

FINAL -May 16, 2007

Chancellor's Speaking Points

Los Angeles Tour – May 24-25, 2007

Business Leaders Lunch

Format: 20 minutes remarks, 20 minutes unscripted Q&A from audience

Opening Remarks

Thank you (**name of person who introduced**). It is an honor and a privilege to be here today. I am excited to have the opportunity to speak to you about one of my greatest passions – education.

(Talk about personal background, education, and experience.)

The Strength of the University of California System

- The University of California has three missions: to teach, to perform research and to provide public service.
- The University of California system is the premier public research university system in the world.
- The University of California is known for its ability to yield scientific knowledge, discover breakthrough ideas, foster innovations, seed new companies and create jobs.
- The research performed at the University of California campuses is practically unparalleled in the world. The UC system encompasses 10 campuses, 3 national laboratories and 5 medical centers.
- The UC system has more Nobel Laureates than any other university. Forty-nine faculty and researchers affiliated with UC are Nobel Prize laureates, including 17 since 1995.
- UC researchers are pioneers in agriculture, medicine, technology and the environment. This is why the UC system is the leader among the nation's

- universities in developing new patents. Overall, the UC system's invention portfolio is comprised of more than 6,600 active inventions.
- More than 300 Research & Development-intensive firms in California have been founded by UC scientists and engineers.
 - In biotech, 1 in 3 California firms was founded by UC scientists, and 85 percent employ UC alumni with graduate degrees.
 - In communications, information technology and networking, 1 in 6 California firms was founded by a UC scientist or engineer, and 57 percent employ UC alumni in key executive positions.
 - More than 1,000 California R&D-intensive companies actively engage in research projects with UC scientists and students.
 - UC produces nearly 7 percent of the nation's approximately 41,000 new Ph.D.'s a year.
 - Thousands of California jobs, billions of dollars in revenues, and countless everyday household items can be traced back to UC discoveries.
 - Many of the state's leading businesses have connections to UC. Those companies were either based on technology developed by the university, were founded by our faculty or alumni, or are headed by UC graduates.
 - The UC's far-reaching activities touch virtually every aspect of our daily lives and the prosperity of the communities we live in.
 - The UC system is a leading provider of talent, industry knowledge and applied research to industries such as aerospace, agriculture, bioscience, computers and semiconductors, information technology, telecommunications and digital media/entertainment.

UC Merced

- Most of you are acquainted with the University of California system as a whole, including campuses here in southern California such as UCLA, UC Irvine, UC Riverside and UC San Diego. I realize, however, that many of you are probably not very familiar with the newest UC campus, the University of California at Merced.

Location

- Where exactly is UC Merced located?
- Geographically, the campus is situated between Monterey to the West and Yosemite to the East, two of California's well-known destination points.
- It is located in the heart of what is known as the San Joaquin Valley that stretches from Stockton to Bakersfield. It encompasses almost 25,000 square miles, roughly 16 percent of California.
- The San Joaquin Valley is one of the most diverse, fastest-growing, and economically and educationally disadvantaged regions of the state.
- Agriculture is the Valley's leading industry, which makes the Valley significant contributor to not only California's economy but the national economy as well.
- The San Joaquin Valley is home to 7 of the top 10 agricultural producing counties in the state, and is the breadbasket to the nation.

Addressing a need

- The San Joaquin Valley is also home to the first new UC campus to be built in 40 years.
- The UC Merced campus was purposely positioned in San Joaquin Valley to address the higher-education needs of the region and to provide added capacity for the UC system as a whole.

- UC Merced opened in September 2005 as the nation's first public research university to be built in the 21st century.
- Our inaugural class consisted of 875 students and 55 faculty members.
- Just more than two years later, we have about 1,200 of California's brightest young people including more than 80 graduate students.
- We have nearly 20 undergraduate majors, eight graduate program emphases, more than 80 full-time faculty members and dozens of lecturers serving students on campus.

Diversity

- UC Merced's student body is reflective of the diversity of the Valley and of a modern global culture. By this fall, approximately 2,000 students will be enrolled, including more than 100 graduate students pursuing masters degrees and Ph.D.s.
- Our students come from throughout California. Approximately one-third are from the Los Angeles Basin, another third from the Bay Area and the remaining third from the Central Valley.
- An increasing number of international students are beginning to attend UC Merced. In fact, by this fall, more than a dozen countries will be represented by our students.
- One outstanding data point of which I am very proud is that nearly half of our students are the first in their families to obtain a four-year college degree. Imagine the impact their experience at UC Merced will have on them, their families and their friends!
- You may be interested in learning that our undergraduate student body is comprised of about 36 percent Asian/Pacific Islanders.

- In fall 2006, about 5,600 Asian/ Pacific Islander undergraduates applied to UC Merced. Of those 4,807 were admitted and 165 enrolled. The number of Korean-American students who applied in 2006 was 599, with 482 admitted and 7 enrolling. Currently, we have a total of 27 Korean-American students at UC Merced.
- We are fortunate to have one of our students with us today. Sam Kim is a sophomore political science major from Cerritos. Sam works as a Resident Assistant on campus and is currently working to establish a Korean American Coalition group at UC Merced.

Economic Benefits

- In addition to its educational mission, UC Merced is an important strategic investment in California's future economy.
- The new campus plays a pivotal role as the engine of economic growth throughout the San Joaquin Valley, where unemployment and poverty rates substantially exceed California averages.
- UC Merced increases educational access and opportunities and contributes to the economic growth of the San Joaquin Valley and beyond.
- Ongoing campus construction has supported thousands of jobs, stimulating new business development and pumping millions of dollars into the local economy each year.
- As an example, the current monthly payroll is approximately \$3 million. If you apply a multiplier of 3 in calculating how payroll translates to goods and services purchased in the region, it's easy to see that an additional \$9 million pumped into the regional economy on a monthly basis draws wide-ranging benefits.

- The University's research and work force will attract new industry to the San Joaquin Valley in order to expand and enhance the existing agriculture based economy.
- In addition, faculty research initiatives and administrative projects have brought in more than \$30 million in grants and contracts since 2003, primarily from federal agencies.

Workforce/ Career Paths

- UC Merced plays a central and strategic role in educating and training the scientists, teachers, engineers, researchers, entrepreneurs and other skilled workers that fuel innovation in high technology and the knowledge industries that are the primary drivers of successful regional economies.
- As with the other UC campuses, UC Merced's academic programs offer an exemplary learning environment that provides critical hands-on experience depending on a student's career interests.
- Our three schools – the School of Engineering, the School of Natural Sciences and the School of Social Sciences, Humanities and Arts – remain focused on building innovative research and educational programs of the highest caliber that benefit the community economically, environmentally and culturally.

Medical School Plans

- The university's future includes a medical school that should help ensure the region is better served in its health needs.
- UC Merced's plan is to establish a medical school by about 2012 to address the disproportionate physician shortage in the Valley, with a particular

emphasis on training physicians who are competent in multi-cultural health care and who are committed to serving the needs of the San Joaquin Valley.

- UC Merced is developing health sciences programs and graduate medical education programs that are anticipated to lead to a school of medicine.
- We are currently in the process of preparing a more detailed business proposal and economic impact report, which should be completed later this summer.
- Ultimately, a medical school at UC Merced will be the catalyst for increasing the number of health care providers and specialists in the San Joaquin Valley, which in turn will greatly improve the availability and quality of health care services.

School of Management

- UC Merced is in the process of creating a superior management school that will train the entrepreneurs and business leaders of tomorrow.
- Generously funded by the family of Ernest and Julio Gallo, the School of Management will aim to provide undergraduate, graduate and doctoral level curricula in management, executive programs and advanced research on all aspects of regional, national and global business.
- UC Merced will be only the third University of California campus to offer management programs at both the undergraduate and graduate levels.

Philanthropic Support

- Philanthropic support of higher education will play an integral role in shaping UC Merced.

- The state budget contributes less than 25 percent of UC Merced's annual budget. This is in stark contrast to decades ago when a public university was nearly solely funded by the state. As a result, private support plays a vital role in launching and sustaining scholarship and service initiatives.
- Since our inception, leading private and corporate philanthropists have pledged more than \$60 million in donations – almost \$20 million in the 2005-06 fiscal year alone.
- Leadership gifts include \$13 million from the Packard Foundation, \$2 million from the Hewlett Foundation, \$5 million from Ernest and Julio Gallo and \$5 million from United Healthcare.
- In addition, UC Merced has secured a \$600,000 award and two \$1.1 million renewable grants from the U.S. Small Business Administration.

Closing

- Overall, our goal is to ensure the academic, cultural and economic benefits of UC Merced are shared by all.
- Through our interdisciplinary approach, we intend to build on the prestige and quality of the UC system while taking an innovative approach to education and research.
- The distinguished faculty, dedicated staff and promising students at UC Merced strive to achieve excellence in carrying out the University of California's mission of teaching, research and service.

Thank you again for inviting me to speak to you today. I would be happy to answer any questions that you in the audience may have about the campus, our outstanding faculty and students or about our future plans.