deukmejian ran for the governorship in 1982 he faced a tough primary contest within the Republican Party: Mike Curb, then the Lieutenant Governor, had the support of powerful sectors within the party. Burgner, an important leader in the San Diego region, put his support behind Deukmejian in the primary. Then, in the last month before the November 1982 election, some embarrassing remarks by Deukmejian's campaign managers necessitated their removal, and Burgner stepped in as co-manager of the campaign. In 1986, the year of Deukmejian's second election campaign for the governorship, Burgner was Chairman of the state Republican Party and also served as one of two California representatives on the Republican National Committee. The California Republican Party contributed \$45,198 to Deukmejian's 1986 reelection campaign, and the Republican National Committee contributed \$40,000 that same year. Burgner also made campaign contributions to Deukmejian, from both his personal and campaign committee funds, amounting to \$2,351 during 1982-84.

W. GLENN CAMPBELL is recently retired as the director of the Hoover Institution at Stanford. He was originally appointed to the UC Board of Regents by Governor Reagan in 1968; Deukmejian reappointed him in 1984. Campbell was chairman of the Board of the Ronald Reagan Presidential Foundation 1985-87.

FRANK W. CLARK, JR. is the senior partner in the Los Angeles law firm Parker, Milliken, Clark, O'Hara & Samuelian. He was originally appointed to the Board of Regents by (Democratic) Governor Jerry Brown in 1980; and Governor Deukmejian reappointed him for another term on the Board in 1988. Over the years 1984-88 Clark personally contributed \$17,675 to Governor Deukmejian's campaign funds; and the law firm he heads also contributed a total of \$55,558 during 1985-88. Clark's junior partner, Karl Samuelian, was the fund-raising chief of Deukmejian's gubernatorial election campaigns.

TIRSO DEL JUNCO, a Los Angeles physician and entrepreneur, was appointed to the Board of Regents in 1985. He founded the Los Angeles National Bank and was its chairman; and he has been very active in California politics. Del Junco was president of the California Republican Assembly, the conservative wing of the party, in 1968; and he has held several positions in the California Republican Party itself: Assistant Secretary 1968-72, Secretary 1972-76, Vice-Chairman 1979-80; and Party Chairman 1981-83, when Deukmejian won the primary and went on to be elected governor. He has said, regarding the Party's role in that election, "We gave a hundred thousand dollars to the governor's race." (Records show that the California Republican Party gave \$96,750 to the Deukmejian campaign in the 1982 general election.) In 1983 Deukmejian appointed him to the Air Resources Board. Del Junco personally contributed \$2,000 to Deukmejian's reelection campaign in 1985-86.

ALICE J. GONZALES, of Rocklin, has been active in community affairs and government service for many years. In 1983 Governor Deukmejian appointed her Director of the California Department of Aging. In 1990 he appointed her Director of the state's Employment Development Department, and also to the Board of Regents.

S. SUE JOHNSON, of Riverside, has been active in local philanthropies, and she previously served as an ex officio Regent in 1988-89 as Vice President of the UC Alumni Association. She was appointed by the Governor to a full term on the Board of Regents in 1990. Governor Deukmejian received campaign contributions totalling \$23,500 over the period 1982-86 from the Johnson Tractor Company of Riverside, which is owned by Johnson and her husband.

MEREDITH KHACHIGIAN, of San Clemente, has been active in business and community affairs. She was appointed to the Board of Regents in 1987, and reappointed in 1989. Her husband, lawyer and political consultant Kenneth L. Khachigian, has been described in the California Journal as one of Deukmejian's "three closest political advisors." He was a Staff Assistant in the White House 1970-74; then continued as Editorial Consultant to former President Richard Nixon 1975-78; Chief Speechwriter for President Reagan 1979-81; Consultant and Senior Advisor to George Deukmejian during his first gubernatorial campaign in 1982; Director of Issues and Research for the Reagan-Bush Campaign 1984. Khachigian and her husband contributed \$3,500 to the Governor in 1984-86.

LEO S. KOLLIGIAN, an attorney and developer in Fresno, was appointed to the Board of Regents in 1985. He was chairman of a pivotal fund-raising dinner for Deukmejian early in the race for the 1982 gubernatorial nomination. Kolligian contributed \$20,108 to Deukmejian's campaign funds over 1981-88.

HOWARD H. LEACH, of Pebble Beach, has been a major figure in California agri-business for over three decades, and is a principal in private investment banking firms in San Francisco and New York. Leach was appointed as a Regent in 1990. He was also a member of the Republican State Central Committee. Over the period 1985-86 Leach personally contributed \$8,970 to Deukmejian's election campaign, and six of the companies he controls also made contributions to the Governor amounting to \$40,300 during 1984-88.

S. STEPHEN NAKASHIMA, a lawyer and CPA in San Jose, was appointed to the UC Board of Regents in 1989. He has long been active in the Republican Party. He was Co-Chair of Reagan for President in Santa Clara County in 1980 and 1984; and he was Co-Chair of Governor Deukmejian's campaign in Santa Clara County in 1982 and 1986. He personally contributed \$4,000 to Deukmejian's campaigns in 1985-88.

DEAN A. WATKINS, a Palo Alto business executive, was originally appointed to the UC Board of Regents by Governor Reagan in 1969; and he was reappointed by Deukmejian in 1984. Watkins was president of the California Chamber of Commerce in 1981; and he was a member of the California Republican Central Committee 1964-68. He personally contributed a total of \$11,500 to Deukmejian's campaign funds over the period 1981-88; and the company he heads, Watkins-Johnson Co., contributed an additional \$21,000 to Deukmejian during 1985-88.

JACQUES S. YEAGER, who is in the construction business in Riverside, was appointed to the UC Board of Regents in 1988. His firm, E.L. Yeager Construction Co., is one of the state's largest contractors, having done \$128,784,360 in highway construction projects for CalTrans during 1984-86. In the 1982 primary campaign Yeager was originally a supporter of Mike Curb, Deukmejian's chief rival for the

Republican gubernatorial nomination. Then, in a dramatic public move, Yeager broke with Curb over the issue of the peripheral canal. Two of his companies made contributions to Governor Deukmejian's campaign of \$6,250 in 1984-86.

The pattern is overwhelmingly clear and consistent: Governor Deukmejian bestowed appointments to the UC Board of Regents as a reward to his most valuable political supporters. This is the epitome of the "spoils system", described in our high school history books as a corrupt commonplace of American politics of the last century. Lo, the spoils system is very much with us today in the University of California.

This practice is not new to the last decade nor reserved to Republican governors. Deukmejian's immediate predecessor, Governor Jerry Brown (elected 1974 and 1978) was a Democrat with eclectic tastes in almost everything, including his appointments to the UC Board of Regents. Yet, among his appointments we can find examples of the same system of political patronage: (There are no published records of campaign contributions prior to 1977; and the 1982 data is incomplete.)

SHELDON W. ANDELSON, of Los Angeles, a founder of the Bank of Los Angeles, was an active Democratic Party fund-raiser. He contributed \$5,187 to Governor Jerry Brown during 1981-82, when Brown ran for the U.S. Senate. He served as a Regent from 1982 to 1987.

JEREMIAH F. HALLISEY, a San Francisco lawyer, was: state Chairman of the Finance Committee for Brown's election campaign in 1973-74; Northern California Chair of Brown's reelection campaign in 1977-78; and Treasurer, Brown for U.S. Senate in 1981. Brown appointed Hallisey as a UC Regent in 1982.

JOHN F. HENNING, of San Francisco, was Executive Secretary-Treasurer of the California Labor Federation AFL-CIO for many years. That organization gave \$15,000 to Brown's 1977-78 campaign and \$5,400 in 1981-82. Henning was appointed to the Board of Regents in 1977 and served until 1989.

STANLEY K. SHEINBAUM, also of Los Angeles, is an outstanding contributor to Democratic candidates. He and his wife gave contributions of \$23,876 and a loan of \$10,000 to Jerry Brown's campaign in 1977-78. Sheinbaum was appointed to the Board of Regents in 1977 and served until 1989.

Currently, there are four remaining Regents appointed by Governor Brown; their terms on the Board will expire in 1992, 1993 or 1994.

YVONNE BRATHWAITE BURKE, a Los Angeles lawyer, was formerly a State Legislator and a Member of Congress.

JEREMIAH F. HALLISEY was described above.

YORI WADA is retired Executive Director of the Buchanan YMCA in San Francisco.

HAROLD M. WILLIAMS, president of the J. Paul Getty Trust in Los Angeles, was formerly head of a large corporation, Dean of Management at UCLA and Chairman of the U.S. Securities and Exchange Commission.

MONEY

In the olden days, the governing boards of institutions of higher education were naturally the preserve of the rich (for ordinary colleges) and the very rich (for the elite universities.) This may have been excused in terms of the necessity of such institutions to cater to those few citizens who were in the position to give generous gifts and endowments for the preservation of culture, the advancement of knowledge, and the spreading of right learning.

In this more democratic era, with primary support for higher education and research provided by the public treasury, one may well ask whether - and if so, why - those who rule the university are still disproportionately chosen from among the wealthy classes.

Reliable data on this topic is not generally available to the public; but some indications of the wealth of members of the UC Board of Regents may be got from the financial disclosure statements which they are obliged, by State law, to file for public viewing.

The table on the next page summarizes the reported investments of current appointed members of the Board of Regents for the calendar year 1990. Readers need to be warned, however, that this data may be very misleading because the rules for disclosure state that several major categories of investment need not be reported. These exemptions include:

- Bank accounts, savings accounts and money market accounts;
- Diversified mutual funds registered with the SEC;
- Government bonds (treasuries, municipals, etc.);
- Personal residences.

In addition, the way in which investment values are reported allows for a large range of uncertainties as to the actual values of the holdings. The value of each investment is checked as being either: \$1,000-\$10,000, \$10,001-\$100,000, or Over \$100,000. Thus, someone may have many millions of dollars in some enterprise, and yet they need only report that this investment is valued at "Over \$100,000."

Therefore, the numbers in Table I should be read as lower limits of the individuals' private wealth. **The true wealth of each of the Regents is certainly greater, and probably very much greater, than the amount shown here.**

Table I. Reported (Minimum) Wealth of the Appointed UC Regents

Bagley	\$ 242,000.
Brophy	\$ 1,522,000.
Burgener	\$ 384,000.
Burke	\$ 441,000.
Campbell	\$ 731,000.
Clark	\$ 710,000.
del Junco	\$ 1,100,000.
Gonzales	(NA)
Hallisey	\$ 341,000.
Johnson	\$ 820,000.
Khachigian	\$ 18,000.
Kolligian	\$ 2,764,000.
Leach	\$ 4,368,000.
Nakashima	\$ 4,061,000.
Wada	\$ 102,000.
Watkins	\$ 400,000.
Williams	\$ 232,000.
Yeager	\$ 3,084,000.

Sum of the lower limit values of Investments and Interests In Real Property reported in Schedules A, B, C-1 and C-2 of the Statement of Economic Interests (Form 730) filed for the calendar year 1990.

We can compare the data on the wealth of these individuals, shown in Table I, to that of the general population. The median wealth of the appointed UC Regents is more than, and probably very much more than, \$700,000, while the median wealth of all American families is estimated to be about \$46,000. Looked at another way: it is most likely that more than half of the appointed Regents are millionaires; and by comparison it is estimated that only about one in 240 Californians is a millionaire.

Thus, we see that the old pattern of rich people dominating control of the university remains intact: **The median wealth of the appointed UC Regents is over 15 times that of the general population of America; and the proportion of millionaires among these Regents is over 100 times that among the general population of California.**

A second category of money data concerns the positions that people hold in the world of business: as officers or directors of companies. Table II presents a compilation of this type of information which I have collected. This is information reported on Schedule G of Form 730 for 1990, excluding non-profit organizations. Corporate financial data, shown in { } where available from library sources, represents the company's annual Revenues, unless identified as Assets.

Here, again, we see an intense concentration on the UC Board of Regents of people who are integrated within the highest segment of corporate wealth and power - **on the average, each Regent is at the head of more than 4 companies.** This is far removed from the circumstances of the average citizen of California.

Table II. BUSINESS POSITIONS OF THE APPOINTED UC REGENTS

Bagley	
Partner	Nossaman, Guthner, Knox & Elliott (law firm)
Brophy	
President	Roy T. Brophy and Associates, Inc. (builder and developer)
"	Brophy Development Co. (construction and development)
"	Nueva Cordova Construction Co.
"	Coyle Avenue Medical Complex Owners Assoc.
Gen. Partner	Madison Hills I, II, & III
"	Royale Road Equipment Co.
Burgener	
President	Burgener Properties, Inc. (real estate brokerage and development)
Director	San Diego Trust & Savings Bank {Assets \$1.39 Billion}
"	San Diego Gas & Electric Co. {\$2.08 Billion}
"	Blue Shield of California {over \$100 Million}
"	T.C.S. Enterprises, Inc. {\$7.4 Million}
"	Management Analysis Co. {\$40 Million}
Burke	
Partner	Jones, Day, Reavis & Pogue (law firm)
Director	Educational Testing Service {\$150 Million}
"	Federal Reserve Bank of San Francisco {Assets \$35.75 Billion}
Advisory Bd.	Nestle, N.A. {\$29.5 Billion}
Clark	
Partner	Parker, Milliken, Clark, O'Hara & Samuelian (law firm)
Consultant	The May Department Stores Co. {\$9.53 Billion}
Trustee	18 separate trusts
del Junco	
President	Tirso del Junco, M.D., Inc.
Consultant	Frawley Corp. {\$32 Million}
Partner	Del Junco/Poindexter Partnership (real estate)
Gardner (President of the University)	
Director	First Security Corp/Bank {Assets \$5.16 Billion}
"	Fluor Corp. {\$6.28 Billion}
Hallisey	
President	Hallisey & Johnson (law firm)
Johnson	
Partner	Johnson Machinery Co. {\$5-10 Million est. }
Kolligian	
Sole Prop.	Leo Kolligian (law firm)
President	The Kolligian Group (investments)
Partner	7 separate real estate ventures
Ltd. Partner	5 separate oil exploration ventures
"	Shearson Equipment Investors
"	Freedom Tax Credit Plus
Leach	
President	Leach McMicking & Co., Inc. (private investment banking)
"	Leach Capital Corp. (private investments)
"	Cypress Farms, Inc.

"	RPC Farms, Inc.
"	San Francisco Aviation Co.
Chairman	Kestrel Dental Corp.
"	Royal Packing Co. {\$22 Million}
"	American Farms, Inc.
"	Charles G. Watts, Inc. dba Cream of the Crop
"	Merit Packing Co.
"	Hunter-Melnor, Inc. {\$170 Million}
"	Cortec Industries, Inc.
Director	Fleming Companies, Inc. {\$12.05 Billion}
"	FL Aerospace Corp. {\$169 Million}
"	The Pullman Company {\$924 Million}
"	Frye Copysystems, Inc. {\$50-100 Million}
"	Michaels of Oregon
"	Shippers Development Co.
Ltd. Partner	Forstmann Little & Co. {\$ several Billion}
"	Leach McMicking & Co., Limited Partnership
Gen. Partner	Larson Cooling Co.
"	Rose Ranch Partners
"	The Uni-Kool Co.
 Nakashima	
Partner	Nakashima & Boynton (law firm)
Director	Stanford Applied Engineering, Inc. {\$36 Million}
"	Shogun, Inc.
"	Semix, Inc.
"	Atatta, Inc.
Ltd. Partner	Oak Hill Development Co.
 Wada	
Trustee	Working Assets Money Fund {Assets \$246 Million}
 Watkins	
Chairman	Watkins-Johnson Co. (electronics manufacturing) {\$310 Million}
Owner	Ranch, in King City
Ltd. Partner	Lagunitas Partnership
 Williams	
Director	Pan Am Corp. {\$3.57 Billion}
"	Times Mirror Corp. {\$3.52 Billion}
"	American Medical International {\$3.11 Billion}
Advisory Bd.	New Perspective Fund {Assets \$1.23 Billion}
 Yeager	
President	E. L. Yeager Construction Co. {\$90 Million}
"	Yeager Environmental Services, Inc.
Vice Pres.	Southwestern Aggregates, Inc.
"	Agua Mansa Landfill, Inc.
"	Riverside Freight Lines, Inc.
"	Goslin Tire Service, 3 separate branches
"	Inland Investments, Inc.
Partner	Yeager Brothers (land investment)
"	E. L. Yeager Co. (equipment rental)
"	Inland Stripping and Sealcoating
"	Southwest Machinery
Director	Security Pacific National Bank {Assets \$77.87 Billion}

CONCLUSIONS

The data collected and presented in this report compel us to conclude that the appointment of UC Regents is overwhelmingly influenced by political favoritism and the resulting population of the Board of Regents is grossly skewed in favor of the very rich. This situation is clearly in violation of the fundamental principle - *The university shall be entirely independent of all political or sectarian influence* - set forth in the founding document of this public university. This raises a profound challenge to the legitimacy of the existing structure of the Regents.

Such criticisms aimed at the UC Board of Regents are not new. In 1974 amendments were added to the California Constitution ostensibly to correct this problem. Two new paragraphs added to Article IX, Section 9 read:

Regents shall be able persons broadly reflective of the economic, cultural, and social diversity of the state, including ethnic minorities and women. However, it is not intended that formulas or specific ratios be applied in the selection of regents.

In the selection of the Regents, the Governor shall consult an advisory committee composed as follows: ...

It is clear from the present study that these amendments have had at most token effects upon the selection and the composition of the Regents. One should not be surprised by this, since the added language is not meant to be binding and probably could never be enforced.

I think we should conclude that so long as the political basis of the present system remains - appointments to the Board of Regents made by the Governor - then it is unavoidable that the elements of political payoff and the weight of private monies will dominate. That is to say, the University cannot achieve or maintain the political independence to which it aspires, nor can it faithfully fulfill the public trust.

The present system is certainly advantageous to the political players and rich contributors who have, traditionally, got their rewards from a grateful governor in the form of an appointment to the prestigious Board of Regents of the University of California. Once appointed, these Regents run the university according to their own particular desires, without having to be accountable to anyone. The losers have been all the students, faculty, and other employees of the University - as well as the taxpaying citizens of California - who have had their public university captured and kept by this bunch.

In seeking constructive alternatives, I believe one ought to look beyond merely tinkering with details of the existing Regental system and consider some radical restructuring of the method by which the university is governed; and I think the starting point for any such thinking should be with fundamental ideas of democracy. I have developed some preliminary ideas, which are outlined in the following pages.

THE IDEA OF DEMOCRACY IN THE UNIVERSITY OF CALIFORNIA

Background and Motivation for the Idea

How can a university, especially a public university like UC, effectively serve our dynamic democratic society when its own internal government is under the absolute control of the anachronistic, aristocratic and autocratic Board of Regents? This situation, not unique to UC but shared by universities across the country, is a major contradiction in principle, and a frequent embarrassment to many of us who devote our lives to the university; but for the most part we adopt the habit of ignoring this problem or just accepting the status quo as unchangeable.

Over the past few years we have witnessed a global eruption of democracy in places and in ways that we did not imagine possible. We have all rejoiced in the overthrow of totalitarian dictatorships by the people under them, first in Eastern Europe and now inside the Soviet Union; we are heartened by the progress toward democracy in South Africa; and we celebrate the heroes of Tiananmen Square.

For many Americans these historic developments are merely a source of self-satisfaction: *they* are now getting what *we* have long had - democracy. But democracy must face ever-changing needs. Democracy in America, it seems to me, has been stagnant for quite a while; many people despise, or despair of, conventional politics. Thus a great challenge posed by these recent world events to citizens of this country is this: How can we seek to revive the spirit and the practice of grass roots democracy in America? This effort is my response: the experiment I propose is to be conducted in the institution where I work; I am committed to give it a serious and sustained try. The outcome, of course, depends entirely upon how others around me respond.

General Outline of the Proposal

A university campus is a good size for a unit of democracy - for above all else the prime measure of a healthy democracy is that the greatest number of citizens actively participate in the process of government decisionmaking. That means a lot more than the usual passive role of just going to the polls every couple of years to mark your choices on a ballot that you had no part in shaping. Democracy is weakest in this country at the national level - election campaigns, led by cardboard characters mouthing bland sentiments, spending enormous amounts of money for slick selling on TV. In our cities, however, election campaigns as well as debates over local policy issues are quite a bit more open and accessible to the citizens. Another model, for us in the university, is to remember how our public schools are administered: by a local school board whose members are elected by their own community and who remain closely in touch with and responsive to that constituency.

My general plan for democracy in UC takes the present hierarchy of administration and turns it upside-down. Presently, the Regents sit in complete command and, once appointed by the governor, they are accountable to nobody. The Regents define the general policies of the university, they set the priorities within each year's operating budget for the university, and they appoint the top administrators who will carry out these edicts on each campus of the UC system.

I propose that each campus should have its own local government - much like a city's - with an elected Campus Council, which would define policies, set budget priorities, and appoint top campus administrators to carry out these edicts. Also elected locally would be the Chancellor of each campus (like the mayor of a city), who would be the chief executive of that campus as well as the campus' representative on a statewide Council of Chancellors. This Council would assume the duties of coordinating policies and budgets of the several campuses into an overall university government - thus taking on most of the present power of the Board of Regents, but being fully accountable to the electorate below. Finally, the President of the University and the statewide bureaucracy under his command would now be appointed by and serve the functions specified by the Council of Chancellors, thus becoming the servant of the campuses rather than their boss.

Rather than completely abolishing the Regents, I would reserve for them an honorary and useful role as watchdogs over the integrity of the university's financial resources and management - a significant public service but one without policymaking power.

An essential feature of any good university is the delegation of autonomous authority over purely academic matters to the faculty. In my proposal, all duties and authorities now reserved to the Academic Senate would stay that way.

This whole plan, if implemented in some form or other, would have an important side effect, beyond making the university itself a more democratic institution. It would enhance and stimulate the practice of democracy among our students, who will "go forth and become the leaders of society" (quoting from any graduation speech.) Thus the benefits of more and better democracy may extend well beyond the campus.

Some Important Details of the Plan

The single most contentious question left unanswered in my general outline is, Who would be the electorate in this new scheme? Some imagine it would be the general voters of California. Some think it should be just the faculty members on a campus. One can see that either of these extremes will be unacceptable.

The answer to this question is not one for me, or anyone else, to dictate. It must be worked out by an extensive process of open discussion, debate and consensus building. In my outline of the plan, I call for a Constitutional Convention to be convened on each campus of UC, where all concerned members of the campus and community will engage in the exploration for a common ground upon which such local democracy may be constructed. This process will be an essential test of the whole concept of revitalizing grass roots democracy in our society. Do we in the university have the intelligence and the good will and the sense of community and the commitment to rational discourse and the love of the ideal of democracy, which are all necessary to overcome our many individual differences of opinion and interests and to help us reach a common goal? Only by trying can we find out.

For starters, here is my own proposal for defining the campus electorate: faculty, staff and students each get to elect an equal number of their own representatives on the Campus Council. In addition, one may include a number of off-campus representatives; for example, they might be appointed by the mayors of adjacent

cities and by the local alumni association. This should give a balanced representation for all local parties who are directly affected by the operation of the campus.

One might ask, Where, in this scheme, is the interest of the general taxpayer of California represented? My answer is that the State Legislature and the Governor determine the overall budget of the University of California each year, and this is where the taxpayer is properly represented. The internal details of how the University runs its business should be free of external interference - although, of course, the budget hearings and negotiations in Sacramento allow for a healthy interchange. That is exactly the principle and process that now applies under the Regents' rule; and I would preserve that arrangement of the separation of university and state.

Response to Some Criticisms and Alternative Proposals

One common criticism of the democracy proposal is: This will politicize the campus. My response is that the campuses are already under the weight of a political regime - the political bent of the Board of Regents.

When the Regents decided to renew their contract for managing the nuclear weapons laboratories at Livermore and Los Alamos (against the expressed wish of the faculty), when the Regents decided to change the way in which students might contribute to the environmental group CALPIRG (against the expressed wish of the students), and when the Regents decided to increase student fees by 40% (against the Governor's budget message which called for an increase of "only" 20%) - these were definitely the expressions of a political (not academic) set of values.

There is no way that the university can be free from the politics of the society that supports it; but what is perverse is for political power in the university to be monopolized and obfuscated by an elite group, the Regents, that is accountable to nobody. My proposal will make the inescapable politics of administering the university more open, more honest and more diverse - that is the essence of the democratic process.

One alternative proposal (which some have mistakenly thought to be my proposal) is to keep the entire administrative structure of the university intact, but have the members of the Board of Regents chosen by a popular election. I reject this plan for two reasons. First, a statewide election for Regents would be a farce because money, rather than substance, would dominate the campaign, particularly since most voters in California have very little understanding of what the university is about. Second, by keeping the old hierarchical system, we would lose the opportunity to encourage and build the large base of citizen participation which I spoke about earlier as a great educational bonus of the democracy proposal.

Some think it easier to preserve the existing regental system with some modest reforms; but we already noted that this approach has been tried, and it failed. We need to try something that goes deeper. Do not be afraid of democracy. We all need to talk about it more together. I encourage people on every campus to arrange public forums for the discussion and exploration of these ideas.

NOTES & REFERENCES

The following sources, labeled A, B, C, ..., will be cited repeatedly (as ref. A, etc.)

Data provided by the University of California Systemwide Administration

- "University of California Phone Directory," annual book includes Regents' names, addresses and expiration dates of their terms. (Used for all Regents.)
- Regents' Biographies, available from the Office of the President - News Services, 300 Lakeside Drive, 22nd Floor, Oakland, CA 94612-3550. (Used for all Regents.)
- A. Financial Disclosure Statements (Form 730) available from the office of the Coordinator, Information Practices and Special Projects, 300 Lakeside Drive, 21st Floor, Oakland, CA 94612-3550 (Form 730 also includes reports of Income, but this is not very useful as the highest category checked is "Over \$10,000.")

Biographical reference books in the library

- B. "Who's Who in America" 45th ed. 1988-89 (Marquis Who's Who, Wilmette)
- C. "Who's Who in American Politics" 11th ed. 1987-88 (R. R. Bowker Co., New York)
- D. "Who's Who in the West" 22nd ed. 1989-90 (Marquis Who's Who, Wilmette); also 1987-88
- E. "California Green Book" Vol. 4, No.1 Winter 1991 (Dutra Communications, Sacramento); this includes, on page 241, a list of the UC Regents with dates of appointment. Earlier title is "California's The Green Book" Vol. 1 1983- (P.O. Box 1863-G, Sacramento)

Campaign contributions data published by the California Fair Political Practices Commission, in Sacramento. (After 1984 these publications list only contributions of \$250 or more.)

- F. "Campaign Contribution and Spending Report[CC&SR], June 6, 1978 Primary Election." Issued September 28, 1978. (covers 12/31/76 - 6/30/78)
- G. "CC&SR, November 7, 1978 General Election." Issued May 15, 1979. (covers 7/1/78 - 12/31/78)
- H. "Contributions Received by Statewide and State Officeholders and Candidates from Major Contributors. January 1, 1981, through June 30, 1982." Volume II. Issued October, 1982.
- I. The publication for the 1982 General Election (7/1/82 - 12/31/82) does not exist. I was informed by FPPC staff that this data was lost in the computer. To get this information I searched through the foot-thick folder of Campaign Filings by the Deukmejian Campaign Committee for 1981 and 1982 at the California State Archives in Sacramento. This search gave, in addition, several data that were missing from reference H.
- J. "1984 Primary Election Campaign Receipts and Expenditures [CR&E], January 1, 1983 through June 30, 1984." Issued October 22, 1984.
(The 1984 General Election CR&E report contained no relevant data.)
- K. "1986 Primary Election CR&E, January 1, 1985 through June 30, 1986." Volume 2. Issued October 1986.
- L. "1986 General Election CR&E, July 1, 1986 through December 31, 1986." Issued April 1987.
- M. "1988 Primary Election CR&E, January 1, 1987 through June 30, 1988." Issued November 1988.
- N. "1988 California State General Election CR&E, July 1, 1988 through December 31, 1988." (Campaign Filings for 1989 and 1990 showed no significant contributions to Deukmejian.)

Business library reference books:

- O. Dunn & Bradstreet "Million Dollar Directory" Series 1991 (Dun's Marketing Service, Parsippany)
- P. "Moody's Bank and Finance Manual" 1990 (Moody's Investors Service, Inc., New York)
- Q. "Southern California Business Directory" 1990 (Database Publishing Co., Newport Beach)
- R. "Standard & Poor's Register of Corporations" 1991 (Standard & Poor's Corp., New York)
- S. "Ward's Business Directory" 1990 (Gale Research, Inc., Detroit)

Cover The quotation at the bottom is fictitious; the attribution is to my favorite TV person.

Page 1.

- ¶1&2: "West's Annotated California Codes. Constitution of the State of California, Articles 5 to 11, Volume 2. 1991 Cumulative Pocket Part" (West Publishing, St. Paul) pages 99-100.
- ¶4: ref.E (1991) page 241; "California Political Almanac 1989-90 Edition", Dan Walters, Editor (Pacific Data Resources, Santa Barbara) page 129.
- ¶5: Regents' meetings attendance reports for 1989-90 and 1990-91 provided by the Office of the Secretary of the Regents, 300 Lakeside Drive, 22nd Floor, Oakland, CA 94612-3550.

Page 2. The two letters are shown in their entirety.

Page 3.

- ¶2: Published campaign contribution records from the FPPC do not exist prior to 1977; nor does the report for the second half of 1982 exist. Some of the published reports appear to be incomplete; and it may be that some additional (indirect) contributions escaped my notice. Limitations of data supplied in financial disclosure forms is discussed on page 7. Financial data could be found on less than half of the companies listed in Table II.
- ¶4: Deukmejian - ref. C.
- ¶5: Bagley - refs. B, E; William T. Bagley Oral History Interview, Conducted 1989 by Ann Lage, Regional Oral History Office, University of California at Berkeley, for the California State Archives State Government Oral History Program; quotations from page 17, courtesy, The Bancroft Library. Los Angeles Times, February 4, 1981, page 18. Contribs. ref. I.
- ¶6: Brophy - ref. E; California Journal September 1984, page 202, and July 1983, page 272. Sacramento Union June 17, 1981, page A8. Contribs. by Brophy Development refs. I, J, K, L; by Nueva Cordova Construction ref. I; by Roy T. Brophy & Associates refs. K, L, M.

Page 4.

- ¶1: Burgener - refs. C, E; Dan L. Stanford, Oral History Interview, Conducted 1989, by Enid H. Douglass, Oral History Program, Claremont Graduate School, for the California State Archives State Government Oral History Program; page 31. Los Angeles Times, October 14, 1982, page 3, and December 5, 1985, page 3. Contribs. refs. I, J; from California Republican Party ref. L; from Republican National Committee ref. L.
 - ¶2: Campbell - ref. B.
 - ¶3: Clark - Contribs. refs. J, K, L, M; from Parker, Milliken refs. K, L, M, N. re Samuelian, see California Journal May 1986, page 237.
- Incidentally, the Law firm of Parker, Milliken was deeply involved in the scandalous dealings of Charles Keating and his now defunct Lincoln Savings & Loan. In settlement of a lawsuit by holders of the now-worthless bonds sold to 23,000 customers of Lincoln S&L, Clark's law firm has agreed to pay up to \$14.3 million. San Francisco Chronicle March 27, 1990 page 1.
- Another law firm which has been similarly tarred is Sidley & Austin, which Governor Deukmejian joined after leaving Sacramento. They have agreed to pay up to \$34 million in settlement of a law suit brought by investors in Lincoln S&L and its parent, American Continental Corp., alleging a variety of improper practices by the law firm on behalf of Keating. San Francisco Chronicle, May 20, 1991, page A13.
- According to yet another story in the San Francisco Chronicle, "Keating, his family and his business associates contributed \$189,964 to Deukmejian's 1986 reelection campaign." This story also reports some disputed involvement by "former Representative Clair Burgener... one of Deukmejian's closest friends in politics" in further aspects of the Keating scandal. San Francisco Chronicle, November 6, 1990, page A9.
- ¶4: del Junco - refs. C, E(1983); Tirso del Junco, "California Republican Party Leadership and Success 1966-1982," an oral history conducted 1982 by Gabrielle Morris, in Republican Philosophy and Party Activism, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1984; quotation from page 2, courtesy, The Bancroft Library. Contribs. ref. K.
 - ¶5: Gonzales - ref. E(1991, 1983); California Journal July 1988, pages 290-1.

Page 5.

- ¶1: Johnson - ref. D(1989-90); The 1989-90 Annual Report of gifts to UC Riverside lists

- donations of: "\$1,500-4,999" from the Johnsons, plus another of "Less than \$14,999" from their Johnson Machinery Co., plus another of "\$50,000 and up" from Johnson Foundation - listed in "National Directory of Non Profit Organizations 1990" (The Taft Group, Rockville) as having the same address as Johnson Machinery Co., and annual income of \$100,000 to \$499,000. Contribs. from Johnson Tractor Co.(now Johnson Machinery Co.) refs. I,J,K,L.
- ¶2: Khachigian - refs. B, E; California Journal September 1987, page 426. Contribs. refs. J, K.
- ¶3: Kolligian - Fresno Bee May 28, 1981, p.B3 and May 30, p.A11. Contribs. refs. I,J,K,L,M.
- ¶4: Leach - ref. E; As President of Freshpict Foods Co. Leach was a prominent opponent of the farm workers' union, New York Times October 11, 1970, page 44. Contribs. refs. K, L; from Cypress Farms refs. K, M; Charles G. Watts, Inc. ref. K; Larson Cooling ref. K; Merit Packing refs. J, K; Royal Packing refs. J, K; Uni-Kool refs. J, K; Union Ice ref. J.
- ¶5: Nakashima - Contribs. refs. K, L, M.
- ¶6: Watkins - ref. B. Contribs. refs. I, J, K, M; from Watkins-Johnson Co. refs. K, M.
- ¶7: Yeager - ref. D(1989-90); California Journal March 1987, page 152; Los Angeles Times, March 31, 1982, page 32. Contribs. from Yeager Brothers Construction ref. J; E. L. Yeager Construction refs. K, L.

Page 6.

- ¶4: Andelson - obit. New York Times, January 1, 1988, page 64. Contribs. ref. H.
- ¶5: Sheinbaum - ref. D(1987-88). Contribs. refs. F, G.
- ¶6: Hallisey - ref. C.
- ¶7: Henning - ref. D(1987-88). Contribs. from CA Labor Federation AFL-CIO refs. F, G, H.
- ¶8: Burke - ref. B. Wada - Williams - ref. B.

Page 7.

- ¶4&5: "1990-91 Statement of Economic Interests for Designated Employees - Manual", California Fair Political Practices Commission (Sacramento)

Page 8.

Table I. Data gathered from ref.A.

- ¶1: Comparison data are estimated using the "Statistical Abstract of the United States"(SAUS), published annually by the U.S. Department of Commerce, Washington. Table No. 747 on page 459 of SAUS 1989 gives the median value of U.S. Household Net Worth as \$32,667 for the year 1984. Table No. 754 on page 464 of SAUS 1990 gives the number of millionaires in California as 95,200 for 1988; and the total California population in 1988 is given as 28.3 million in "California Statistical Abstract 1990" published by the State of California Department of Finance, Sacramento. The ratio of these two numbers is $95,200/28,300,000 = 1/297$, which gives the estimated density of millionaires in California for 1988. In order to adjust these estimates for the year 1990 I have used an inflation factor of 1.06 per year, deduced from data in Table 752 on page 463 in SAUS 1990, for the median Net Worth, and a larger inflation factor of 1.12 per year for the density of millionaires.

Pages 9 & 10.

Table II. Regents' data gathered from ref. A (for 1990); corporate financial data from: San Diego Trust & Savings - ref. S; San Diego Gas & Electric - ref. R; Blue Shield of CA. - ref. Q; TCS Enterprises - ref. R; Management Analysis - ref. R; Educational Testing Service - ref. S; Federal Reserve Bank of SF - ref. P; Nestle - ref. R; May Department Stores - ref. R; Frawley - ref. R; First Security Bank - ref. S; Fluor - ref. R; Johnson Machinery - ref. Q; Royal Packing - ref. S; Hunter-Melnor - ref. R; Fleming - ref. R; FL Aerospace - ref. S; Pullman - ref. O; Frye Copysystems - ref. R; Forstman Little - Business Week March 5, 1990, page 77; Stanford Applied Engineering - ref. S; Working Assets Money Fund -telephone inquiry to their San Francisco office; Watkins-Johnson - ref. R; Pan Am - ref. R; Times Mirror - ref. R; American Medical International - ref. R; New Perspective Fund - ref. P; E.L. Yeager Construction - ref. S; Security Pacific Bank - ref. S.

Page 11.

- ¶2: "West's Annotated California Codes...", op. cit.
- For a thorough discussion of such modest reforms, see Louis H. Heilbron, "The College and University Trustee - a View from the Board Room" (Jossey-Bass, San Francisco 1973).

TALLY SHEET

Governor Deukmejian's Appointees on the UC Board of Regents

<u>Regent</u>	<u>political service</u>	<u>political money</u>
Bagley	A, B, C, E	\$ 2,536
Brophy	A, C	\$ 10,600
Burgener	A, B, C, D	\$ 2,351
Campbell		
Clark		\$ 73,233
del Junco	A, D	\$ 2,000
Gonzales	E	
Johnson		\$ 23,500
Khachigian	D (spouse)	\$ 3,500
Kolligian	C	\$ 20,108
Leach	A	\$ 49,270
Nakashima	A	\$ 4,000
Watkins	A	\$ 32,500
Yeager		\$ 6,250

- A** has been a leader in Republican party organizations in California
- B** was an early colleague of Deukmejian in the Legislature
- C** was an important early supporter of Deukmejian's campaign for governor
- D** played a leading political role in Deukmejian's gubernatorial campaigns
- E** was appointed by Governor Deukmejian to head one or more state agencies

\$ total amount given to Governor Deukmejian's campaign funds, as a personal contribution or through one or more companies controlled by the individual.

update

More recent data on the political contributions of UC regents to the governor has been compiled by Will Evans and published in The Daily Californian on March 23, 2000. The following data is copied from that source.

<u>Regent</u>	<u>Campaign Contributions</u>
William Bagley	\$2,000 to Wilson between 1989 and 1990
"	\$2,536 to Deukmejian in 1981-1982 campaign
Ward Connerly	\$82,186 to Wilson between 1990 and 1992
John Davies	\$35,000 to Wilson's 1990 campaign
Judith Hopkinson	\$50,000 to Davis; company gave \$175,000
Odessa Johnson	\$500 to Davis in 1998
S. Sue Johnson	\$2,950 to Wilson between 1989 and 1994
"	\$23,500 to Deukmejian from Johnson Tractor Company, owned by Johnson and her husband
Meredith Khachigian	\$1,000 to Wilson in 1989
"	\$3,500 to Deukmejian 1984-86 from Khachigian and husband
Joanne Kozberg	\$4,456 to Wilson between 1992 and 1994 from Kozberg and husband
Sherry Lansing	\$7,500 to Davis; studio gave \$15,000
Howard Leach	\$182,340 to Wilson between 1989 and 1998
"	\$40,300 to Deukmejian 1984-88 from six companies he controlled
"	\$8,970 to Deukmejian 1985-86
David Lee	\$3,000 to Wilson between 1990 and 1994
Velma Montoya	no contribution to Wilson found between 1989 and 2000
John Moores	\$232,751 to Davis between 1997 and 1999
"	\$35,963 from wife between 1997 and 1998
S. Stephen Nakashima	\$33,500 to Wilson between 1989 and 1993
"	\$4,000 to Deukmejian 1985-88
Gerald Parsky	\$74,000 to Wilson between 1989 and 1996
Peter Preuss	\$32,500 to Wilson between 1989 and 1996
Tom Sayles	no contribution to Wilson found between 1989 and 2000

Still More Recent Appointments

George Marcus, appointed as a UC regent by Governor Gray Davis in December 2000, "contributed more than \$1 million to Democratic campaigns in the past three years - including more than \$140,000 to Davis' election campaign in 1998." (from San Francisco Chronicle, December 29, 2000, page A27.)

Norman J. Pattiz, appointed as a UC regent by Governor Gray Davis in September 2001, "donated \$210,000 to the governor from 1998 through June 2001." Also appointed: Monica C. Lozano, president of La Opinion, a Spanish-language newspaper in Los Angeles. (from San Francisco Chronicle, September 22, 2001, page A16.)

Haim Saban, appointed as a UC regent by Governor Gray Davis in February 2002. "Since 1998, Saban, 57, has given nearly \$400,000 to Davis, including almost \$60,000 in nonmonetary contributions for fund-raisers he's hosted for the Democratic governor." (from San Francisco Chronicle, February 2, 2002, page A17.)

Richard C. Blum, appointed as a UC regent by Governor Gray Davis in March 2002. "Blum and his companies have contributed more than \$75,000 to Davis over the past two years." (from Los Angeles Times, March 13, 2002, online.)

Dolores Huerta, appointed as a UC regent by Governor Gray Davis in September 2003, is a co-founder of the United Farm Workers union. "Her appointment came only after state Sen. Gloria Romero threatened to withhold a vote for another appointee, saying the board was being filled by a 'who's who of wealthy white men.'" (from San Francisco Chronicle, September 12, 2003, page A8.)