Assistant Vice President and Director of the Office of State Governmental Relations:
Representing the University in Sacramento, 1969-2007

Interviews conducted by
Ann Lage
in 2008
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Stephen Arditti served the University of California for 40 years. During his time at the Office of State Governmental Relations in Sacramento, Arditti represented UC to the state legislature and the governor. He worked to defend and secure the University’s future during political and social change. In 1995 he was awarded the Marvin D. “Swede” Johnson Award for Excellent in University State Governmental Relations.
Introduction to the Office of State Governmental Relations: Defines overall mission of the legislative office, the core policies it protects and advances; its two categories of activity, budget and legislation; and its two types of effort, direct effort with elected officials and others and indirect effort, through campus-organized volunteer support — How term limits have changed work of the office, shortened time to build relationships, more emphasis on work in the districts — Role of the media in interpreting the university to the public — Proactively analyzing every legislative bill for potential impact on UC, a tremendous undertaking, and examples of seemingly unrelated legislation on neutering animals, with big impact on UC — Getting capital facility bonds on the ballot — Attempt to proscribe confidentiality of academic personnel records, overturned on basis of Article IX, section 9 — Close partnership with Larry Hershman on budget matters — Personal background, Turkish-Sephardic Jewish heritage, father an immigrant — Mother’s mother, raising four daughters as an immigrant widow, in Inglewood, California — Lessons from a hard-working father in retail business in East Los Angeles: the value of tenaciously working with people, “making the sale,” and experience with cultural diversity — Attending Los Angeles High, with a diverse student body — UCLA for undergrad degree in political science and law school, interest in politics, working in student government and the Associated Students — Appointed assistant dean of students at UCLA, dealing with student unrest in late 1960s.

Dealing with a dispute between two African American student groups, and two shooting deaths on campus — Other challenging assignments — Thoughts on Chancellors Frank Murphy and the young Chuck Young — Legacy of time at UCLA, a passion for the university — Introduction to Sacramento and job offer from Jay Michael in the university’s Sacramento office, 1969 — Jewish identity — Sacramento during Reagan years, trying to mitigate tremendous hostility toward the university because of student protests — Intense cultivation of personal relationships, and working with moderates to do things that looked like action but which wouldn’t harm the university — A typical night’s work at the Senator Hotel bar, Frank Fat’s, and the Torch Club, and some legislative business accomplished — Jay Michael’s style, Jim Corley, Frank Kidner — A simpler world: effectiveness of Paul Christopulos and his network of university supporters, the power of a few highly influential regents.
Intimations of illegal influence on the legislature — Difficulties for the university in opposing powerful lobbies — Dealings with the governor’s office under Reagan, Alex Sherriffs — Jay Michael’s responsibility for negotiating the budget and shepherding it through the legislature — The enormous power of the governor in determining the UC budget, and the value of cooperating with the governor’s office; Deukmejian’s support for the university budget as an example — Thoughts on making judgments and being judged as legislative representative — President Hitch, speaking tour to garner support for UC during Reagan administration — President Saxon and Governor Brown, two mavericks — Prop 13, Jerry Brown’s failure in leadership — Saxon’s dismissal of Jay Michael, too aggressive with the legislature — Saxon’s temper, and Vasconcellos’s — Developing a relationship with Vasconcellos over the years, origins of the humanistic psychology library at UC Santa Barbara — President Atkinson’s relationship with Governor Davis and others — Saxon’s appointment of Lowell Paige as the university representative in Sacramento, a less confrontational approach and little knowledge of state government — Reaching your limit, Arditti’s confrontation with John Burton — Michael’s style fit temper of the times — Relations between the Sacramento office and the Office of the President under Saxon.

Staff in Budget and Governmental Relations Office working around conflicts between Vice President Chester McCorkle and Jay Michael and then between Tom Jenkins and Lowell Paige — Jenkin’s off-putting style of testifying to the legislature — Jerry Brown’s Department of Finance and other cabinet officers — Brown’s tight budgets, while building budget surpluses — Regents’ infrequent stands on ballot initiative measures, including Propositions 13 and 98 — Saxon’s opposition to post-Prop 13 measure restricting sales tax — Strict rules against using public funds to campaign on ballot measures — Importance of the collective bargaining legislation.

More on UC during the Jerry Brown administration: slim budgets for UC — Brown’s support for joint state-private industry-university research in microelectronics, a model for future cooperative research programs — An exchange with Brown on pound animal legislation and thoughts on Brown’s style — Role of state government officials in determining university research budget and initiatives — Collective bargaining for university employees: coming to the decision to negotiate terms rather than continuing outright opposition to collective
bargaining; contrast with CSU, which did not negotiate, and UC, which maintained a separate bargaining unit for academic employees and excluded academic issues from collective bargaining — Issue of unionizing graduate student researchers and instructors and medical residents, agreement during Atkinson presidency after overwhelming political pressure — Implications of collective bargaining for UC — The state legislature, the third party in collective bargaining with UC employees, involvement of government relations office and budget office along with HR in collective bargaining — Custodial wage battle, 2007: involvement of Regent Blum, John Burton as mediator — Marketplace as standard for wages, constraints in university budget — Correction in treatment of casual employees under Atkinson — Atkinson’s efforts to build bridges with labor, establishment of labor studies institutes, sometimes politically controversial — Involvement of faculty in decision to accept collective bargaining, evolution the Council of UC Faculty, David Feller — Animal research issues over the years: legislative opposition to biological science buildings at Berkeley during Brown administration, strength of animal rights lobby and Hollywood connections, role of Assemblyman Mike Roos in resolving dispute — Upgrading supervision of management of research animals at Berkeley during Heyman’s chancellorship — Occupation of state government relations office by animal rights protestors.

Audio File 6

Continued story of occupation of office, a negotiated arrest of animal rights protestors by UC Davis police with an eye to media coverage — Value of having campus police force, modernized and upgraded through legislative package post-FSM, recalling Berkeley campus police chief William Beale — Impact and legacy of era of student activism in Sacramento, explaining academic freedom to legislators — Planning for health sciences, medical schools at Davis, Irvine, and San Diego with teaching hospitals — Willie Brown pressure for using county hospitals as UC teaching hospitals and Arditti’s agreement on behalf of the university, successes and problems from that decision — More on Jerry Brown’s relationship to the university: a brilliant mind, not a diplomat — Jerry Brown’s opposition to UC management of national laboratories, his regents’ failure to support Brown — Arditti’s role working with the regents re budgetary and legislative issues — Issue re limits on freedom of information about UC investments in private equity funds, illustrative example of an intricate negotiation of a solution with media reps, leading to legislative solution; need to lay groundwork to reach a legislative solution — Willie Brown, a force as chair of Ways and Means and then speaker of the assembly, brilliant and witty, good relationship with David Gardner, centralized power — Liberal legislators unhappy with university, charging elitism on labor issues, medical school issues, lack of emphasis on undergrad education, admissions; the extent of their influence on university policies.
Issue of privacy of personal information: carving out a compromise to university concerns about Senator Roberti’s Information Practices Act, which threatened privacy of academic personnel records — Responding to legislative interest in student admissions — Relying on General Counsel’s Office for legal matters, to draft legislation, and partnering with other university units — Office in hotel rooms in the Senator Hotel in Arditti’s early years, Xerox machine in bathroom — Conflicts with local communities over attempts at local control of university campuses, concerns about effect on communities of campus growth, Berkeley and Santa Cruz especially — Dealing with legislators representing local communities and campus ambitions for program development and enrollment growth — Ongoing battle with local utilities districts’ attempts to tax campuses: San Marcos case, hotly contested issue, breaking up a near fist fight, negotiating a compromise, now diluted — Contributions to local community for mitigations re cost of fire protection, etc. — Local orientation of recent legislators, since term limits — Concerns of the university in Coastal Act of 1976, protecting interests of campuses in coastal zone — Role of Ellen Mantalica, who came from legislative analyst’s office, a brilliant analyst and passionate environmentalist, on his management team when he took over, along with Celeste Rose.

Interview 3, July 22, 2008

Governor Jerry Brown’s failure to fund concept of an extended university — Appointment of David Gardner as president, and dealing with legislative firestorm over his compensation package — Gardner reorganization bringing government relations together with budget and university relations, teaming with Larry Hershman and Bill Baker — Initial relations with new Deukmejian administration in Sacramento, an unknown quantity, and chief of staff Steve Merksamer — President Saxon’s confrontation with Deukmejian and the decision to work with Deukmejian under President Gardner — Legislative resentment of university’s success with governor, finding a way to restore cuts to retirement system funding, Maxine Water’s cooperation, regents’ roles, the volatile Assemblyman Stirling, Lou Papan’s crucial assistance — Importance of handling constituent issues for legislators, importance of long-term relationships.

Preparing for and handling legislative hearings on the budget, focus on the joint house conference committees: Regent Stanley Sheinbaum’s role in lobbying Assembly Member Maxine Waters to restore $50 million budget item — Mobilizing CSU and UC supporters to restore increased marginal cost per student to the budget during Schwarzenegger administration — Countering efforts to
increase UC faculty teaching load — Hosting dinners in the Arditti home for legislators and university leaders: the volatile and influential John Vasconcellos with President Gardner; mosquito attack at dinner for Chancellor Carnesale, beneficial outgrowth of meeting between Regent Connerly and Assembly Member Villaraigosa — Gardner’s meeting with the assembly minority caucus and his testimony on divestment in South Africa, development of good relations with Assembly Speaker Willie Brown — Regent Roy Brophy’s telephone lobbying on the state budget, from an Arditti party.

Audio File 10

Getting the university’s capital budget restored — Working with K-14 and CSU on bond issues — Serving policy makers with the senate fiscal retreat, importance of Senator Al Alquist to UC — Dinner at the Behring museum in Blackhawk and subsequent legislation for tax relief for Ken Behring — Admission issues during the Gardner presidency, tying diversity to growth, Asian American discontent with perceived restriction on Asian American enrollment at Berkeley — Objections to admissions policies from both sides of the aisle — Legislative response since SP-1 and SP-2 — AIDS research: resisting Willie Brown’s pressure to fund specific research proposals; creatively countering legislative pressure to place restrictions on animal research — Being the last person out of the room, a twenty-four hour a day job.

Interview 4, August 8, 2008

Audio File 11

Dealing with efforts by legislators to determine university research priorities, founding of the California Council on Science and Technology — The university and the stem-cell initiative — Presenting a consolidated budget for the university, discouraging special appeals to the legislature from faculty and others — David Gardner’s early retirement, the difficulty of responding to criticism of his retirement package — A $50 million transfer from the university budget to CSU in the legislature, a concrete consequence of the executive compensation issue — Repercussions of denying a negative check-off from student fees to CALPIRG — More thoughts on the executive compensation issue and how it was handled.

Audio File 12

Willie Brown’s and Pete Wilson’s support for David Gardner — Requirements for public meetings of the regents, extended to executive compensation matters during Dynes presidency — Organizational changes in the Jack Peltason presidency, no sweeping policy changes — The controversial Ron Brady — Legislative rejection of Lester Lee as regent, and the bugged Council of Chancellors meeting — Preparing regents-designate for confirmation hearings,
UCOP role in suggesting names of prospective regents — New regents-designate and the vote on domestic partners health benefits.

Audio File 13

The four-year compact with Governor Wilson, during the Peltason presidency, including accountability measures along with budget increases — The budget and the Merced campus — Site selection process for the tenth campus — Legislative background to SP-1 and SP-2, and the heated regents meeting, Roy Brophy’s position — Reaction to President Atkinson’s delay in implementing SP-1 and SP-2 — Governors’ roles in selection of the university president — Support for K-12 outreach programs following SP-1, Karl Pister’s leadership, program cuts during budget shortfalls — Underlying causes for State of California budget difficulties and pessimistic forecasts for future state support.

Interview 5, August 26, 2008

Audio File 14

Reflections on the Atkinson presidency: science and research initiatives to benefit the state, reform of admissions process to increase access, Atkinson’s nice touch with elected officials — Gray Davis’s respect for Atkinson — The Institutes for Science and Innovation and Governor Davis’s strong involvement, Assembly Republicans objection to use of lease-revenue bonds and a separate vote on institute budgets, steamrolling the funding through — Public records inquiry on his office’s handling of inquiries from legislators, regents, donors on admissions to campuses, and his toughest legislative appearance in front of Tom Hayden’s committee.

Audio File 15

More on handling inquiries from public officials on admissions to the university — Extending Higher Education Employee Relations Act to the Los Alamos laboratory, dealing with community reaction to layoffs at Los Alamos — Lack of confidence in university management from security and management problems at the national labs — Launching the UC Center Sacramento, President Atkinson’s support, and successes of the center — Growth and development of the Governmental Relations Office in Sacramento: recruiting staff from the capitol, Celeste Rose as associate director, other staff over the years — How the university competes with contribution-giving lobbying operations, help from John DeLuca, Howard Wilensky, other influential UC supporters — Merger of Stanford and UCSF hospitals, a failed initiative, with legislative opposition.
More on the Sacramento office and staff, Joe Castro — Consequences of a difficult personnel problem in the office — Effect of state fiscal crisis during Atkinson presidency, state budget vulnerability to economic downturns, difficulty of defending the university’s budget in face of fiscal crises — Working to limit the Gann spending limit, university role in writing and passage of Prop 111 in 1990 — Arrival of President Dynes during poor budget year and political upheaval, recall of Gray Davis — Uncertainty surrounding administration of Governor Arnold Schwarzenegger, November 2003 — Making a compact with Governor Schwarzenegger to stop the budget free-fall, controversial aspects including cuts to academic outreach and labor institutes as well as concerns that the agreement was too modest — Dynes continuing support from Schwarzenegger, the Warren Hellman connection — The executive compensation controversy during the Dynes administration, Dynes’ belief that UC executives were undercompensated, and at least a perception of impropriety in compensation agreements and procedures — Lack of confidence in Dynes led to more activist board of regents — Some questionable agreements, perception of a lack of transparency, distortions by the press of legitimate earnings agreements.

The executive compensation controversy in Sacramento, preventing legislative consequences, arguments made to legislators, help from university supporters — Dynes’s testimony to legislative committees — Changes resulting from the Hertzberg-Kozberg task force report: more transparency and accountability in the compensation process, drawbacks and benefits — Outgrowth of the executive compensation controversy: a challenge from regents to a strong presidential system — Regent John Moores’ concern about admissions policy — Regent Richard Blum’s concern about management, the Monitor Group report — Future directions, need for a strong presidency — The interregnum, with Hume having defacto authority — Retirement from an all-consuming job — Thinking about the future of the university and the state.

Acceptance remarks on receipt of the first “Swede” Johnson Award for Excellence in University State Governmental Relations, 1995.
Interview History, Stephen A. Arditti

The oral history with Stephen A. Arditti was sponsored by the University of California Office of the President shortly after Mr. Arditti’s retirement in 2007. It joins a series of over seventy oral histories which shed light on the university’s statewide administration for more than a century, from the presidency of Benjamin Ide Wheeler, 1899 to 1919, to current times.

Steve Arditti came to the Office of State Governmental Relations in 1969 from UCLA, where he had graduated in political science, earned his law degree, and worked under Chancellors Frank Murphy and Charles Young. He explains how his immigrant family background and his experiences at UCLA gave him “a passion” for the university and its values. It was a passion he brought with him to Sacramento during the difficult years of the Reagan governorship, when he was called upon to help quell the substantial hostility of lawmakers to ongoing student political protests.

Over the next forty years, as Arditti took on increasing responsibility for state governmental relations, becoming director of the office in 1994, he worked with six gubernatorial administrations and several generations of legislators. His oral history provides valuable insights to the complicated relations of state and university during challenging years of political change and budgetary fluctuations in Sacramento. It also offers a unique perspective on university programs, policies, leadership, and political strategies under Presidents Hitch, Saxon, Gardner, Peltason, Atkinson, and Dynes, covering a whole range of issues, including affirmative action, animal rights, executive compensation, labor relations, and the recurring battles to secure a sufficient university budget.

At turns anecdotal and analytical, Arditti gives a lively picture of how business was conducted in the state capital over the years and how personal relations and leadership styles place their stamp on the course of events. His memorable description of getting a legislator’s authorization to amend his bill on the back of a cocktail napkin at Frank Fat’s bar illustrates the tenor of the times in the early years. Later, he and his wife, Melva, hosted parties and small dinners at their home on the Sacramento River, where sometimes unlikely but beneficial friendships developed between university administrators, legislators, and regents. He describes his job as “all-consuming,” and his devotion to the University of California and its well-being is apparent in his every word. In recognition of his national standing in his profession, he received the first Swede Johnson Award for Excellence in University State Governmental Relations in 1995 [see appendix for his acceptance remarks].

Following his retirement, Steve Arditti joined the University of California Press Foundation Board, which he chaired for three years. He was appointed as a public member of the California Postsecondary Education Commission, and served on the Advisory Committees to the UC Center Sacramento and Chicano Latino Youth Leadership Project, two causes he championed during his years with the university. In 2010 he received the UCLA Award for Public Service.

Interviewing for the oral history took place at the Arditti home in Sacramento and at the UC Center Sacramento. We videorecorded seventeen interview hours over five sessions, in May, July, and August of 2008. Once the interview was transcribed and lightly edited, it was sent to Steve Arditti for his review. With the events and people under discussion still close at hand,
especially with his continued involvement with higher education issues, he delayed turning the transcript back for publication for several years. When he did, however, he removed only a few remarks, despite his longtime on-the-job practice of careful circumspection. The videotapes of the oral history are available in the Bancroft Library, and the transcripts and selected videoclips of this and other interviews relating to the history of the University of California can be found at http://bancroft.berkeley.edu/ROHO/projects/uc_history/ and in the Bancroft Library. (An earlier two-hour interview with Stephen Arditti focusing on the years 1983-1995 is included in Volume I of the project on The University of California Office of the President and Its Constituencies.)

The Regional Oral History Office was established in 1954. ROHO conducts, teaches, analyzes, and archives oral and video history documents in a broad variety of subject areas critical to the history of California and the United States. It is under the direction of Neil Henry and the administrative direction of Elaine Tennant, The James D. Hart Director of the Bancroft Library, University of California, Berkeley.

Ann Lage
Interviewer

Berkeley, California
January 2014
Left to right, UC President David Gardner, Vice President William Baker, Associate Director of State Governmental Relations Celeste Rose, Director of the Budget Larry Hershman, and Director of State Governmental Relations Steve Arditti at the Legislative Dinner, 1980s. Courtesy of the UC Office of the President

State Senator Alfred Alquist and wife Mae, with Steve Arditti and President Gardner, Legislative Dinner, 1980s. Courtesy of the UC Office of the President
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Interview #1: May 23, 2008
Audio File 1

01-00:00:00
Arditti: By the way, your coffee, I had left right on the table there. Afraid it may be cold by now.

01-00:00:05
Lage: That’s okay. All right. Here, with coffee in hand, I’ll just remark that this is the first interview with Steve Arditti, and today is May 23, 2008. I’m Ann Lage, for the Regional Oral History Office. So this is tape number one. And we decided that we would begin with your perception of what the mission of the office was, and that would kind of give us an overview for the rest of these interviews. So why don’t you start with that?

01-00:00:42
Arditti: Okay. Well, my view, anyway, of the mission of the office is to protect the California Master Plan for Higher Education, which is the foundation for higher education policy in California; to protect the university’s independence, as it is described in Article IX, Section 9 of the constitution; to protect academic freedom and the ability to conduct the university’s responsibilities of teaching, research, and public service; to do that in a context of growth in the state, increasing diversity of the state’s population, increasing global economic competitiveness. So those, to me, are the overall objectives of the office. To protect and advance those policies.

These things that affect those policies are embraced in two major categories of activity in the state capital. One, of course, is the annual budget process. That has to do with the level of funding available to the university to carry out its mission. The other has to do with legislation. There are annually, I don’t know, three, four, five thousand bills introduced, each one amended five, six, eight times. Many of these can have major impact on the university, ranging from altering the very foundations for the university’s existence and work to impeding it in various lesser ways. And then occasionally, these things can be helpful to the university. So we’ve got those two big pieces: the budget and legislation.

01-00:02:32
Lage: The budget and non-budgetary type of legislation?

01-00:02:36
Arditti: Well, and I mean, some legislation has budgetary effects. There are some issues that move back and forth from the budget process to legislation, and we can talk a little bit about those in a few minutes. Because it’s not a neat, tight process. I mean, it’s very complicated, and things kind of just happen spontaneously, and things can start in the budget, and then shift to legislation, or vice versa. So it’s not—you can’t really artificially separate these things. I mean, it would be hard to find a piece of legislation that doesn’t have at least
some fiscal impact. But in any case, those are the two major categories of activity.

And then in pursuit of the university’s objectives in those two areas, we have, I think, two major categories of effort. One is the direct effort, that is to say day to day, face to face working with members, staff; analyzing issues; appearing before committees, and so forth; acting as a clearing house for legislative and executive branch requests for information of various kinds about the university; receiving and trying to work out constituent problems which elected officials in either branch may bring to the university; seeking to bring the university to the service of elected officials and their staffs in various ways; helping to connect them with faculty members who have expertise in policy areas of concern to them; bringing the university to town to Sacramento in ways that help illustrate its value to the state, whether that be the president, chancellors, faculty, students. And much of that work, during my time, we did right here in this house, and we can talk a little bit more about that later. So those are some of the kinds of activities that I consider to be important.

[Added during narrator’s review: It would be impossible to overstate the critical importance of two groups: the legislative coordinators in each of the vice presidents’ offices and the campus legislative directors. The former make it possible to analyze the impact of proposed legislation on the university. This in turn enables the formulation of sound policy decisions and provides the information and arguments needed to support them. The latter do a superb job of building relationships with their regional legislators and influential community leaders who support them. This enables them to mobilize district advocacy needed to prevail on the most difficult issues. Keith Parker at UCLA and Marj Dickerson at UC Davis are examples of very senior people upon whom I relied heavily for advice and supportive action.]

Lage: Now, all of this is direct?

Arditti: This, I’m choosing to define as direct, in the sense that this office actually organizes and undertakes these things in Sacramento, in the capital, or nearby. The other major piece, and the one that is, I think, of much growing importance now for various reasons is the indirect element of it. And that is largely working with the campuses to increase the amount of volunteer support for the university’s objectives in Sacramento.

When I first got here, we didn’t have term limits, for example, and it was not uncommon for a single member to serve thirty years or more. Not all of them did. But in any event, the rate of turnover was very gradual. And so there really was time for us to get people better informed about the university, to develop relationships of trust and confidence. They weren’t all feeling forced
to position themselves for the next political move the minute they got here. They had a chance to get to know each other, and the system, and the issues, and other kinds of things. And so you really could, over time, get people to be very well informed about the university, develop really close relationships of trust and confidence, and get a lot of work done that way. That was very important.

Now, with this rate of turnover, that’s just not possible. And therefore, there needs to be a much greater reliance on work done out in the districts, and the regions, and on the campuses, getting members to the campuses, trying to anticipate who the new members are going to be, and beginning to work with them at an early stage, getting them to visit the campuses, identify more and more alumni and other friends of the university who are constituents of people and who have been helpful to them, to join in carrying the university’s message. That is something that cannot be carried out in a direct way by an office here in Sacramento. That’s got to—that’s centrally undertaken by the campuses, but ideally needs to be done in a coordinated way, even though we have a highly decentralized system. And that, to me, is one of the very key challenges that lie ahead at this point, is figuring out how, in a highly decentralized system, where the campuses have a large degree of autonomy, and where the volunteers who are needed are not controlled by the campuses, although they have a lot of loyalty to the campuses. But how do you put all that together?

Lage: And where, as I understand it, you don’t want campuses lobbying on their own behalves as much.

Arditti: No. You want a common message, a common set of budget priorities, a common position on legislation, with many voices in pursuit of those goals. And, of course, some people worry that if the campuses develop greater capacity, more tools, more volunteers, that they may then be tempted to pursue more independent actions vis-à-vis the budget and legislation. That may be true, but I just am very convinced that that is a risk that must be taken, and that it is not—I don’t think that the consequences will be fatal. They will be troubling from time to time, but on balance, the importance of getting more people involved helping to carry the message is of such overriding importance that I think it’s just a risk that has to be taken. And the real challenge is how to maximize that effort in a decentralized system in a way that works for the whole system.

Lage: I assume we will get to this as we talk about more current times. It has started under your tenure.

Arditti: Yes.
But you also see it as a challenge for the future that you don’t—

Oh, absolutely. I think that considerable progress has been made, but much, much more needs to be done.

What about things like media, PR in the media?

Well, that’s a central part of it as well. That isn’t something that’s been a responsibility of the particular office in which I have served, but looking to the larger university and its whole set of efforts, obviously what’s in the media influences public opinion. Hopefully public opinion influences the opinion of governmental decision makers. And so what is done in the media, and what’s reported in the media, can be very important. Unfortunately, what tends to happen is that the media pay more attention to the negative things than to the positive things. And that’s something that’s not easily controlled.

If you just look back on the executive compensation issues that have been prominent the last couple years, you have days where day after day after day after day, various news publications have front page stories about all these alleged issues and problems. It’s not quite as easy to get them to give the same prominence to the latest research discovery that can save lives, or all the kids that are graduating and going on to new lives as a result of their experience at the university. I mean, it’s a very mixed kind of a thing. But certainly what’s in the media is very important, and it’s very critical that the folks in the university who work with the media, the folks who work with governmental and community relations, the folks that work on the budget all work very closely together as a team, hopefully being able to reach the different audiences that together account for the nature and character of decisions that get made.

But it’s a challenge. You know, looking just at the Public Policy Institute for California poll that was taken, this was being reported in the press just the last day or two. People were asked in the context of the current budget crisis facing the state what, if anything, do you think should be exempted from cuts. 62 percent said K through Twelve education. Only 12 percent said higher education. And so when you think about that, and you think about now going to the elected officials, and they see that same information, you can see that we’ve got a long way to go here. And the truth be told, in a way, I think that we’ve been—on the one hand, the amount of money coming from the state has been declining steadily over the years, and there are a whole list of reasons for that, which we can get to later. But we’ve been treated pretty well in the context of what’s available to be spent, and in comparison with K through Twelve and other things, given a whole lot of other factors. But it’s a matter of concern. I think again another illustration of why we need more
voices in every respect, in the media and communicating with elected officials.

UCLA has just been placing a series of paid advertisements in—

01-00:12:27
Lage: I’ve seen some.

01-00:12:28
Arditti: —in both the LA Times and I think eastern papers as well.

01-00:12:30
Lage: In the New York Times, is where I saw it.

01-00:12:32

01-00:12:33
Lage: I wondered if it was the western edition only, or also—

01-00:12:36
Arditti: You know, I don’t know. I happened to be down there a week and a half ago and saw some of it. And they’re very effective pieces, I think. It remains to be seen what the impact will be.

01-00:12:46
Lage: Well, the other place you see things like that are advertisements on football, TV football.

01-00:12:51
Arditti: Yes. Yes, yes, yes, yes.

01-00:12:54
Lage: Very—I think they’re very effective.

01-00:12:55
Arditti: That’s very effective, and that’s a great audience, because you get these huge football audiences who might not otherwise pay much attention to the institution. And so that’s a great audience for this sort of thing. And so I think that’s just one of the many things that has to be done, because the public does influence elected officials.

01-00:13:16
Lage: So, what we’re going to be talking about are all these duties of your office in greater specificity, and how it’s changed over time.

01-00:13:26
Arditti: Yes.

01-00:13:26
Lage: And then also your reflections, from this long period in Sacramento, about how Sacramento has changed, or our government, our state government.
Arditti: Yes.

Lage: Because that’s crucial too, and—

Arditti: Yep.

Lage: —you’re in a good place to observe that.

Arditti: Yep. Still awfully close to it, to have the proper perspective, but, no, there are observations, I think, that can be made here.

Lage: Yeah. Sure. Is there any more you want to say, just by way of introduction?

Arditti: Well, let’s see here. We’ve talked about the direct and the indirect. There’s the budget and the legislature. For an overview, I think that’s probably enough. I’ve got lists of issues and much more detail that we can go into.

Lage: You mentioned to me on the phone, just as an elaboration on the legislation side of it—

Arditti: Yes.

Lage: The great effort in analyzing all the legislative bills that come up.

Arditti: Well, it’s a very large assignment here, because as I said a minute ago, there are maybe three or four thousand or more bills introduced each year. Because of the scope and breadth of the university, 10 percent, maybe as many as 15 percent could affect the university and its operations in some way. When you think about it, you have just the conventional campuses, but you also have five teaching hospitals associated with the medical schools, we have ships on the high seas out of Scripps Institute of Oceanography in San Diego, there’s a public airport at Davis, there are the Department of Energy laboratories at Los Alamos, Livermore, and Lawrence Berkeley that the university manages. We have huge impacts from environmental regulation of various kinds, because of all of the research and medical treatment that takes place. One of the largest employers in the state, and so things that pertain to employer/employee relations and workplace matters and so on affect—so there’s just an awful lot of legislation that does affect the university.
And the consequences of missing something and not dealing with it can be very severe, because for a piece of legislation to be enacted, it’s got to get over maybe as many as seven hurdles. Two committees in each house, the floor in each house, the governor, and so on. And to stop it or force it to be amended in some fashion requires effective intervention in only any one of those seven points. If something passes, and then you’re seeking to repeal it, you’ve got to get all seven of them. It’s almost impossible. So it’s like, if something shows up that’s adverse, you’ve got basically your one shot at dealing with it, and if you fail, the odds are overwhelming that that will just be the law for the indefinite future.

So you’ve got to be proactive.

So you’ve got to have a very detailed process here for, first of all, just reading every single bill and every amendment. Because amendments can change the entire bill. I mean, you can just gut the whole bill and write a new bill, that’s an amendment. So you’ve got to read every single bill and every amendment, every bill, trying to spot all those that may have some impact. And I’ll give you a couple of examples in a minute of why this can be pretty hard. Then get those out to the relevant policy units in the president’s office, whether it be academic affairs, or student affairs, or business and finance, or whatever, and then ask them to look at it more closely and say, does this really have an effect on the university? Is it a substantial effect? Is it positive? Negative? What do you think we should do? Should we take a position on this? What should it be? And there’s got to be a very detailed iterative process between the Sacramento office and those units to kind of work—

That’s interesting, because it also helps reflect on the role of the president’s office.

Oh, absolutely. It’s absolutely crucial, because you—

Which, some people say, “Why do we need such a large office of the president?”

Well, we need an office of the president. What its precise size needs to be is open to some discussion, but I think there’s just no question. We need a president’s office, because there’s no way for this purpose you could deal with ten different campuses on a bill on some topic. You need people there who can synthesize and have some kind of overview, work with the campuses as they pull this together. But anyway, you’ve got to work with them to pull together.
And then you get a recommendation, and sometimes it’s well supported, and sometimes it isn’t. Sometimes it’s realistic in relation to the climate in Sacramento, sometimes it isn’t. So you need to work further to kind of get down to crafting a final position that makes sense for the university and that is realistic in terms of what the climate is that you’re facing here. And then you’ve got to go to work to try to make the decision whether to try to kill it, or force amendments to it, or if it’s a positive thing, get it through. The university also sponsors legislation, less frequently than it opposes legislation, but we can talk a little bit more about that.

Just a couple of examples of why it’s not often easy to detect these impacts: there was once a bill. It was carried by the then-senate president pro tem that sought to reduce air pollution emissions. Source reduction, I think was the term of art at that time. Try to just reduce the amount of pollutants coming out of industrial activity and other kinds of things like that. And it was maybe a forty-page thick bill, and it was filled with technical—and you could read it a hundred times, and nowhere in it did it say the University of California, or education, or research, or any such thing as that. I was just—I couldn’t figure out quite why, but I was just a little nervous about it. I kept sending it back. “Read it again! Are you sure there isn’t—”

Send it to your staff, or to the—

My staff, and ask them to send it back down to Oakland. “Is there something in here? Because this is just—” Well, finally the answer came back: “We just realized that this, if enacted, would require us to replace or retrofit all 5,000 of our laboratory fume hoods every other year, at a cost of $35 million each time.” Now, that’s the kind of bill that, you miss that, it’s, “Remember him? He used to work here.” So we then went to—I said, “Look, let’s go. It’s hard to just be against reducing air pollution, so let’s see if we can come up with some amendments here that would mitigate this impact and still allow it to have some effect.”

So, we worked hard, and we came up with amendments that, if adopted, would have reduced the cost by about 90 percent, but only have reduced the beneficial impact by about 10 percent, so I thought—

By the level of—

By the level of pollutants. In other words, it would get almost as much reduction of pollutants at a fraction of the cost.

Now, would this be something that you would work with industry on? Industry legislative offices on?
Arditti: Yes. Often you would. Often you would—

Lage: Because they must have wanted that same kind of thing.

Arditti: Well, they just wanted to kill this bill outright. And my thought was, look, if we can fix it up so that it still can do some public good but not hurt us, let’s give that a try. So we did try that. The author was unwilling to accept our amendments, and the bill was almost through the legislative process by this time. And so we then went to work joining with other opponents urging the governor to veto it, and he did. And it did not take effect.

Lage: So, it never went through with the amendments you suggested?

Arditti: No. The author refused to accept—in other words, an author can accept amendments or not, and if he or she refuses, then anyone who has a position on the bill has two choices: just say, “Well, okay, I guess we give up,” or fight the bill. And in that case, we fought it, and we beat it.

Lage: What era was this?

Arditti: That would have been when Governor Deukmejian was governor.

Lage: Some time ago, for this kind of—

Arditti: Long time ago. My earliest example of this, though, was my very first assignment when I came to work in the office as a young junior staffer from the UCLA campus. As I was walking through the capitol, I would every so often pass a hearing room. There would be people kind of hanging out the door, and clamoring, and waving their arms, and emoting, and—I didn’t know what this was about. One day, I stuck my head in the door and determined that this was a bill that had to do with requiring spaying and neutering of pound animals. I thought, well, if there’s anything going on here that we don’t need to be concerned with, it’s that. Went on to other things.

The bill passed. A bill will pass, say, in August or September, and then take effect the following January 1. So come January 1 of the following year, the phones in the office started to light up like Christmas trees, and you take these calls. They would be biomedical research people, saying, “They’ve finally done it! The anti-vivisectionists have crippled research!” Phew! Wait a minute. Slow down. What’s going on here? Well, turns out that much university research then, some still today, relies upon the use of unwanted
pound and shelter animals. These are animals that are going to be killed anyway and are used under federal and other humane treatment guidelines and so on, but which are really quite central to biomedical research for the benefit of both humans and animals.

The minute this bill passed, one of our campuses sent a truck down to the pound to pick up some animals, and the pound manager said, “Sorry. Can’t give you any.” “Why not?” he said. He said, “Well, you see this here bill? It says I can’t release these cats unless they’ve first been spayed or neutered.” “Yeah?” says the driver. He says, “And look around you,” he says, “at these animals. Can you tell me which ones have been spayed and neutered and which hasn’t?” “Well, no. I guess not.” He said, “Furthermore, look around this facility. Do you think I’ve got the facilities here to conduct these operations and convalesce these animals?” “Well, oh, I guess not.” So the driver says, “Well, what are you going to do?” He said, “We’re just going to kill them all.”

And so this was just—this became a huge, huge problem. And so my assignment was to get all the rules waived and very quickly convince the author of the original bill to rush another bill through providing an exemption for animals released for biomedical research purposes to institutions that had been properly approved by the appropriate federal agency and so on. And it was one of the few times, frankly, that we were able to actually get something through that altered a bill that had made it. Today, you couldn’t do that. I mean, the animal rights movement has grown to the point where I think if you lost one of those things, it would just be gone. We had many subsequent battles over the use of animals in research. It goes on to this day. It’s been going on since before you and I were born.

01-00:25:37
Lage: But more vociferously recently.

01-00:25:38
Arditti: More vociferously, much more so. Yeah. They’re attacking researchers in their homes, and things like that. But here’s an example of a bill that you could have read it fifty times, and unless you really were involved—unless you knew not only that biomedical research took place, but that it took place using unwanted pound animals and that pounds would not release them anymore if this requirement went, you had to know all those things to suspect this had any impact on the university. But it’s just yet another example, a very early one for me, an early lesson, that that function of reading every bill and every amendment and getting everything analyzed very carefully is really crucial. Because you can have the most effective analytical capability, advocacy capability, support networks, good will building, all those things. If you’re not aware of an issue, there’s no way you’re going to be in a position to do anything about it.
And so it means you have to have a staff of a certain character in the office here. It means a lot of work on the part of people in Oakland, and sometimes on the campuses, analyzing all these bills. And people don’t like it. It’s just another big workload on top of everything else that they’ve got to do, and they say, “Jeez, we don’t even know, many of these don’t ever make it anyway, and yadda yadda—”

Lage: Well, that’s true, probably. You’re analyzing a lot of bills that just drop by the wayside.

Arditti: You are, but the problem is you never know at the front end what the fate of a bill is going to be, and often the fate of it is determined by the reaction of institutions like the University of California or others. I mean, if everybody just sat back and said, “Well, the odds are they won’t pass,” a whole lot of things would pass that otherwise don’t. And that, frankly, would have a more negative impact on the university than failure to get enactment of some of the positive things that we seek, because these things can really be crippling, and can have long-term consequences. There are those kinds of things.

Then, in legislation also, there are things that we would seek that would be very important. The annual, or biannual, or whatever capital facility bond issues, for example. That takes a two-thirds vote in each house of the legislature to get one of those things on the ballot. And so there’s just a huge process that goes on working collaboratively with other education institutions to get those onto the ballot. There are many other examples which we can talk about a little bit later if things—

Lage: Yeah. These will come up as we go through more chronologically.

Arditti: Yes. Yes, we will. So I won’t go into too many more now, but I guess the key point here with legislation is first of all there are two kinds: that which we want, and that which we don’t. There’s much more that we don’t want. This is due, in part, to the blessing of the constitution of Article IX, which does limit, to some extent, the amount of legislation that can be binding on the university. It’s not a total protection, because there are court rulings that say anything that affects the general public health, welfare, and safety and is statewide in character applies to UC just as it does to anybody else. So there’s just a lot we’ve got to do.

Lage: I see. So you also have to analyze—you must have your legal—

Arditti: Oh, the general counsel’s office is a hugely important partner in all of this. They’ve got to look at almost all these things too, because in so many
instances, it’s not easy to tell, by looking at one of these things, whether it’s going to have an effect.

And it might end up in a lawsuit anyway.

Oh, it could. Of course. Yeah. Well, we’ve had—we had one bill that had to do with trying to proscribe confidentiality, or it tried to eliminate confidentiality of academic personnel records, which is a huge issue in the university, because peer review is so central to the quality of the faculty. Whether it’s a good thing or a bad thing, it’s just the truth that people will tend to be less candid if they know that the people they’re talking about are going to be able to find out. Is that admirable? I don’t know. But it’s just true. And so we’ve relied on being able to keep a substantial amount, at least the identities of the sources of information, if not the substance, confidential. A statute did get passed to do that proscribe confidentiality, and finally was overturned by an appellate court.

On the basis of the university’s independence?

On the basis of Article IX, Section 9. Yes. Because this was not a statewide requirement. This was very specific to UC, and regarded as an internal matter.

That’s an interesting little bit of history.

Yes.

I think that’s a good overview, and we’ll kind of build on that.

Okay. Then on the budget side, there—do you want to talk about that now, or do you want to leave that?

Yeah. Give the same kind of overview to the budget side.

Okay. Well, here again, I think the large objectives for the university in its activities here remain the same. Budget’s just one vehicle. These bills are other vehicles. On the budget side, we’ve had a very close partnership between the office here in Sacramento and the budget office. As Larry may have told you, for two generations of predecessor to Larry and myself, the people who led these offices were at each others’ throats. I mean, really almost literally reached the point where people like Larry Hershman, and Bill
Baker, and I would have to meet in stairwells to talk about how we would work—because we knew we had to work together to get the work done, and our bosses didn’t want us talking to each other. I mean, it was—

Lage: We’ll get more detail on that when we go through these different—

Arditti: Yeah. Yeah. I mean, there was a point at which the person who ran the budget would rent a hotel room in Sacramento to have the pre-meetings before the hearings, because he didn’t want my predecessor to know what they were doing. It was really crazy.

Lage: Sounds so counterproductive.

Arditti: Larry and I, having grown up under that, realized how destructive it was. We just resolved that we were going to fix that, and we did. And so we had a very close partnership. And so his office would do certain things. Our office would do certain things. We’d be in regular touch all the time. We’d kind of pass the baton back and forth, depending on the stage of the proceedings and the type of activities required. But that’s very essential. I hope that can continue, because I’ve lived with it both ways. [laughter]

Lage: Can’t imagine going back to the previous?

Arditti: I hope not. You know, you just never know. So much just depends on individual personalities. But I’m hoping that it won’t go back to the old way.

Lage: Goodness. Okay. Well, shall we get personal now, and talk about you?

Arditti: Sure. Sure.

Lage: We’ll just mention here that there was a brief interview conducted with you back in the late nineties, but really focused mainly on the David Gardner—a few instances of the David Gardner era. And also, I have the feeling that with your still being in office, you were very circumspect. And we didn’t go into personal background. I think it’s important, mainly to think about what influenced you to take the direction you took, and maybe to make some of the decisions you made. So let’s talk about who your parents were, and—

Arditti: Okay. My dad was an immigrant. He was born in what then was Constantinople, Turkey. My mother’s mother was born in Izmir, Turkey. My
people are actually Sephardic Jews. Ancestors had been in Spain until the time of the Inquisition, and at that point, people who were Jewish, one of three things happened: they fled, they converted, or they were killed. My ancestors fled, and lived in Turkey until the early part of this century. My dad was like seventeen years old when he came to this country.

And why did he come? And when?

Well, let’s see. It was in the early part of this century, 1920s, I think. And I’m assuming that life wasn’t so good over there. There had been a revolution in Turkey; I think the sultan had treated the Jews reasonably well, and then there was this Ataturk Revolution that made people uncertain. And in any case, people from all over the world have wanted to come to this country in search of a better life, and I think that was just a driving motivation in many cases.

And your mother’s family had come previous?

Had come at around the same time, actually. She was very young when she was—my grandmother had not been here very long before my mother was born. On my mother’s side, my grandmother could not read or write. They didn’t believe in educating women in the old country. And she was widowed with four young daughters, the youngest of whom was six months of age. And she and my grandfather had bought an acre of property in Inglewood, California. And so without benefit of literacy, she managed to raise these four kids, all girls. She did seamstress ing, and they had chickens, and sold eggs, and had a cow, and fruit trees. I mean, they really eked a living out of this acre in Inglewood. And all of the daughters were educated, at least through high school. My grandmother was a remarkable person.

You knew her?

Oh, yes. Yeah. I was very close to her. I still miss her. But she was just a remarkable person. She was very smart, and left with that hardship, and just overcame it. And my dad, for that matter, he came over—

How old was he, did you say?

He was seventeen. Seventeen when came over here. And he went to school at night. That’s all that he could do, because he had to work very hard. And he wound up working for the Eastern Columbia Department Store in Los Angeles, owned by the Sieroty family. Alan Sieroty, a member of that family, went on to become a member of the legislature. He was a very good friend. I
just had lunch with him last week. But in any case, he worked there at their downtown store, and then they opened the store in East Los Angeles and put him out there as the manager of it, and then after a while doing that, he left and opened his own business in that area. So he was in business in East Los Angeles for many, many years in the furniture and appliance business. I worked there part time while I was in school.

It was very important in my life, in a couple different ways. First, it was in a Latino area, which was a very different population than the neighborhood in which I lived, and it gave me an opportunity to really get to know at first hand people who had a different background than I did. And I think that really was instrumental in shaping my values and attitudes about people. So that was very valuable. Secondly, just watching him work with customers. I mean, this was a small business. Every customer counted. He just had a way of sticking with it, hanging in there, kind of reeling a fish out, reeling it back in. No matter how obdurate, no matter how nasty, no matter how discouraging, he would not give up. And he made that business go.

And I think a lot of what I carried away from that, frankly, to the work I’ve done here was kind of based on those observations. That you just work tenaciously, don’t give up. Don’t give up. Stay with it, work with people. If you just let them offend you and say, “Well, I’m not going to bother with you anymore,” you’ll lose many opportunities. And so you have to say—so legislators are all different kinds of people. Some of them are very nice, and some of them aren’t. And sometimes you’re treated well, and sometimes you’re not. But the ball is the issue that you’re dealing with in figuring out a way to get across the finish line, or to stop somebody else from getting across the finish line.

Making the sale is a good analogy with it.

Making the sale. It’s a very apt analogy. And the tenacity required to do that. There was a woman, a very highly respected woman named Liz Berger, who had for years been a lobbyist here in town for various children’s causes. And one night after a late night budget conference committee hearing that went until two in the morning or something like that. You notice in those rooms when they first convene at six or something, the room’s packed, and then people gradually begin to trickle out, and by the time you get to two in the morning, it’s a pretty sparse group. And she came up to me. She said, “You know, Steve, it’s been my general observation that the last people out of the room are generally the ones who win, and I’ve noticed that you’re always the very last person out of the room, and you generally prevail.” [laughter]

But that’s the same thing my dad did. I still get incensed if I go in a retail store and it’s maybe fifteen minutes before they’re supposed to close, and they’re
already ushering you back out the—I mean, we never turned a customer away! They could walk in at two minutes until nine on a Friday night. And that was a long day, until nine at night. And he’d still be patiently attending to these people forty-five minutes, an hour later. If there was any chance at all to make that sale, he would—and he would often land them at ten or ten-thirty on Friday night, and all that. Very tough customers, because we had, in addition to Latinos, there was a significant Armenian population, a significant Russian population. These were pretty tough people to work with. Very shrewd, and they’d want to bargain, and all that. But he’d just hang in there.

So those were a couple of things that I came out with. First, learning about people with other cultures and backgrounds, and to respect that. And secondly, what it takes to make that sale, and particularly to be very tenacious and hang in there in spite of odds, and obstacles, and so on.

01-00:41:51
Lage: Yeah. That’s very apt. So your parents weren’t educated beyond high school?

01-00:41:58
Arditti: Not at all. No, not at all. I think my dad took some night courses through USC extension or something like that. But, no, they were far too poor to be able to—

01-00:42:07
Lage: And busy!

01-00:42:08
Arditti: Poor and busy. Poor and busy. Yeah.

01-00:42:11
Lage: What were their goals for you? Did you have brothers and sisters?

01-00:42:14
Arditti: One younger sister, yes. Yeah.

01-00:42:17
Lage: And you were born in ’43, right?

01-00:42:18

01-00:42:20
Lage: Good to get that on the record.

01-00:42:22
Arditti: Yes. Oh, they wanted me to get educated. They did. And they were helpful to me in doing that.

01-00:42:32
Lage: And your sister? Was that also—?
Arditti: And my sister. She went to UCLA also. So, yes, that was a very high value, education. I think they would have pursued more themselves, had they been in a position to do so. But definitely wanted that for us.

Lage: And where did you live in LA? Did you live in Inglewood?

Arditti: Well, I lived in Inglewood until I was seven years old. We had been renting the home that had been my grandmother’s homestead. And then we moved to kind of Westside Los Angeles, where my mother still lives, actually, in the home in which I was raised. It’s sort of near Olympic and La Cienega in Los Angeles. So that’s where I was from the time I was seven until—pretty much until I came to Sacramento.

Lage: And was that a diverse neighborhood?

Arditti: No. Not at all. It was almost entirely a Jewish neighborhood, but I had—when time came to go to high school, I had three choices. I don’t understand why that is, because for the most part, people are just assigned, that’s the place you’re going to go. But I had three choices. One was Hamilton High School, which was kind of upscale Jewish. Then there was Fairfax High School, which was more middle-class Jewish. Then there was Los Angeles High School, which was highly diverse. Highly diverse. There was a significant African American population, Asian American, Latino. Very affluent white Anglo-Saxon Protestant, Hancock Park area. A Jewish contingent from the kind of direction in which I lived. It was the kind of school that I think a sociologist would design, if one were able to do that, to create the perfectly diverse and balanced school. And so I chose to go to that one. I figured, you know, I’m—

Lage: For those reasons, or for—?

Arditti: Yeah. Yeah. I had had some taste of getting to know different kinds of people working in East LA, but that was a little bit limited. And so I thought, I’ve spent lots of time with the kind of folks I would find at these other two schools, why not go somewhere where it’ll be a little different? And it was a great school at that point, because the whole city was in transition at that point. It’s not that anybody actually created the conditions that led to this composition, it’s just that the evolution of neighborhoods was such that in a snapshot of that moment of time, that’s what it looked like. It’s changed dramatically since that time. But it was a great experience for me, and again, I think really valuable to be able to be with so many different kinds of people, people from so many different backgrounds. Because it was fairly unusual at
that time. I mean, people tended to be much more clustered with people like themselves.

Lage: But LA was changing very rapidly in those days.

Arditti: Oh, it was changing very rapidly, very rapidly. Yeah. Because I think there was a time when LA High was almost exclusively white Anglo-Saxon Protestant. I mean, if you go, they still have these reunions every so often for not just one class, but the whole history of the school. There are people—people come in a hundred years old. But you can really tell the difference between the older folks, what they look like, and the younger folks, what they look like. It’s been a huge evolution and transition, that school.

Lage: So what was high school like? Were you a good student? Did—

Arditti: I was an okay student. I wasn’t the greatest student. I mean, I was a good enough student to get into UCLA, which was my goal. That was my goal. And I worked a lot. My dad’s store was twenty-five miles to the east, and so I just spent a lot of time going back and forth from school to work, not every day during the week, but certainly Fridays, and Saturdays, and holidays. Christmas breaks and all that stuff. And I wasn’t really active in high school. Actually, I think I was more active and was a better student in college than I was in high school, maybe because high school just didn’t do it to me. I was a little more serious than some of the other kids about other things, about world affairs and things like that. I mean, from the time I was a little kid, there would be kids outdoors hitting baseballs, and I’d be listening to the news and reading news editorials and things.

Lage: Ah! So you’ve had this interest for a while.

Arditti: I have for a long time, yeah.

Lage: Well, that was getting into the civil rights era during high school.

Arditti: It was. It was.

Lage: Was that something you were aware of?

Arditti: It was not a major consciousness in high school. Remember, now, that was prior to 1961, so that was still—
Lage: Yeah, that was early, still.

Arditti: That was still early. That was still—that really kind of happened almost about the time I got out to UCLA.

Lage: In this diverse setting in high school, did the students mix or did they have their separate enclaves?

Arditti: A little of each. I mean, there did tend to be a prevalence of separate enclaves, but on the other hand, you can’t do that in class. And so there were a lot of—I had friends of all different backgrounds. If you went out on the yard during lunchtime or something, people would tend to be clustered by group. But as I said, you can’t do that all the time when you’re in school. If people are seated alphabetically in the class, that’s going to mix it up some. People have certain inclinations about this that aren’t changed overnight artificially, but it did bring people together a lot more than if they’d been at separate schools. That’s for sure.

Lage: True. True. Well, let’s get you to UCLA. It sounds as if you didn’t really consider going anywhere else, from the—

Arditti: No, I didn’t. And I don’t know why, really. I think part of it may have just been family finances. I mean, it’s a lot more expensive to go away to school. Financial aid was not really big at that time. And I don’t know whether our family would have qualified for financial aid. I mean, my dad worked very hard. My mother did not work. He had a small business. We, I think, we were very blessed, but it’s not like there was a lot of extra money lying around, and I just think the thought of going away just didn’t seem practical. It was such a great place.

Lage: And very low fees, in those years.

Arditti: Oh, please. I don’t like to disclose what my fees were, because they say you can tell the age of the boy or the girl by the level of his or her fees, so I don’t want to tell them. But they were very low. And so I could live at home, rather than having to live on campus, and the fees were very low. So it was really a tremendous bargain, and would have been much more expensive to go away. You know, I think had I really wanted to go away, I think my folks would have tried to figure out a way to make it happen. It would have been a great hardship for them. I just figured with such a great institution right there, why—?
Lage: Were you aware that it was a great institution? Was it kind of a light in the community?

Arditti: I think so. It wasn’t as much so in those days as it is today. That was the beginning of the Franklin Murphy era. Franklin Murphy / Chuck Young era, as I view it. But nevertheless, it was a highly regarded institution even then, yes.

Lage: So how did you fall into political science, which I understand was your major?

Arditti: Yeah, I just—[snaps fingers]—it was just like an automatic choice for me. I had always been interested in politics and government, and so it just seemed like a natural choice for me. It was a natural choice.

Lage: And was it something—you were thinking of getting into politics? Did you have a career in mind?

Arditti: I thought about that. Yeah, I got involved in a few campaigns, and—

Lage: As an undergraduate?

Arditti: As an undergraduate. Things like that.

Lage: Is this on campus or in the community?

Arditti: Oh, kind of half and half. There was a city council member that represented the UCLA campus, who we began to regard as unfriendly to students. And so I and a couple friends got very active in the campaign to help an opponent defeat her, and we did. But that kind of—it was kind of half campus, half off campus. And there were a couple of other assembly campaigns and congressional campaigns that I volunteered in. I mean, I never had an explicit agenda to be an elected person, but it is something that I toyed with. But as I learned more about what it takes to do that, especially the fundraising that has to get done and so forth, I just concluded that it just wasn’t the right match. But it’s something that I was always fascinated with, interested in, and cared about.

Lage: And when did you decide that you would go on to law school?
Arditti: I think pretty much the day I started as an undergraduate. [laughter]

Lage: Oh, so that was always a—

Arditti: Yeah. Whether I decided that or whether it was kind of decided for me, I’m not sure. That was a kind of a family goal here. Yes.

Lage: Oh, so your family had that idea, that it would be a good idea.

Arditti: I think so. Yes, yes, yes. And I found that to be really incredibly valuable education. But I also began to realize that that probably wasn’t the right profession for me.

Lage: You realized that even as you were studying?


Lage: What would it have been, that—?

Arditti: Well, you know, I really wasn’t sure—I got very interested in the university. I don’t know how much you want to talk about that. I was in a car pool with a friend who ran for student body president. So there were the three of us: myself, this fellow, and the fellow who was the editor or the associate editor of the *Daily Bruin* campus newspaper.

Lage: All living off campus?

Arditti: All living off campus, and commuting together. So I had this friend who wanted to run for student body president. We had this little issue that arose. You couldn’t find a place to park if you were a student, and the residents around the campus had gotten restrictions placed on all the streets that would limit it to residents. We all thought that was terribly unjust, so we started a big campaign to get that undone, which led us to the campaign to unseat the city council member who had been unfriendly to us on that. But it also helped get my friend elected student body president. I was his campaign manager. And so then he, in turn, appointed me to something called the Associated Students Board of Control, which is sort of like the board of directors for the Associated Students Organization, which includes the bookstore, student programming, a whole series of other things. We got a bowling alley, and various things.
Lage: Businesses?

Arditti: Businesses, yeah. As well as cultural and entertainment programs, and all that sort of thing. So that began to get me involved in the campus in a different way then when I had first begun. And then one thing just sort of led to another. I then secured a job in the Associated Students programs office, after I had graduated and begun law school, so I was doing that part time. That was just a great, great boon. The ability to work on campus. Because I had spent all those years going back and forth across twenty-five or thirty miles—

Lage: It's a different life.

Arditti: —of Los Angeles to work and all that. To be able to work in the same climate in which you're going to school, and not spend all that time in transit, and so on, was really terrific. But anyway, so I got very much involved in that, and that led me, then, to being asked to become assistant dean of students, and then doing some work with the chancellor’s office.

Lage: Now, was that after law school?

Arditti: Yes.

Lage: So you got to know campus administrators?

Arditti: Oh, yes. Yeah, yeah, yeah.

Lage: Now what was the temper of the times at UCLA? I mean, you graduated in ’64, which was the year of the FSM [Free Speech Movement] up here at Berkeley.

Arditti: Yes. Yes, yes.

Lage: And then, following that, a lot of activism. What was it like at UCLA, and—

Arditti: Well, it wasn’t nearly as contentious as it was at Berkeley, but there was still a lot of activity. The administration, particularly Chuck Young, was very adept at responding.
Lage: He was the assistant chancellor?

Arditti: He was three or four different things, but I guess his last role before becoming chancellor was administrative vice chancellor. But in any case, it had reached a point where he and Murphy, Franklin Murphy, were just a tremendous team. Murphy was the visionary and the outside person, and Chuck increasingly ran the place. There was a lot of war-related protests. We had issues involving ethnic and racial groups, demonstrations, sit-ins and all that. But never was there anything on the grand scale of what you saw at Berkeley. And I think that’s partly because Berkeley is just a different climate and environment than Los Angeles. And I think partly it had something to do with the way the administrations in each of those campuses responded. Toward the end of my time there, I was actually a part of the UCLA campus administration response to some of these things. And it really—

Lage: Because you learned a lot from what went wrong at Berkeley, right?

Arditti: Yes, that’s true. That was a great laboratory. A great laboratory. But just as with dealing now with legislation or other things, there are a lot of really difficult situations in which close judgments have to be made about, is this the right way to go or is that the right way to go? And there’s no real compass to guide you. You just have to—I mean, we had one even where a large number of students invaded the administration building, and occupied the entire first floor, inside people’s offices and all that. There was great political pressure from the outside to do something about it, you know, get the police in there and haul them out.

And to do that at that time—the campus police were a very minimal entity, not very well trained. Very small group. So to tackle a big situation like this with police meant calling for the Los Angeles police. And they did not mess around with these kinds of things. I mean, if you pulled that genie out of the bottle, man, they came in in force with their batons, and all that. And I think one of the lessons learned at Berkeley is if you overreact to a situation like that, you can then turn it into something much bigger than it needed to be. And I remember, we had a very tense time there, where the chancellor, Murphy, was off campus at a board meeting or something. Chuck Young was in charge on the spot there, and there were two or three of us young staff people who had been mingling with the students, trying to take a pulse of just what they were concerned about, and what they were likely to do, and all that. And the chancellor was saying to Chuck, “God damn it, Chuck, you’ve got to get these kids out of there by closing time. The regents won’t tolerate, the governor won’t tolerate—” And Chuck was really on the fence there, because people like me were arguing, look, we’ve talked to these kids. They’re not here to tear anything up. They’re not going to stay even all night. Let’s just
give them a little time. At some point here, they’re just going to get tired and
go away. And if you bring in some massive overresponse like that, God
knows what’s going to happen. People will be hurt. The place will be torn up,
it’ll be much worse. Just be a little patient.

At one point, the chancellor, though, he was not there on the scene, so he had
his view. But finally Chuck made the decision that we’re going to hold. We’re
not going to do something major. And sure enough, I don’t know, an hour, or
two, or three later, whatever it was, they all got up and left. And nothing was
damaged, and nobody was hurt. But there are other times when there’s just no
choice but to take strong action.

01-01:00:35
Lage: I have to stop you.

01-01:00:36
Arditti: Okay.

Audio File 2

02-00:00:05
Lage: Okay. We’re continuing this interview with Steve Arditti, and this is tape two.
Still May 23.

02-00:00:11
Arditti: Yes,

02-00:00:12
Lage: Okay. You were telling about some of the campus unrest and your own role.
At this point, you were on the staff.

02-00:00:17
Arditti: I was, yes. I was an assistant dean of students at that point. Not all the stories
ended as happily as the one I just described. We had some tragedies. One had
grown out of a conflict between two African American student groups: the
Black Panthers and a group called Us. This was at a period where the
campus—Chuck Young really pioneered student affirmative action at UCLA.
I mean, I don’t know what happened all over the rest of the country, but I
know that UCLA was one of the very earliest places to really go out and work
to increase the diversity, and to be willing to take chances on kids.

02-00:01:06
Lage: And was that Chuck Young as the vice chancellor? He came in in—

02-00:01:11
Arditti: I think more when he—

02-00:01:13
Lage: —’68.
Arditti: '68. So some of this would have been even before that, when he was vice chancellor. But in any case, we had an increase in the number of kids who might not otherwise have made it. And some of them went on to be fabulously successful. It was a great success. But it—

Lage: It helped your athletic program, too.

Arditti: It did that, too. But in any case, there were some low points. One day, I was in my office and got a phone call informing me that two people had just been shot in Campbell Hall, which is a building across the campus. So I grabbed my coat and started to run. I said, “Oh, wait a minute. I guess the first thing I’d better do is call the police, before I go over there.” So I called the campus police and then ran over there. By the time I got there, the police had occupied the building, and they had a bunch of people against the wall with their arms up. Two people had been shot, and killed.

Lage: Shot and killed?

Arditti: Shot and killed.

Lage: And were they students?

Arditti: Yes.

Lage: And it had to do with the dispute thing?

Arditti: Some kind of dispute between these two groups. And some of the people they had with their hands up against the wall were people that I knew very well, and one of them said, “Hey, Dean Arditti, tell these guys I’m okay!” and I said to the police, “Oh, he’s okay. Let him go.” And they turned the guns toward me. I said, “Hey, wait a minute! I’m the one that called you, remember?” But everybody was very nervous, because when something like that happens, you have no idea who’s going to do what, or anything. It’s very frightening. And then this tension continued, and so we wound up housing a number of the students from one of the factions who were feeling threatened by the other faction in what was then the home economics laboratory building on the campus. It was on the site that is now occupied by the UCLA Guest House, which is a campus hotel. But at that time, there was this home economics laboratory. It was a house, basically, on the campus. And we had kids in there for maybe three weeks, who felt threatened.
Lage: Being guarded?

Arditti: Being guarded. Yeah. Yeah. And I remember that Friday night, I had a call from one of them. Had already met my wife by that time, and we were going out on a date or something. I got this phone call, “Can you get us some protection?” I said, “You know, it’s like eight on a Friday night. I don’t know if there’s room or anything,” but I said, “Give me a phone number where I can call you and I’ll get back to you.” “No. Don’t want to do that.” “Well, how am I going to get back to you?” “Well, I’ll call you.”

Okay. Because he was afraid to even give out a phone number, afraid somebody might be tapping the phone, and might find them. So as luck would have it, I was able to reach the campus chief of police and I said, “I’ve got two people who are asking for protection. You got any room left at the home economics building?” And he said, “Well, I think we get—yeah,” he says, “I think we can do it.” He said, “But there’s only one condition.” I said, “What’s that?” He said, “No guns.” I said, “Well, that sounds fine to me.”

So I wait for this phone call back. I said, “Well, good news. Talked to the chief. Room for both you and (name deleted)—” that’s the woman who’s now this person’s wife. I said, “But there is one condition.” He says, “What’s that?” I said, “No guns.” He says, “No guns?” I said, “Yeah, no guns.” He says, “Why not?” I said, “Don’t give me that! It’s nine on a Friday night. You want to go or you don’t want to go?” “Let me talk to her—Okay. We’ll take it.” And so they went over there for that period of time. So that was really one of the low points. I mean—

Lage: Now, were these disputes campus-related? Did they have something to do with ethnic studies on campus?

Arditti: You know, it’s just—I never did understand exactly what it was. Because these both were organizations that existed off campus, and that had student adherents on campus.

Lage: And were they officially recognized as student organizations?

Arditti: At least one was, and maybe—well, let’s see. I don’t know if these actually—the Black Student Union was a recognized organization. I don’t know whether the Panthers and Us were student organizations. These were organizations that were statewide in character, or at least citywide in character, but which had clusters of students who were—
And were known as fairly radical groups.

Oh, absolutely. Yeah, yeah, yeah. But the people who were killed were affiliated with the Black Panther faction, and the person or persons who were ultimately convicted of that crime were affiliated with the US faction.

And were they students who were convicted?

I don’t think so. I don’t think so.

And who were you protecting? The US people?

No, the Panther people. Because the shooting of Panther people had been undertaken by US people, so—

Right. I thought maybe the US people were afraid of retribution.

Oh. If they were, they didn’t come forward in the same way that the Panther-affiliated kids did.

This must have had a lot of ramifications beyond that incident. I mean, did it affect how you dealt with those organizations?

[sighs] Yeah, although—you know, there’s no scientific way to figure out how to do this, you know? I mean, I think at all times, we tried to work with these organizations as much as possible on an ongoing basis, so that there weren’t things that bubbled over and got out of control, or at least in a way that was unanticipated, that you couldn’t figure out what the right response was. I mean, the worst way to escalate these things is to respond in an uninformed and maybe unnecessarily heavy-handed way. And then something that starts out that big gets to be much bigger, and then worse things happen.

By and large, I think at UCLA there were tense times, but very little that really got away. In terms of—very little, ever, in the way of people being hurt, property being damaged, business being shut down. I mean, a lot of—

You didn’t have local stores being damaged like we had on Telegraph?
Arditti: No. I don’t remember anything like that. I remember demonstrations, and emotional expressions, and sit-ins, Dow Chemical recruiting on campus was a controversial issue, as it was on campuses across the country. I remember one time a faculty member in the philosophy department, a fairly radical person, had led a group of students in to sit in in what was the student job placement center, which at that point was an easy target for this sort of thing. It was one of those old, wooden Quonset hut buildings, self-contained, one-story. I mean, an easy target for this sort of thing. So he leads all these kids in there, and then somebody said, “The police are coming!” He gets up and says, “Oops!,,” he says, “I’ve got to go teach a class, but if I were you, I'd stay right here.” I never forgot that, that hypocrite.

Lage: Were you watching?

Arditti: I heard the whole thing, yeah. It was outrageous, you know? It’s one thing to lead other people into a situation that you’re willing to experience yourself, but for somebody with the stature of a faculty member to be leading students—impressionable young students in there, and then say, “Oops, I’ve got to teach a class, but I'd stay right here if I were you,” that was not a high point in all of this. It was kind of annoying, but I think in the end, the students were led away, nobody got hurt, and—

Lage: Did you have a lot of community pressure to do something about this wild campus in their midst?

Arditti: Well, not so much the immediate local community, at least as far as I know, but there was pressure from Sacramento, and from the regents, and groups like that. “Crack down and be sure people obey the rules, and let’s don’t let them—!” and all that stuff. There was. But.

Lage: How did the young Chuck Young handle all this? He was such a young chancellor.

Arditti: He was. He was. He was thirty-six when he became chancellor. And so he was, as far as I know, the youngest person ever to be appointed chancellor, and also the longest serving, at twenty-nine years. No, he was brilliant in all this. And he really was the guy on the firing line. Franklin Murphy was a giant of a person. And I guess you know the university press has published a biography of Murphy, which I’ve just begun to read. But he was just a brilliant, charismatic, complex, visionary person. But he didn’t have a lot of patience for the nitty-gritty of dealing with—he leaned very heavily on Chuck to handle these things, which was a good thing, because Chuck was willing to
roll up his sleeves and get his hands dirty, and really stay with these things and see them through.

And he surrounded himself with a good set of people for this. Recruiting three or four people like me, who had been students just yesterday ourselves to kind of help with this. And he was—it sometimes took him a little while to reach a decision about what to do in a particular situation, and he’d really get into it personally himself. But he’d make a decision, and he’d stay with it, and he was willing to stand up to pressure. Of course, some of the examples of that are well known: the Angela Davis hiring, and so on. But there are a lot of other things, too, where he just—he would reach decisions very carefully, but once he made one, boy, he’d withstand pressure.

Lage: Excuse me: I’m taking you off in a new direction.

Arditti: Sure.

Lage: Did you—?

Arditti: Well, I mean, I could say more about Chuck later on, but just in terms of this particular era that we’re talking about, I think he demonstrated early on his ability to be very methodical about understanding a situation and making a decision, and then being willing to make a tough one and stand with it.

Lage: Was he also diversifying the staff, as he tried to do with the student body?

Arditti: Yes. Yes, yes, yes, yes. Not in a big way. I mean, the pool was just so darn small, because so few people had gone on to higher education. But yes, he did. He was a true hero not just for UCLA but for the entire University of California.

Lage: Now, what about your own personal views about—did you get caught up at all in the anti-war activity, or—?

Arditti: I did a little bit. I did a little bit. Yes. I wasn’t a major actor in that, but it was very hard, because I knew people who went off to the war, and as students, we all felt threatened, minute to minute, that it could be us next. And it was just hard to see what we were accomplishing over there. Ironically, a friend of mine in Sacramento who served in the military during that period of time was befriended by a Vietnamese family that since had immigrated to this country, and has—hugely successful people in Sacramento and the Bay Area. And that family went back for a visit, to Vietnam, a year or two ago, and they invited
my friend to join them. His general take after all this was—he said, “When I was over there, I believed we needed to be there, and that the objectives we were seeking were the correct ones.” He said, “Having now come back all these years after we lost, my general conclusion is all the goals we set out to accomplish have pretty much been achieved there despite our loss.”

I mean, the economy is becoming much more free market than it was. They’re focused on economic growth, growth, growth. Business is flourishing. They’re courting foreign investment. All these things. Now, politically, it’s still a very repressive regime. But basically, he says it feels like the Vietnam we wanted to create, but failed to ourselves.

02:00:14:49
Lage: It is ironic.

02:00:14:50
Arditti: It is very ironic.

02:00:14:53
Lage: Okay. Well, other things about what you may have taken with you to Sacramento from that experience at UCLA?

02:00:15:05
Arditti: Well, by the time I got to Sacramento, I had really been thoroughly immersed in the university, in UCLA, which I think really gave me the passion that was required to fight the battles that we fought here. I remember just being horrified that the academic freedom of a university could be threatened with repressive measures, budget cuts and so forth, because people didn’t like what views were being expressed. I mean, that was just terrifying to a student on the campus. And we had Governor Reagan who was elected on a platform of cleaning up the mess at Berkeley, and cutting the budget, and “Why should we be subsidizing mere intellectual curiosity?” and all that.

02:00:15:59
Lage: And I think he wondered about why we needed so many libraries.

02:00:16:02
Arditti: Yes! Oh, libraries and all. By the time he finished his governorship and then became president of the United States, his own views and actions evolved quite a lot, but at that moment in time, it was a really terrifying—it really looked very terrifying from the campus perspective. And so for me, then—here I'd been immersed in the place and just loved it, and was pretty scared to see what might be happening. So it really prepped me to get into this ring up here in a very passionate way.

02:00:16:47
Lage: That’s interesting, the use of the word, passion. I think it’s important—[telephone rings] Do you want to get that?
Okay now. I was one day in a meeting of some kind in a room in, I think in what’s now Murphy Hall, the administration building. And Chuck Young stuck his head in the door and said, “How’d you like to go to Sacramento?” And I said, “What do you mean? For the weekend or something?” He said, “No! Go on up there, work in our office!” I said, “We have an office up there?” He said, “Yeah!” I said, “What does it do?” “You know, get the budget through, deal with all those damn bills and all that!” I said, “Well, gee, I don’t know. Sounds like it could be interesting.” I mean, when you have a love for the university and an interest in politics and government, it sounded like this was a pretty good blend of things that I found interesting and cared about.

So in any event, I don’t know, a couple weeks went by, and he said, “Has anyone called you?” I said, “No.” “Well, someone will!”

Yeah! Oh, yeah. If you know Chuck—I mean, he’s six and a half feet tall, he’s a very forceful person. So in any case, so finally I did get a call from Jay Michael, who was the person who headed the office at the time. We talked a little bit on the phone. He said, “Well, why don’t come on up and let’s talk a little more.” So, okay. So I went up to Sacramento. I think I’d only been there once in my life for an afternoon, or something like that. I spent no time in Sacramento.

If you’ve been in Sacramento in February, which I think this was, you’re leaving sunny Santa Monica, Westside Los Angeles, right? And you’re coming here where it’s dark, gray, foggy, cold, windy. And you’re coming to downtown Sacramento as it was then. I mean, I’m very excited about what’s happening in downtown and midtown Sacramento today. Just all kinds of exciting art galleries, theaters, restaurants, loft housing. It’s just very exciting, what’s happening. But in those days, it was pretty threadbare.

And so I landed in this gray, dank weather, and he took me to lunch at Frank Fat’s restaurant, which is a legendary gathering place for politicians, lobbyists, and so forth to this day. But we go in at lunchtime, and it’s kind of dimly lit with kind of red velvet upholstery on things, and smoke so thick you could cut it with a knife, and people sitting at the bar downing martinis and
throwing dice down on the table. I mean, I’ve gone from one universe to another here. This is really very different than I have been accustomed to. But in any event, so we spent some time talking, and then he said, “Well—”

02-00:20:22
Lage: At Frank Fat’s?

02-00:20:23
Arditti: At Frank Fat’s.

02-00:20:25
Lage: Did you smoke at the time?

02-00:20:26
Arditti: Yes, I did. I did, yeah. So in any case, we spent some time talking, and I don’t remember exactly the progression of things, but then he invited—at this point, by the way, I had been planning to stay on at UCLA. We had a wedding date set. We had an apartment leased in Santa Monica. I mean—so in any case, I said, “Well, I don’t know. I have to talk to my wife. This sounds very interesting.” I talked to my wife, and then she broke down in tears. She’d never been here at all, and had never given any thought to leaving and going anywhere else.

02-00:21:04
Lage: Was she from Los Angeles? Her family, and—

02-00:21:06
Arditti: Yeah. She grew up in Venice, California. So in any case, we had some conversation about that. Finally agreed to come up, and Jay said, “Why don’t you bring her up here? We’ll drive around a little bit.” So he took us on this tour of Sacramento, the different neighborhoods and all that sort of thing. Anyway, so we decided, well, we’ll give this a try. Maybe a year or two anyway. Of course, the rest, as they say—

02-00:21:34
Lage: Is history!

02-00:21:35
Arditti: Yeah. So that’s how I got here. That’s how I got here. So it was a combination of—from what I gather, the office, it was very, very small at that time, and they had made a decision to expand it by one person.

02-00:21:49
Lage: You weren’t replacing someone?

02-00:21:51
Arditti: I don’t think I was replacing somebody. I think it was a new position. And I guess they had been searching for some time, and for whatever reason had not found someone to their satisfaction. And so I surmised that at something like a Council of Chancellors meeting, Jay Michael said, “You know, we’re looking
for a new person in our Sacramento office. If any of you have anybody you think would be suitable, please let me know.” And so I think then on that basis, Chuck Young suggested me.

Lage: He knew your interest in politics?

Arditti: Yes. Yes. Yeah. Because he was there pretty much the whole time I had been there. He started out as—I forget. Some other title. But gradually increasing responsibility. So he did. So I think that’s how that happened, and that’s how it did happen.

Lage: It was a big decision.

Arditti: It was a huge decision.

Lage: Especially if you were interested in kind of the administration of higher education.

Arditti: Yes. Yeah. But, you know, for me, it was appealing, because it blended together my passion for the university with my really strong interest in government and politics, so it was a perfect mix.

Lage: Were your parents disappointed that you’d given up the law?

Arditti: Yeah. Yeah.

Lage: You got the degree, which—

Arditti: Yes. Yes. Partly because they knew what that was. This was all a big mystery to them. They still—to this day, my mother, I don’t think, really understands. I mean, she did come up for my retirement event, which was really wonderful. There were like 250 people, legislators, and the lieutenant governor, and others.

Lage: That must have pleased her.

Arditti: I think it did.
Lage: Did your family follow the religion? Was that an important aspect of your upbringing?

Arditti: Yes. They were quite—not Orthodox or anything like that, but they were active in a synagogue in Los Angeles, and if you go today to Temple Tifereth Israel on Wilshire Boulevard, at the time when I was growing up, the temple was over on Santa Barbara Avenue near Western, and then they moved out to the Westside. My dad was very active in the building fund campaign and all that, and you’ll find his name engraved in a couple places.

Lage: And has that been part of your—

Arditti: I haven’t really carried it out. I very much identify, but I haven’t really practiced very much. But it is something that’s an important part of my identity.

Lage: Do you think this is a good place to take a break?

Arditti: Sure.

Lage: We’ve got you to Sacramento.

Arditti: Yeah. Yeah, I think so.

Lage: And then we can have a bite, and come back and—


Lage: Okay.

[break in recording]

Lage: Okay. We’re back on after lunch break, and we’d just gotten you up to Sacramento. And maybe you can give us an idea of what the office was like at that time.

Arditti: Okay. Well, it was a very small office. At that time, the legislature had been converted to a full-time legislature just three years or so beforehand, but was still not in session for nine months and more, as it is today.
So how long would it have been in session?

Well, maybe six months. Something like that. And still all the people who were in the—many of the people who were in the legislature had come up under the older part-time system, and so it was a group of—it was a diverse group of people, but still a lot of key folks were from rural areas, and people were there who had served for twenty-five, thirty years, and so on.

Old timers.

Old timers, who had begun in the old system when it was a part-time legislature, where they actually did do something else most of the year and just came up for either thirty days or sixty days for a legislative session. So—

It’s amazing to even think of that! So this was 1969, in case we’d forgotten to say that.

1969. 1969. And so there was that element, and then of course in terms of the university, again, Ronald Reagan was the governor, and at that moment, the Democrats were in control of the legislature. There was a very brief period, I think in 1970, where the Republicans took control of actually—well, took control of the assembly, and a Republican was elected senate president pro tem, although it was a bipartisan vote that put him there, which was something that—

And who were the—one was Monagan, wasn’t it?

The speaker was Bob Monagan, yes. And the president pro tem was Howard Way. A very fine gentleman. Somebody who passed away, I think, not too long ago. Bob Monagan’s still alive. I’ve seen him recently. But in any case, that was—during the time that I’ve been here, that was the only period, with the exception of one two-year period in the nineties, when the Republicans actually controlled either house. Otherwise, the houses have been controlled by the Democratic Party.

Now, you’re saying both houses have been controlled by the Democrats, except for this brief time?

Yeah. Yes. Both houses controlled by the Democrats, with the exception of 1970, when Republicans led both houses, and then in the mid-nineties, when
the Republicans led the assembly only. And barely by a vote or two. That was a period in which Willie Brown was still in the legislature, and had for a while managed to find ways, even though the Republicans won a majority of seats, to either stay in office or get other people of his choosing in office, and so on. But finally, a Republican became speaker, and served for a year and a half, or something like that.

Lage: That’s quite a length of time to be so dominant.

Arditti: It is, yes. And it reflects, to a large extent I think, just the population of the state. There are more Democrats than Republicans. And the other thing is once you get power during a period of reapportioning of districts, you can kind of tailor the districts to maximize the number of seats that your party gets. So once a party achieves majority and holds it for a while, it’s pretty hard to turn that around. The current reapportionment of districts is such that no seat has changed party, I think, since this plan went into effect. We’ve had huge turnover among individuals, because of term limits and so on. But not—I think one seat has changed party.

Lage: When you consider how much the state has changed, that’s pretty amazing.

Arditti: Yeah. Yeah. And so—

Lage: So anyway, back to ’69. The climate was not terribly friendly towards the university, I would guess.

Arditti: Oh! There was just enormous hostility. Enormous hostility. Mainly as a reaction to the Free Speech Movement, and the antiwar protests, and all of that. And that had its manifestations in the budget process, and attitudes about funding for the university. Widespread perception that the faculty was either soft on this kind of stuff or was actively encouraging it, so big issues about faculty salaries. It was really such a dramatically different culture than what I had just left at UCLA. But our job was to try to mitigate that and prevent damage. It was also an era in which personal relationships counted for a lot.

Lage: Tell me a little bit about how you got brought in to the office, and to the scene in Sacramento.

Arditti: Well, it’s very interesting. In those days, very few people had their families here, members. And so there was quite active nightlife. Lunch life, dinner life, after-dinner life. And Jay Michael, who was a brilliant guy and loved to interact socially with people, also recognized that there was this huge threat
out there and that two things that had to be done to prevent real damage. One, intensive cultivation of personal relationships with as many of these folks as possible. And secondly, a strategy that worked with moderates to do things that looked like action that wouldn’t really be harmful to the university. And those were two themes during that period of time, in terms of how the university got through this, frankly, without making major—

02-00:31:03
Lage:
Was this a strategy that you discussed with Michael?

02-00:31:06
Arditti:
Oh, yes. Yeah. Yeah. And so anyway, on the personal relationship side, the things that he did and involved me in were absolutely fascinating, wore me out. I stopped doing them after a while. Typically on a, say on a Monday—this is now the period when Jim Corley was back on a part-time basis.

02-00:31:31
Lage:
Tell me about that, because we talked about it off mike.

02-00:31:34
Arditti:
Yes. What I know is that Jim Corley had been responsible for Sacramento, as well as a lot of other things for the university, until Clark Kerr became president. What I believe somebody told me, anyway, is that Kerr reduced his responsibilities to nuclear labs, or something like that. Took away all of his other responsibilities, and I guess he resigned. Was effectively asked to leave, I guess, by Kerr. And I can only speculate as to the reasons for that. I mean, Kerr was a new president, a very different character than Robert Gordon Sproul, and presumably wanted somebody more in tune with his own views, which is something that is very legitimate for presidents, and customary.

02-00:32:16
Lage:
What was Jay Michael’s background? I don’t want to stop talking about Corley, but—

02-00:32:22
Arditti:
Jay had gotten an undergraduate degree from Berkeley and a master’s degree in public affairs from UCLA, and then had worked with local government groups. He worked for the League of California Cities, and for a period of time was the city manager of the city of Claremont. And in the course of his work in local government, he had become acquainted and developed a friendship with Eugene Lee, whom you may recall as having headed the Institute for Governmental Studies at Berkeley for many years. But Gene also was a vice president in the Clark Kerr administration, and had become very close to Jay and had great regard for him. And I believe it was Gene who was instrumental in getting Kerr and Jay Michael together, which resulted in Kerr hiring Jay for this job.

02-00:33:18
Lage:
So this was his first lobbying job, really, or—
Arditti: Well, I think when he was with the League of Cities he had been lobbying also. I think the only part of it that didn’t—I don’t remember the details. Working for the League, I think they did various things. They do a lot of lobbying for local government, as well as running various programs, and conferences, and things, and I think he was involved in all of those kinds of things. And so the time out of that that I’m aware of was the time that he was working as city manager for the city of Claremont. And I think that’s what he was doing immediately before coming into this job, but having had a fair amount of background in lobbying and so on beforehand.

Lage: This strategy that you described, of pushing for moderate things that might satisfy the folks back home, would that strategy have been evolved within your office, or in consultation with the president’s office?

Arditti: Well, both. Both. I think the strategy really evolved—began in the office. I think it was really Jay who said, “Look, if we’re going to stop this wave from crushing us, we can’t just stand in front of it and say, ‘Hit me,’ we’ve got to get out there and work with people, see if we can develop things that will appear as though they’re moving in the direction of doing some things that are not destructive.” Because almost all these members felt, except the most liberal ones, felt a need to sound very tough and angry back home. I think a lot of them didn’t really want to hurt the university, but were mad about some things and felt they needed to show that they were doing something.

And so there was a whole series of activities. There was a special committee that was set up on campus disturbances, and it held hearings for a long time, and developed proposed legislation. And we worked very closely with that group, trying to shape what they recommended in the hopes that these would be things that would not be harmful to the university, but that they would look like they were something that was being done, that would then make members feel that they didn’t have to go for some of the really extreme things that were being proposed by some members.

Lage: Now, when you say you worked closely with that group, how did you work with them? Were you on the same side, let’s see how we can get some moderate—

Arditti: I don’t know if it was that explicit, but we made a huge investment in helping with the staff work, working with the staff, working with the members, working with people in the university to develop ideas that we thought we could put out there that would not be harmful, but that would be looking like something was being done. And it was a combination of the substantive work, working with people to develop these ideas, continuing to oppose the things
that were really destructive, and focusing as much as possible on developing these personal relationships, to make it easier to work with people.

Lage: And you were starting from ground zero.

Arditti: I was starting from ground zero. But, I mean, from the first month I was up there, like a typical Monday night would be—first of all, it would be Jay, a guy named Milt von Damm, who worked in the budget office but who helped Jay with issues related to the budget, a fellow named Clive Condren, who had worked in Oakland, but had worked some in Sacramento as well.

Lage: He worked under Corley, apparently.

Arditti: He worked under Corley, and under Frank Kidner [vice president, educational relations]. And then there was a woman named Dorothy Gibson, who was sort of like the administrative person in the office and worked on constituent problems, and stuff like that. It would be pretty much that group, occasionally one or two more. We’d start about five or five thirty, having a staff meeting on bills. And that consisted of just a big stack of bills in a binder, and everybody would get a copy and we’d go through them. Scotch, and gin, and liquor would be put out on the table, and we’d be going through these bills. Pretty soon, the bills were getting a little blurry. So we’d go through that, go through the bills for a while. It would get to maybe seven or something, and Jay would say, “All right! That’s enough of that. Let’s head out.” So then we’d go over—

Lage: As a whole group?

Arditti: As a whole group. As a whole group. So then we’d head over to what was then the Senator Hotel bar, and there would be various members and people there, so we’d hang out there for a while, have more drinks, schmooze with people, and so forth. And then you’d get up to maybe eight or eight thirty. “All right! Let’s move on.” So then we’d head over to Frank Fat’s, and we’d have more drinks, and we’d eat. And sometimes close that place down at midnight or something.

Lage: And you’d be inviting people over to your table, and that kind of thing?

Arditti: Yes, yes, yes. You’d go around to other tables, invite people to your table, whatever.
And then do you discuss substantive issues? Are just developing a relationship?

More developing relationships, although I can remember examples of issues that we really got solved in that context. I mean, I remember one time an amendment showed up to a bill that we were very concerned about, and we caught it. It was a last-minute amendment. We caught it at the last minute, and the bill was up like the next morning at eight in a key committee, and so forth. We were very worried about this. So we were at Frank Fat’s and the author of the bill was sitting at the bar, fortuitously.

So gingerly—I was always reluctant to approach people about business when they’re out after hours. A lot of people don’t like that. But when you’re desperate, you do what you need to do. And so I approached this member. I said, “Excuse me, senator, I’m so sorry to bother you about this, but this amendment that came into your bill, it’s up at eight tomorrow morning, and I’m just wondering if I could take just a minute to talk to you about this.” He said, “Oh, okay. Sure.”

Now, did you know him already?

Yeah. I knew him. But through this kind of activity, you know? And he said, “Well, what’s the problem?” So I gave him the short version and so forth. He said, “Well, you got an amendment that’ll fix it?” I said, “Yes. Yes, we do.”

You’d already written up something?

Oh, yeah. Yeah. One thing I learned really early on: you never go to somebody with a problem without presenting a solution. Otherwise, they’ll solve it their way, and you won’t like it. And they appreciate it, anyway, if you do an honest job and don’t misrepresent what you’re giving them. That’s another thing you have to be very, very careful about. All you have to do is get caught misleading somebody once, and you can forget that relationship.

So in any case, the way you get an amendment incorporated into a bill is it has to be drafted, has to be taken to the legislative counsel’s office that has to review it, and put their stamp of approval on it. Sometimes modify it a little bit. And then they reproduce it in a form that can then be presented to a committee for incorporation into the bill. So here we were. It was like nine or ten at night, and this bill was up at eight in a committee the next morning. And you need written authorization from the author of the bill to be able to even talk to legislative counsel about getting this drafted.
So he says, “All right. I’ll tell you what.” He said, “Go see Jimmy Yee in the legislative counsel’s office. He gets there at seven in the morning. Be there at seven. See him. And get the amendment, bring it to me, be at the committee by eight, and I’ll put it in.” I said, “Oh, boy.” But I said, “Senator, I need the written authorization.” That’s usually like a formal letter or something like that. So we all look around. There’s nothing to write on. So we pick up a half-soggy napkin off of the bar. He writes, “I, Senator So-and-So hereby authorize Steve Arditti—” So I’ve got this precious napkin. I’m going phhhhh! Dry it out. [laughter]

So meanwhile, we were out. We were probably at Frank Fat’s until midnight, and then there was a place called the Torch Club, which at that time was down the block from Frank Fat’s, where people would migrate after Frank Fat’s closed down. And so probably there until one in the morning, or something like that. But there I was back at seven the next morning at the legislative counsel, and I go to the front desk, and I show this young lady at the desk this rumpled napkin with this blurry ink, and all that. But she accepted it, and got this fellow out. He said, “How soon do you need this?” I said, “Eight.” He said, “It’s seven twenty now.” I said, “I know. Can you do it?” “Okay.” And so we got it done, took it there, it was in the—solved that problem.

02-00:42:32
Lage: Do you remember the issue?

02-00:42:34
Arditti: I do not remember the—

02-00:42:35
Lage: More the process.

02-00:42:36
Arditti: On this one, I remember more of the process, I think. I don’t remember the issue on that one.

02-00:42:41
Lage: And that was early on?

02-00:42:42
Arditti: That was really early. Really early. Really early. But, I mean, in this way, I got immersed in the community of people there. Because this was a highly prevalent way people spent their evenings. And there are also some lunch groups that I was able to participate in. And that’s how you got to know people.

02-00:43:04
Lage: Now, how did your new bride feel about this?

02-00:43:06
Arditti: Oh, she just didn’t know what to make of this.
Lage: Was this every night or just Monday?

Arditti: No, not—oh, every night, you couldn’t survive it. But it would be maybe a couple nights a week, anyway. On average. And Jay—I mean, he would just keep going.

But he really did believe in pushing it to the extremes, in terms of taking advantage of every opportunity to be—I mean, he did so much more than I ever did. I mean, he went hunting and fishing with these people, and all that. I couldn’t—I don’t—just couldn’t bring myself to do those things. But the truth of the matter is it was an enormously effective way to develop relationships with people in a circumstance where there was just this great hostility and antipathy, and it just had to be blunted somehow. And so this—

Lage: Do you think Jim Corley had done that same kind of—I mean, he talks about personal relationships, but not the bars.

Arditti: Oh, yeah. Yeah. In fact, when he came back—I may have mentioned before. Jay, recognizing the relationships that Corley had built with a lot of these long-serving people who were being problems, had recommended to President Hitch, who succeeded President Kerr, that Corley be brought back on as, I think, special consultant to the president or something like that to help with these things. And so Corley would be in Sacramento a couple days a week, maybe, and he’d be part of our troupe going on rounds. And, you know, there were people who he had been close to for many, many years. I mean, people served a long time. He had served a long time. And so there was plenty of—he had lots of good will with a lot of these people, including some of those who were causing a lot of the trouble. Now, you know, he—

Lage: What did he think about you, a young upstart?

Arditti: He was very nice to me. He was very nice to me. I felt very lucky that there were people who took me under their wing almost from that first day, certainly Jay, Jim, Milt von Damm, Frank Kidner—

Lage: Tell me about Frank Kidner. It’s a familiar name, but I—

Arditti: Frank Kidner was a professor of economics at Berkeley. This brilliant, loveable man with a deep booming voice, about four feet, eight inches tall, who had become just a very versatile person in university administration. I don’t remember the whole history, but he had been responsible, I think, for educational relations at one point, relationships with other educational
institutions and the old Coordinating Council for Higher Education and all of that. And then had worked, I think, when there was a constitution revision commission that the university was concerned might try to alter Article IX, had worked with that.

And then at some point was actually acting in the role of the Sacramento representative. I think between the time that Corley left and Jay Michael came in, Kidner did that job. I don’t know how long that was, maybe a year or something like that. But in any case, once Jay came, then he returned to educational relations or whatever that portfolio was called at that time. Clive Condren worked for him at that time. And he remained a very close friend and colleague to Jay and others of us in the office. And really was a mentor to me. Just a magnificent man. But he was one of these very versatile people that would kind of be put where he was needed, and he would be there, and he would rise to the occasion.

And he knew the system, and—

He knew the system really well, having come up through the faculty ranks and so forth. But just a delightful person. But anyway, I think—the Sacramento work was not really something that was his cup of tea, but he did it when asked.

Did you call on faculty and alumni to help with this process of—

Yes.

—making the legislature happy?

Yeah. Yes. Although we had far less capacity to do so at that time, because I mean, it isn’t something that you can just do at the last minute, when you’ve got a crisis. I mean, if you wait until then to start thinking about, “Jeez, there’s somebody out there we can call,” it’s really too late. This is something that needs to be a year-round process of working, primarily through the campuses.

I do remember—I interviewed [Professor of History] Carl Schorske. I don’t know if you remember him. And he talked about—I don’t know if he was called on by the president’s office or the campus, to go out and talk to different groups in the state. And alumni groups also.

Yes. But you have to do more than talk to them. I mean, you’ve got to let them know that you need their help. You’ve got get them to agree to give you
their names and contact information. You’ve got to be able to reach them, and get them to—you’ve got to know that there are people there who are willing to respond when asked, and at that point, I think the main way I remember we were able to do that was through a gentleman named Paul Christopolus. I don’t know if you’ve heard that name before or not.

I have, yeah.

But I think he started out—he went to Berkeley. He grew up in Stockton, went to junior high school with Alex Spanos, the big, successful developer. And then I think he was a coach of some kind on the Berkeley campus, then had done development work, and was in the Office of the President doing, I guess, some fundraising work, but also, I think, just somebody who had this incredible network of judges, and business tycoons, and people that he had just cultivated over the years as a consequence of his work at Berkeley through athletics, and fundraising, and so on. He was really our secret weapon. When we needed to get the guns out, Paul was the guy to call. And he worked day and night, and weekends, and the people that he would reach would just be incredible. For whatever reason, when David Saxon became president, Paul left the president’s office. Actually, he went to work for Alex Spanos, and passed away some years ago. In contrast to—

He would bring in people to help talk to legislators?

Yeah. In other words, he’d get them to make phone calls. And I mean he was enormously effective at this. I remember one time we had a proposed constitutional amendment, to strip the university of some authority. We had a fierce battle going on to stop this. And given the climate at the time, it was not looking so good. And there was one legislator who we thought was going to go the wrong way. Finally one day I bumped into him a hallway. He said, “Call the dogs off! I give up! I’ll vote with you!” He said, “The final straw was I went out to put out my trash can last night, and my next-door neighbor came up and chewed my ear off on this God damn constitutional amendment.”

And Paul had found somebody down that way who was the next-door neighbor to this member and had gotten him to get involved. But it was a much smaller and simpler world in those days. I mean, there isn’t any way that one person can do that, for so many different reasons. The state’s bigger. The university’s bigger. The social structure and the economy of the state are so much more diversified. There was a time, I think, when a relatively small number of people really could pretty much call the shots for the state. And we had some of those on the board of regents, which is another thing that was called upon from time to time. People like Edward Carter, and Edwin Pauley, and other people. Dorothy Chandler.
Lage: Of course, they were unhappy with the university, too!

Arditti: They were, too, as well. They were, too, as well.

Lage: So how did that—?

Arditti: But not to the extent that they wanted intrusive legislation or their own authority eroded.

Lage: So maybe that would make them even better spokesmen.

Arditti: Yes. They, in a way, could be a little more credible. And they just had such enormous influence. I remember one time we had some kind of a bill. I don’t remember what the issue was. And I think it was President Saxon who said, “Well, why don’t you call Ed Carter about that?” I had never met Ed Carter. He didn’t know me from Adam. I thought, what’s the point of this? [sighs] So I’ll try it. So anyway, I did call, and amazingly, I was able to get through to him. And I told him about this problem. He didn’t want to hear too much about the details of the problem, but he said, “Well, I’ll see if I can help.”

The next day, I got a phone call from the chief lobbyist for the California Retailers Association. Carter, remember, was head of Carter Hawley, the old department stores. He calls me up. He says, “The old man just called me. I couldn’t understand what he was talking about, but he said to help you! What the hell’s this problem, anyway?” So we went through it, and they did help us. But I mean, there was a time—

Lage: So you would have other lobbyists coming in on—

Arditti: Occasionally. Occasionally. I mean, that—

Lage: This is something Corley mentions in his oral history.

Arditti: Yes. Yes. But it was a time when the economic structure of the state was such that there were a fairly small number of key executives who were heading companies and interlocking directorates with other companies. Fairly small number of people who, if they decided to get active and start calling on resources they had, could really drum up a lot. There were probably ten people who could sit down around the table and pretty much call the shots in terms of a governmental decision. Now, that’s changed so dramatically now,
because the economy is so—has become so much more complex and decentralized.

Lage: And was that the type of person that was appointed to the regents? I mean, has that changed too, the type of—

Arditti: Well, it has changed. I don’t know, though, whether the type of appointees are different because of the decisions of the governors who have appointed them or simply because there aren’t any people who are able to do what could be done before.

Lage: Not the power brokers—

Arditti: I don’t think there’s anybody, anymore, who’s capable of doing what Edward Carter was capable of doing in the 1960s, for example. Nobody. I mean, he had the largest department store chain in the country. He was on the board of one of the major utilities. He just had this network of things. And so if you got him and five or six more like that together, you could really pull something together. I don’t think—we have people on the board right now who are brilliant people who are billionaires, and who have some influence here and there, but I don’t think there’s anybody who can single-handedly call in what some of those people were able to at that time.

But anyway, at that time, the office was small, the legislature was filled with long-serving people. We had fewer campuses, fewer developed campuses, anyway. And we had this one extraordinary person, who was really well connected up and down, around the state. And that was pretty much the key way that we mobilized the state when we needed to get help. I think it was Jay who recognized that that wasn’t going to last forever, and that we needed to start building a different model, and actually worked with the then-UCLA alumnus, a fellow named Tom Norminton, who is a lawyer in Los Angeles now, and was a former student body president, to begin developing at UCLA a kind of an alumni governmental relations group, which became the pattern, really, for now what’s being done on all the other campuses, and which was pretty much pioneered at UCLA.

Lage: Way back then?

Arditti: Way back then.

Lage: While Jay was still—
Yeah. I mean, he had a lot of foresight, recognizing that what we were relying upon was certainly something that had to be utilized, but that it was very fragile, and it was going to be outrun by the changes taking place in the state. And I mean, it was—talk about putting all your eggs in one basket. I mean, when Christopulos left, just a huge void was created for a while in terms of our ability to get these things done. But he’d have these people, they’d played football at Cal, and then were on the appellate court bench, or played basketball—

And he knew them all? I think he might have been [assistant] director of athletics.

I think he might have been, you know. All I know is he was prominent in athletics, and that was, in those days, it was a common pattern for Cal athletes to also go on to big achievements in later life, and he stayed in touch with all these people. It was amazing who he could get on the phone. He had a rolodex that just wouldn’t quit. Their home phone numbers, and all that. We’d ask him to get going on something, and a phone would ring here at like six on a Sunday morning, “Well, Steve, I just want to check in! I just reached so-and-so.” But whenever you have such heavy reliance on a single individual, there’s nobody in the pipeline to replace someone like that. And in any event, the state was getting much bigger and more complicated, and it was becoming clear that something more was needed.

Now just looking back to this older style, way business was done, which wasn’t just in the university, but all the lobbying—

No! Yes.

Did you see much corruption or hanky panky going on, or did your office have to engage in anything that might be considered—?

Yeah, we can’t do anything like that. I mean, as a public institution, the university cannot, for example, make any kind of campaign contributions or have any connection whatever to that. So—

That saved you a lot.

Well, it did. There are times when you’d say, “Gosh, if we could only do what so-and-so is able to do, we could really do something,” but it just would be absolutely inappropriate for a public institution of any kind, including a
university, to be in any way involved in campaigns or anything like that. So we were just—

Lage: But did you see a lot of that at Frank Fat’s and other places?

Arditti: Well, it wasn’t that overt. I mean, you know, you’d see the lobbyists for various groups wining, and dining, and entertaining members and things—

Lage: Well, you could do that. You could entertain.

Arditti: We could do that. Yes, yes, yes. Later when the Political Reform Act was passed in 1974, that put some restrictions on how much could be spent for entertainment, so it can’t be done today quite as lavishly as it was in those days, but you would see that. But there are other things that went on. I mean, there were things that people were ultimately convicted and sent to jail for, but they were not things you could just see. Almost by definition, people try to be as discreet as they can for engaging in illegal conduct. So you’d get a sense about things. There was, in the senate, the committee—

Lage: We’re almost through with this tape.

Arditti: Okay.

Audio File 3

Lage: Okay. We’re onto tape three, continuing the interview with Steve Arditti. We stopped you right in the middle of a thought, I think. What thought was it?

Arditti: Now, there were things that subsequently happened. There was a major lobbyist named Artie Samish.

Lage: Oh, yeah. I’ve heard of him.

Arditti: Who, in fact, wrote a book, The Secret Boss of California, and he went to prison. But he openly boasted about being more powerful than the governor of California, and stories are told—I guess in those days—that was before I got there. But it is said that in those early days, people could go down on the floor of the assembly and the senate. Now you can’t get down on the floor. And that he would sit back in a hotel room in the Senator Hotel and send couriers with sacks of money to just put on people’s desks while they were voting on the
floor, and all that. This goes back, I think, probably to the 1940s. So, he practiced “select and elect” – chose candidates and get them elected.

Lage: But you didn’t see anything that big.

Arditti: No! I didn’t see anything even remotely resembling that. And there’s a lot of activity that goes on today that’s perfectly legal, but that exerts influence that some people would prefer didn’t exist. I mean, every time a campaign contribution is made, that’s a potential instrument for securing influence. And all these large interest groups, whether they be labor groups, business groups, professional groups, others that make large campaign contributions, I mean this is not like you or me giving $25 to our nice next-door neighbor whom we’ve known as a friend. I mean, these are people who are giving money to people they’ve never met before, because they obviously have an agenda, and they have issues, and they’re wanting people in place who are going to do what they hope they’ll do.

Lage: And you were often running up against some of the lobbyists, I would think.

Arditti: Absolutely. Yes. Yes.

Lage: Various union groups, prison guard groups.

Arditti: Oh, the union groups—Well, not so much the prison guards, but some of the union groups that represent our own UC employees, because there were times when there—there continue to be times—when the unions want things that the university is either unable or unwilling to give, and they are very, very influential in Sacramento, and going up against them is very hard, very tough.

Lage: You have nothing to offer on the other side.

Arditti: Nothing. Nothing. I mean, part of the reason to try and get more and more volunteer advocates helping is to get people who in their own private lives are politically alive, and therefore can be of some influence with people in ways that we can’t be directly—

Lage: Who may give donations.

Arditti: Exactly. Yeah. I mean, the prototype of the ideal third-party advocate is somebody who not only was somebody’s college roommate, but maybe was
his or her first campaign finance chair, or something like that, and helped him or her—

Lage: Someone with influence.

Arditti: Yeah. Because, as I say, there isn’t any way that the university itself can engage in that sort of thing, so I think increasingly, the effort needs to be directed at finding more and more volunteers who are friends to the university who are themselves politically active.

Lage: This is a slightly different tack. Did you deal with the governor’s office?

Arditti: Oh, yes.

Lage: I’m thinking of someone like Alex Sherriffs.

Arditti: Oh, yes. I did a little—

Lage: That, when you first went up there, he was secretary—

Arditti: He was the governor’s higher education adviser, or secretary.

Lage: Adviser. Yeah. I think he was adviser.

Arditti: I can’t say I dealt with him a lot, but I knew him, and I certainly knew of him, of his history at the Berkeley campus, and then going up there with the governor. I didn’t deal with him. I think Jay dealt with him a fair amount, but I didn’t. I mean, I knew him more by reputation.

Lage: How would your office relate to him? Do you know enough—any incidents of calling on him, or working against him, or—?

Arditti: I don’t remember that much. As I say, I think Jay did most of that. I think maybe Jim Corley was called up from time to time in that regard, but I personally don’t remember very much. I mean, there’s always a lot of interaction between the university and whoever the governor’s educational adviser is. And that was a tense situation, because he—Sherriffs had been much involved [during the Free Speech Movement] at Berkeley, and had been forced out after having been regarded as making some bad decisions and so
on, so he brought a certain amount of resentment with him, which is probably why he was chosen for that job. But there was interaction.

03-00:05:43
Lage: He wasn’t really forced out of Berkeley, because he was a tenured professor. But he was—

03-00:05:48
Arditti: Right, right, right. But in terms of his administrative, his vice chancellor’s position.

03-00:05:50
Lage: He’d been [Chancellor] Strong’s—

03-00:05:53
Arditti: Vice chancellor—

03-00:05:53
Lage: Some people think he made the bad decision that led to FSM.

03-00:05:57
Arditti: I’ve heard that, and that’s possible. I don’t know. But in any case, as I say, there was regular contact, but I wasn’t involved in it myself, because I was the brand new kid, and I mean that was a—

03-00:06:12
Lage: You were learning the legislature.

03-00:06:13
Arditti: Exactly. And that was like a very major, delicate relationship there to work with. I think Jay handled more of that.

03-00:06:21
Lage: Did you get drawn in working on the budget in those early years, or working with department of finance, or—?

03-00:06:25
Arditti: Oh, yes. Oh, yeah. Because in fact at that time, Jay was responsible both for the budget and for legislation.

03-00:06:34
Lage: Oh, he was a budget officer?

03-00:06:36
Arditti: Yes. Well, he wasn’t the budget officer in the sense that he allocated the budget, but he had the lead responsibility for negotiating it and getting it through the legislature. And there wasn’t, at that time, a counterpart to the current budget office arrangement, where somebody who runs the budget is also in Sacramento a lot. It was Jay, and he had this one person, Milt von Damm, who worked in the budget office, who spent about half time helping Jay with the budget. Briefings for budget hearings were very much like those
staff meetings on the bills. The hearing would be the next morning, and Milt would show up at four thirty or five in the afternoon and out would come the Scotch. Going through all these voluminous volumes of information, and stuff.

03-00:07:30
Lage: It’s pretty complicated!

03-00:07:31
Arditti: It’s very complicated. Prepping for the next morning. I mean, it’s just an awful lot to expect of anyone to do, but that’s the way this—

03-00:07:38
Lage: And then what would happen the next morning? Was this to testify, or—?

03-00:07:43
Arditti: Yes. In other words, part of the budget process are extensive hearings held by budget subcommittees, in which they raise all kinds of issues, and they expect the university to have witnesses there to respond and present the budget, and defend it, and so forth. And these hearings can go on for hours and hours, and stretch over a period of many weeks and months each season. So it’s a huge, very complicated process.

03-00:08:11
Lage: Was it different then, just to set the scene for what we might talk about later? Was it anything different about the process in those years?

03-00:08:20
Arditti: Well, on the face of it, it was the same process. A budget would be introduced by the governor, would be proposed by the governor in January. The university would try to negotiate its budget with the governor over the fall. He would present it in January. And then there would be these months of subcommittee hearings, which testimony would be taken, and votes would be taken. And then ultimately—

03-00:08:43
Lage: And in those years, were you trying to augment Reagan’s budget? So often later you were defending the governor’s budget.

03-00:08:49
Arditti: Right.

03-00:08:50
Lage: Do you remember?

03-00:08:52
Arditti: There were times when we tried to augment Reagan’s budget, yes. It rarely ever works. I mean, the governorship is a very powerful instrumentality. Because first of all, the governor tends to be the one person in government who’s got statewide visibility. That’s of great value. Second, the governor can
sign and veto any bill and has line item budget authority. That’s really crucial. If the president of the United States doesn’t like the farm bill, he can’t just go through and pick out the pieces he doesn’t like and take the rest. He’s got to be willing to veto the entire thing, which is what President Bush has just done. The same will be the case there with this Iraq war bill that’s got a bunch of things tacked on that the president says he doesn’t want. But he will not be able to pick and choose. He’s either going to have to swallow everything they’ve put on there or be willing to veto the whole thing and start over. Here, the governor can just go in on a line item basis and remove the things he doesn’t like, or she, and sign the balance. So that’s a huge part of—because the ability to get a two-thirds vote to override these vetoes is almost nil. I mean, I think the last governor to be overridden was Governor Jerry Brown. And that was, I think, led by members of his own party who got mad at him, or something like that. But it just really doesn’t happen much, because the targets are too narrow.

And so part of the reason to try to do the best you can with the governor and then defend that budget is that the odds of getting something through that the governor’s against are very slim, because he can simply line item veto them out. He doesn’t have to veto the whole budget, or the whole education budget, or the whole UC budget, or anything. That’s a much taller order. He can just kind of take these things out. And when you go doing those things, you irritate the governor.

That isn’t to say that you always just do what the governor wants. I mean, this is all premised on being able to negotiate what you think is the best overall budget you’re likely to get in the first place. And if you’re going to go for an augmentation, at least try to talk that through with the governor and his people, and try to get them to understand this is just something we feel strongly about and have to do, but we’re not attacking the whole governor’s office or the whole governor’s budget.

These past few years, for example, we’ve done that with the academic preparation outreach programs. Each year, the governor has not included those in his budget. We felt they were crucial, and we just said, “Look, we’re going to work with the legislature to try to get these restored, and we hope we can convince you to leave it in if they put it back in.” And pretty much that’s what happened. He deletes it in January, they put it in in the budget process, and then he’s left it.

03-00:11:47
Lage: Oh, and he has left it?

03-00:11:48
Arditti: He has left it. But that’s year to year. This kind of a year, I don’t know what’s going to happen. But you’ve got be very selective about doing that, so it’s got to be something that really matters. And I don’t know—
Lage: Is this something that you have trouble explaining to the campuses?

Arditti: Oh, yes.

Lage: We were talking earlier about the fact that many people think you should go for more.

Arditti: Yes. Yes, very much so. People think go for more, and they don’t understand—they hear from their local legislators who may be unhappy that the university, from their point of view, is in bed with the governor when it’s the governor versus the legislature, and why—But the truth of the matter is, the governor has enormous power. I mean, the legislature has power too, but between the two, for the most part, if you look at the overall budgets for the state over time, not in every single year, but over time, look at the governor’s January budget, look at the budget that finally gets adopted. Or look at the governor’s January budget, look at his May revision budget, and then look at the final budget at the end of the process. I mean, it’s within a percent or two of what the governor has proposed. And so you can just go out there and ignore that, and do things to generate hostility with the governor and his people, but he’s going to have the last word. He always has the last word. And so I just think it’s a matter of recog—you have to recognize that. You have to work as intensively with the legislature as with the governor, because they are equal partners and decision makers, but the governor has the last word on these things.

Lage: Now, if the legislature cuts something, can the governor restore it?

Arditti: No. No, he cannot.

Lage: So the main thing might be to keep them from cutting.

Arditti: Yes. That’s often been the case, because frankly there have been many in the legislature—it’s funny. You have some people inside the university who feel like, “Oh, you’ve settled for too little dealing with the governor.” You have the people in the legislature here who feel that we’ve gotten preferential treatment from one or another governor and resent that. And so we’ve had huge defensive actions, sometimes, to hang onto what’s in the governor’s budget.

Governor Deukmejian, when he became governor, when he first came into office, there was a big deficit in this state, as happens every so often. He said, “I’ve got a big problem here. I inherited it. It’s going to take me a little while
to get things turned around, but I think the economy’s going to turn around. Things will get better. Please work with me, and I’ll make it up to you.” And he said that to just about everybody. Almost nobody was willing to take him at his word and do that. Many other groups and interests attacked him from the get-go as he made cuts in the budget. We made the decision to take him at his word, and wait a little while, and see what actually happened.

And lo and behold, in a two-year period of time, as soon as this thing was turned around, his budget for the university increased 51 percent in a period of two years, 51 percent. The faculty salary gap had been 17 percent. We thought we’d be doing well if we could get that closed over two years. He closed it in a single year. On the other hand, these other groups that had attacked him were severely disadvantaged. I mean, they just didn’t do nearly as well, and there was a widespread perception that we were the governor’s pet, and were getting preferential treatment, and so on.

Lage: When you say these other groups, are you talking about the other education groups? CSU [California State University], and community colleges?

Arditti: Yes, yes, yes, yes. CSU, the community colleges, K through Twelve, a lot of things. And these had all been groups to whom he had made pleas to work with him, give him a little time to get things in order, the economy to come back a little bit, and almost nobody was willing to take him at his word. Well, you know the general attitudes that people have about politicians: you can’t believe these people when they say something. And they all had constituencies behind them who were pressing them to get in there, and fight, and not lay down and stand for these cuts, and all that. And that’s all understandable, but had we not taken the approach that we did, I don’t know how history might have been different, but I think it would have been. I think it would have been. So as I say, there are time—

Lage: But you did, as I hear the story, think big. Or the university, the group, you, and Hershman, and Baker, and Gardner.


Lage: Had a big request in mind.

Arditti: Had a very big request in mind, but it was also—but part of this was not going in attacking from day one, and recognizing that we had a new governor who said that he wanted to be supportive, but just couldn’t be right then at that time, and asking for some cooperation. There was a risk in doing that, because we had all these people in the university who were being very restless about
all these rough times and so forth, and if we had waited quietly for a year or two and nothing happened, you can imagine what the reaction to that would have been. As it happened—Deukmejian is an honorable person. I just saw him in Los Angeles, by the way. I think those of us who were involved felt that if he said that he was going to make it up to us when he could, that he would.

03-00:18:00
Lage: Had he—he’d been in the legislature.

03-00:18:03
Arditti: He had been in the legislature in both—

03-00:18:03
Lage: Had you known him as a legislator?

03-00:18:04
Arditti: Oh, yes. Yes. He’d been both in the assembly and in the senate. Although he had never served on an education committee, never served on a budget committee.

03-00:18:13
Lage: So you didn’t have that much direct [contact].

03-00:18:13
Arditti: So there was no data—there was zero data, in terms of how he was going to treat the University of California. In fact, the morning his election became clear, you may remember that Tom Bradley, his opponent, had won the election on the basis of the votes cast on election day, and it was just the late absentee ballots that elected Deukmejian.

03-00:18:36
Lage: Oh, I'd forgotten that!

03-00:18:37
Arditti: He did this very effective absentee ballot effort. And many people in the university knew Tom Bradley, respected him, considered him to be a friend, assumed he was going to win, and were really panicked when they learned that this guy Deukmejian who they didn’t know much about had won the next morning. “Oh, my God! Who do we know who can get to this guy?” But part of the difficulty here was there just wasn’t any data, because he hadn’t been active on these issues.

But I think he later said that among the things that influenced him is as he was attorney general, and then running for governor, and had become governor, he would talk to businesspeople, not only around the state but around the world, and so many of them would comment on what a tremendous economic resource the University of California was, and how important it was to maintain that. And I think that may have had more influence with him, frankly, than many of things we did ourselves. I don’t know.
And the other thing is he came from a very modest background himself, and I think he really was very committed to educational opportunity for lower middle class and middle class kids. He always wanted to keep the fees down, even though he was a fairly conservative Republican. But I think he was very sensitive to—

But he hadn’t gone to the university?

Not to UC. He did go to a university and law school in the East, private. Small private schools, which was another thing that made people wonder how he was going to treat the University of California. But he turned out to be an enormous champion for UC. Just an enormous champion for UC. And not, to the same extent, for a lot of others who decided to take him on from day one.

So there are these judgments that have to be made, and if you’re right, you’re a hero, and if you’re wrong, you’re a bum and you’re out. But these are all at-will positions. I think we all know that going in. I never paid much attention to trying to put my thumb up to the wind to figure out, how are people feeling this morning? I don’t care, you know—

You mean how people within the university are feeling?

Yeah. What I care about is how are they going to feel at the end of the year when the decisions roll in, or the end of five years, or something like that. But how they feel on any given day, unless you’re in, right close up, you just can’t possibly—you don’t have the data in order to make good judgments. It’s not that there aren’t people who are plenty smart enough to be able to do that, it’s just that they’d have to leave whatever they’re doing and come spend the time here in order to do that. It’s true with anything.

And this is a controversial issue too. There are some people who feel if people out there don’t feel good about the way things are being done, transaction by transaction, and aren’t fully informed and involved on a daily basis, and so on, that there’s something wrong with that. It’s better to have people be informed. It’s better to have them participate. In fact, it’s more vital than ever that more people participate. I agree with all of that. But on the other hand, there are times when you just basically take risks.

Hold on one minute. I’ve got to check something here.

Okay. [interruption on tape]
Lage: We’ve solved our pseudo-problem. I think you probably made a major point about having to make judgments about the reality of Sacramento.

Arditti: Yeah. And you have to be ready to be judged. Just not every minute. It needs to be at some reasonable intervals, when results come in.

Lage: Okay. Just to get—we skipped completely over the interesting time of Jerry Brown governorship. But is there something to say about President Hitch? Did you have much interaction with him, or did he come up to Sacramento?

Arditti: I did, some. Yeah, he came up from time to time. I had great respect and affection for him. He was a very brilliant man. He really was sort of thrust into a position that he might not have expected that he would be doing, because while he was very bright and very thoughtful, very tough, turned out to be, he was not a kind of a very outgoing charismatic person to go stumping the state at a time when we were at odds with Governor Reagan and all of this outside discontent and so forth—

Lage: Tremendous pressures on him.

Arditti: Enormous pressures on him. And he turned out—he relied very heavily on Jay, and he turned out to be very tough. I mean, he embarked on a speaking tour up and down the state, taking on the governor on budget issues for the university. That’s very dangerous, when, first of all, the governor has the last word on the budget. When the governor is a member of the board of regents, and has appointed and continues to appoint more and more members of the board of regents. I mean, that’s not a thing that’s done lightly by a per—

Lage: Was that something that your office recommended?

Arditti: Yes. Yes.

Lage: And what kind of a speaking tour?

Arditti: Oh, it was just service clubs, and alumni groups, and so forth, in the presence of the press, making the case for the university in expressing alarm about the consequences of the actions that were being considered on the quality of the university, and educational opportunity and all that. But this was highly unusual for any president to undertake, and—
It sounds almost in contradiction to what you were saying about keeping on good terms with the governor. Was that an exception?

Well, it’s just that if things deteriorate beyond a certain point, then you have no choice. You work with the governor in hopes of getting the governor to be as favorable as is possible in the circumstances, whether it be on the budget or on legislation. As long as you’re coming somewhere close to that mark, you’re much better advised to try to work cooperatively with the governor. But if the governor completely turns his back on you and is out there to get you anyway, well, then the only choice you’ve got is to kind of stand up and try to fight back. I mean, it’s not a fair fight, really. You can’t get too far because of the enormous tools of the gov—and you know, Governor Reagan was extremely popular with the public, and the public was very angry with the university. All those things were true.

It must have been a hard gig for President Hitch.

It was very tough, because he wasn’t by nature a stump speaker. He wasn’t that type. He was a very scholarly and deliberate, quiet sort of personality. But he turned out to be, I think, just a very good president. Guy of enormous integrity, very high intelligence, and a lot of guts. Took a lot of guts for anybody to be president of UC at that time.

Right. Did he come and testify to the legislature also?

He did. He did.

And was he effective at that?

Yes. He did a good job. I think people came to like and respect him, even if they were still mad about what was going on in the university. But he was by and large treated respectfully.

And then he retired in ’75.

Yes.

And President Saxon came in, and at that same time we have Jerry Brown.
How is it that—it does seem that the presidents and the governors seem to coincide. Is there a reason for that?

Yeah, it’s—no. There’s no overt reason for it. I think it’s just that for governors, they tend to serve two terms, or eight years. That’s the maximum they can now. And I think Earl Warren was the last one to serve more than two, and today no one could anyway, because of term limits. And I think that just turns out to be the natural lifecycle for a president of the university, whether it be in terms of that person’s ability to remain effective, or in terms of that person’s ability to just sustain the heavy demands of the job. So there could be a case in which a president says, “Uh-oh. I see that new governor coming. I’m going to get out of the way.” But I think it’s more coincidence than anything else. I think people just—there’s just so many years you can do that job. Seven, eight, nine seems to be about the number of years that people do that, unless, for example, in the case of Jack Peltason, they’re much older when they start, in which case he served about five years.

Or even less. Wasn’t it about three?

Or maybe four, something. I think it was more than three.

’92 to ’95, I think.

Oh, was that all it was? Okay. Well, then you’re—okay. You’re right. Okay. So it was a shorter period of time. But as I say, he was sixty-nine years old when he was appointed president, and had really decided already to retire. So that was almost by design a shorter term transitional—he said, “My job’s to clean up the mess, get the money back, go home.” And that’s just pretty much what he did. But that was, I think—and again, he was sixty-nine at the time he was appointed. Although Atkinson was sixty-seven, or something like that, and served a much longer period of time.

Well, how about the Saxon/Brown years? How did things change or remain the same?

Oh, boy.

That’s a big question!
Yeah, yeah. Very interesting time. They were both very interesting characters, and in a way well matched. Each was, on the one hand, an insider in his or her respective world. Jerry Brown was the son of former-Governor Brown, and all of that, and had been in politics all his life. Saxon had been at UCLA since 1947 and been all through the academic ranks, department chairman, dean, vice chancellor. So they both, on the one hand, were kind of insiders from their particular worlds. But they were also both kind of iconoclastic outsiders to their own worlds even, let alone to other worlds. And I think somehow out of that there was something—even though they had some pretty loud arguments and stuff—I think there was a certain kind of rapport there that probably served the university well.

I mean, I know Larry Hershman goes through an analysis of each president, and sort of concludes that each president was an excellent choice for his particular time. And, to some extent, I think that’s turned out to be the case. But I do think that Saxon was a good match for Brown. They both were very intellectual, both loved to argue, both were a little bit of kind of outside-in type—

Kind of mavericks in a way.

Mavericks, yes. Yes. And I think I’ve heard, anyway, there were times when Brown would show up at Saxon’s residence at ten on a Sunday morning and engage in an extended debate for an hour or two, and things of that kind. So even though Brown—

That doesn’t happen very often, I’ll bet, in other cases.

No, that doesn’t happen very—no. Well, remember, Jerry Brown was very young when he was governor, and was single, and was a very iconoclastic sort of person, and he just—

He liked to talk.

He just liked to talk, yeah. And it’s not like he had a family to kind of take his time on weekends. He was completely free, and loved to talk, loved to argue, loved to debate. And Saxon was the same way. I mean, it wasn’t always a congenial relationship. Brown was very tough on the budget, a big disappointment to people in the university, who had been expecting that he was going to make up all those Reagan years cuts. And I remember there was talk in the university of a catch-up budget.
Now, when you say “in the university,” you mean from the president’s office?

Yes. Yeah.

And in your own office, maybe?

And I think almost uniformly, because everybody—How can anybody named Edmund G. Brown not be a great booster for the university, right?

Right. And he was also an alum.

Also an alum. So it was a big shock that he was pretty tight with the budget. Now, revenues are what they are, and it’s not like he was spending huge amounts on other things, but he was accumulating a big surplus.

So he kept the budget tightly under control and accumulated a surplus.

Yeah. And that turned out to be part of a disastrous occurrence on his watch, and that was Proposition 13. Because part of what drove 13 was the fact that property taxes were escalating, local governments were not reducing the rates to make up for the increase in values of homes and other properties, and so voters were demanding relief. But part of what drove them, I think, to vote for Prop 13 was the fact that they felt they were being squeezed financially on the one hand, and the state was sitting on this huge surplus of billions of dollars on the other. So that just, pew!, exploded. And the state people here did nothing to try to mitigate that, or at least nothing effective.

They could have granted the same property tax relief to homeowners that Prop 13 did for one-third the cost to the public treasury of what Prop 13 did, because two-thirds of the assessed valuation of property in this state is not homes, it’s in industrial properties, agri-business, farms, and things like that. And that’s not really where the pressure was coming from to do something. It was the individual homeowners who were really putting on the pressure. But the combination of these skyrocketing homeowner taxes and that big surplus really helped make this thing explode.

Now, did you folks see this coming?

Yes, I think you could see it coming. And there were a lot of people in the legislature who saw it coming too, who tried in vain to get some sort of reform
package together that would head it off. And I think they finally did put something more modest on the ballot, but by then it was too little and too late. And a legislative body is incapable—not incapable, but it’s very difficult for a legislative body on its own to craft a major reform proposal, because you’ve all these individuals representing different constituencies that they have to be responsive to. It really does take a statewide leader like a governor to take the lead to craft something and then round up the votes to get it done. And that didn’t happen.

But in any case, he was very frugal with the budget, and he spoke of the era of limits, and doing more with less, and psychic rewards. [Added during narrator’s review: I am told that he has since met with the CSU faculty union representatives – they makes endorsements and so forth.]

Lage: You mean just recently?

Arditti: Just recently. And he said, “Well,” he said, “I was a lot younger then. Now I’m married and I understand things a little differently than I did then.”

Lage: That’s quite an admission!

Arditti: But—yes. But in any case, he could turn out to be our next governor, as well as our previous governor. He easily could.

Lage: You think so? You think he has—

Arditti: Yeah, I think if the election were held today, among those names that are commonly mentioned, he’s the most likely to win. Now, we’re a long way between now and the actual election, and we don’t know who all will actually run. But if you just look at the polling, in terms of name recognition and what people say they’ll do right now, yeah. I mean, you’ve just got this—between his father and himself, you’ve got, like, two or three generations of people who are very familiar with that name, Edmund G. Brown, Jr. So I don’t know what’ll happen in the future.

Lage: And that’ll be interesting.

Arditti: It’ll be very interesting. Could be very interesting.

Lage: The office changed under him, it appears. Did Jay Michael leave at that time?
Arditti: Jay Michael left shortly after Saxon came in, yes.

Lage: Oh, you said Saxon dismissed—

Arditti: Effectively dismissed at least three vice presidents all at once.

Lage: And do you know why, or—? Just wanted to clear the board?

Arditti: I don’t know. I mean, partly, it’s just like often any new executive wants his or her own people that they feel more effectively reflect their own views and style, loyalty and so on. I think Saxon had apparently been very critical of the entire Hitch administration. And I think he also felt that Jay was too confrontational with the legislature.

Yeah, but Saxon also had a fierce temper. I mean, one time, he was coming to see John Vasconcellos about the UC budget, and I guess it was yet another time when it was being cut, and I guess at that particular moment, alteration work was being done on state assembly legislative offices. Partitions being moved, and paint and paneling, and this kind of stuff. And I guess Saxon looked at Vasconcellos at one point and said, “How dare you cut our budget while you’re spending all this money on these alterations for the building here?!” And then Vasconcellos blew up, and they parted. And it was weeks, and weeks, and weeks that Vasconcellos wouldn’t talk to Saxon or hardly anybody associated with the university. I mean, it was just—

Lage: And you must have had to go around and try to patch it up, and—

Arditti: Yes, yes, yes. So anyway, I—

Lage: But then Vasconcellos has been in positions of power over the budget for over many, many, many years.

Arditti: He has. He has. Yes. He’s out now because of term limits. And in more recent—there were times—I mean, John had this ferocious temper. Just ferocious. Oh! I mean, there were times I’d see him coming 200 feet down the hallway, and I’d look for the nearest broom closet to duck into. I was terrified of even being near him sometimes. Later times we became very close friends. A matter of fact, for my retirement event in the capital, he flew in from Maui (he lives there about four months of the year) for this event, and spoke, and
brought two beautiful flower leis, one for my wife and one for me. So I guess
time—

03-00:41:49
Lage: Well, it shows the respectful relationships built over so many years.

03-00:41:52
Arditti: It—over so many years. Yes. But, boy, in those early years, it was just really awful.

03-00:41:58
Lage: Well, he was a younger guy, also.

03-00:42:00
Arditti: He was a younger guy, and, I mean, he matured, and he went through some major health issues, and there are lots of things that can influence the way people perceive others, and the world around them, and the way they behave, and so on. And I think partly it’s a maturation process. I think his illnesses really sobered him up a little—I don’t mean sobered him up in terms of his drinking. I mean, they just made him think more, in a different way, about relationships, and people, and so forth. But in the—

03-00:43:09
Lage: So that’s the kind of small—I don’t know if you’d call them favors? Pleasing—

03-00:43:15
Arditti: Well, in this case—you try where you can, yeah. I mean, this was not an illegitimate thing. I mean, I don’t know a lot about humanistic psychology, but it was a recognized field, and there are some people who are considered to be giants in the world: Carl Rogers, and people like that. So this was a legitimate collection that deserved to have a home someplace. That didn’t mean that the president of the university had to help arrange a home for it in a UC campus library, but that said, I think Santa Barbara’s happy to have this collection, and I think it’s—

03-00:43:53
Lage: Was this his personal collection?
Arditti: No. No, no.

Lage: Just one he knew of.

Arditti: Just—I don’t know where it was physically, or whether these documents were still in the hands of the authors and needed to be—I think the authors were getting old, and some of it, I think, may have been in their hands. Some of it may have been in some other hands. I don’t know exactly. But I know that it was John, who has been very passionate about that topic, and was very eager to have a home—

Lage: Well, I did have a story from Neil Smelser about getting involved in the self esteem study.

Arditti: Oh! Yes, yes. Oh my goodness, yes, yes, yes. Yeah, we used to just shake our heads, you know, because he’d want us—his theory was that if you give people self esteem, then they’ll feel better, and they’ll work harder, and they’ll achieve more.

Lage: He’s a person that Dick Atkinson sponsored an oral history with.

Arditti: Oh, okay.

Lage: We never really—we just were able to do one or two sessions. He was so busy we could never pin him down.

Arditti: Well, he’s less busy now, so if you want to pursue it, this would be a good time to do that.

Lage: Maybe we should pursue it. But that’s interesting, that—did Atkinson have a particularly good relationship with him, or—? Because it was late in the game.

Arditti: Yeah. It was an okay relationship. It was fine.

Lage: But it wouldn’t have been to curry favor, because I think he either had retired or he was about to.
He was in the legislature while Atkinson was in office, because he was in the legislature still when Dynes took office, so he was there the entire—

Yeah. That’s probably why he was so busy, still.

No, and there were times—I’m trying to think back now—like when Atkinson would be coming to town, we’d call over to schedule a meeting with John, and he’d suggest brown bag lunch in his office. Sometimes he’d provide the lunch. Sometimes we would. And we’d have like an hour or more. I think he liked Atkinson, and Atkinson—Atkinson was so good about being respectful and tolerant of people, because here’s a guy who’s a world-class genius, in my opinion, and doesn’t really have to tolerate too much that he doesn’t want to. But he was very, very tolerant and respectful of people.

I mean, one of the reasons, I think, Gray Davis was so supportive of the university was all of the years he was lieutenant governor and serving on the board of regents, other people just used to belittle him and treat him with just really disappointing disrespect. And Atkinson always just treated him reverentially. He would always call him Governor, and he would listen very carefully to everything he had to say, and he would write him follow-up letters: “Dear Governor Davis,” and all this stuff. Davis sure remembered that when he became governor. In the end, the budget fell apart, and so he had to cut everything just like everybody else, but during the years that he had money, he was very good to the university.

But Atkinson—I could tell you other stories about Atkinson. He just was remarkably tolerant with people who were sometimes hard to tolerate otherwise.

Well, you must have been, too, to have the job you have!

You have to be, yes. Yes. There are times—this is something that you probably would learn just being exposed to a job like this, but it’s something that I learned in the first instance back watching my dad in the furniture store, you know? I mean, it wasn’t about, do you want to invite these people to dinner tonight? It was about, are they going to buy that dining room set?

Yeah, right, right! [laughter] I’m thinking it would be nice to finish discussing Saxon and Jerry Brown today. Do you—does that seem doable?

Sure. Yeah, yeah, yeah.
Lage: How did the office change? Jay Michael left it. And I have a note here, something about Lowell Paige. Was he the head of the office now?

Arditti: Lowell Paige. He became the head of the office, yes.

Lage: And was that his only assignment, or was he also in Berkeley?

Arditti: No, that was his only assignment. Lowell Paige was a math professor. He’s still alive, by the way. A math professor at UCLA. Went on the faculty the same time as David Saxon, Saxon in physics, Lowell in math. And Lowell was a long-time faculty person. He was chair of the academic senate at UCLA, and he was dean of physical sciences, I think, or one of the divisions. Then had gone off to be assistant director for science education at the National Science Foundation for a couple years. And he had been a Saxon colleague all through these periods of time. And I think it was Saxon who had made him dean at UCLA, and so forth.

Lage: What did he know about Sacramento?

Arditti: Absolutely nothing.

Lage: [laughter] Okay. So, go ahead. Then he got appointed.

Arditti: But, in any event, Saxon became president. I guess one of the criteria, sometimes, for an appointing authority is, is this just somebody I trust and think has the right human characteristics? And if that’s true, he’ll figure out the rest. I guess it was something like that. Because they had worked together for years, and years, and years. And I think Saxon kind of had a view that, well, really, doing this kind of work is teaching. Just like teaching. So somebody who’s been a teacher is well prepared to do that. And Lowell was certainly a much less confrontational figure than Jay. I mean, almost the opposite. And so I think Saxon thought, well, that might have something of a soothing effect on some of these conflicts that were taking place, and so on. I mean, ultimately, conflicts are going to happen if the underlying circumstances are there. But in any case, I think that might have been part of this. You’d have to ask him, and you can’t, because he’s not alive any more. But any case, he brought Lowell back from Washington.

Lage: So what was this like? You’re assistant legislative rep.
Arditti: Right.

Lage: And your boss doesn’t know too much about Sacramento.

Arditti: That’s right.

Lage: Was he willing to learn, or how did it work?

Arditti: Yes, he was. As it happened, we knew each other from UCLA days. So at least there was that acquaintanceship there. And we kind of helped them locate their first apartment to live in, and so forth. He would call me every night after dinner, “Hey, Steve, what about the—?” So anyway, we—

Lage: Did you take him to Frank Fat’s?

Arditti: Very rarely. He was not that—he liked to get home by a fairly reasonable time each day. He wasn’t that culture at all. And by that time, the culture of the town was changing some anyway. It wasn’t as important a way of meeting people. But in any case, yeah. At that point, I was the most experienced person in the office, in terms of dealing with these things here. But he did help, I think, calm the waters in some quarters, I think, with people like John Vasconcellos and others, so that was a helpful thing.

Lage: You keep saying Jay Michael was confrontational. Were there other confrontational—? Was it with the governor’s office, or legislators?

Arditti: No. I mean, if there were legislators who were pushing bills that we were really very strongly opposed to, I mean not only did he wage a hard fight, but he didn’t hesitate to tell people a thing or two. I mean, he was in this job at a very tough time, and he played hardball, which is a great thing to do if you’ve got the tools to play with. But he was much more willing to take people on in a direct way, and—

Lage: Than you would be, or were?

Arditti: Yeah. I mean, I had my moments too. At a certain point, a human organism has certain limits in terms of how much you can take before you just say, “That’s—I’m not doing this anymore.” I mean, I had that with John Burton once a long time ago. When I first got here, he would just attack the university all the time. He would berate us, he would vote against us all the time—
He had a mouth, too.

Arditti: He had a mouth, and how! And one day, after this went on and on and on, he called me and asked me for help with something. I don’t remember what it was. And I just lost it. I said, “John, God damn it, all you do is you attack us, you kick us, you beat us, you never support us. Then the only other time we ever hear from you is when you want something. I’m not doing it!” [claps hands] Hang up! I did that.

Some days, two, three days later, I got a call from another legislator who was a very good friend to me, and also a friend to Burton. And he said, “Steve, what’s this with you and Johnny Burton?” And I went through my little tirade all over again. [Grumbling noises.] He said, “Well, that’s not really very good for either one of you.” He said, “Why don’t we get together, the three of us, for a coffee in the capitol coffee shop and kind of talk about this?” I said, “Well, I don’t really want to do this, but if you want me to, I guess I will.”

So, we did meet, and actually had a good conversation with mediation. And I don’t remember what this problem was, but I agreed to work on it, and I don’t know if I was able to help or not, but at least I tried. And ever since then, it totally transformed my relationship with John Burton. I mean, all the time—he still will do what he will do, which is not always supportive of UC, but on a personal level, he was always accessible, and very friendly, and so forth. He’s a decent—

Lage: So maybe it worked! After the mediation, but—

Arditti: Yeah. It may well have taken those two steps for that to happen. He’s a great character, John Burton. You’ve got to do an oral history some—if you can get him this—

Lage: We have one from some time ago.

Arditti: I see. I see.

Lage: A lot is expletive deleted! [laughter]

Arditti: Oh, yes. Yes. That would be—

Lage: I don’t know if we deleted them. But it would be good to do it again.
Arditti: He doesn’t—if they were deleted, you deleted them. He didn’t.

Lage: [laughter] Oh, I know. I don’t think we did delete them, but there were plenty of occasions where they could have been.

Arditti: I remember one time in the—I think it’s the old Assembly Ways and Means Committee, there was some bill dealing with some social welfare issue that divided conservatives and liberals very strongly. And Burton and a very bright Republican legislator, Bill Baker, were arguing this bill, going back and forth like intellectual ping-pong. And finally Burton cuts Baker off mid-sentence, says, “Mr. Baker, why don’t you go down to the butcher shop and get yourself a heart?”

Lage: [laughter] That’s a good line!

Arditti: Oh, he’s got a lot of good lines. I remember another time, the budget was stuck in that Ways and Means Committee, and Willie Brown was the speaker, and of course Brown and Burton were very close allies and all, but Burton wasn’t wanting to move the budget along. Brown wanted it moved. And he took the unusual step of making a personal appearance before the committee to urge them to move this budget out. And he says, “And furthermore,” he says, “You’ve got to vote—” And Burton cuts him off. He says, “Hey,” he says, “There’s only one thing I got to do, and that’s die when my time comes.” I remember that often. I hear people, “You must do this,” “You’ve got to do that.” Excuse me? No. There’s nothing you must do, except die when your time comes.

Lage: So he had some good advice?

Arditti: Yes. Yes. Yes. So in any case—

Arditti: I mean, it was a rough, tough era that Jay was here doing a very tough job. And you got—you have to judge conduct, I think, in the context in which it is taking place. And it was just so threatening, and so hostile in some ways, that it may have just demanded a much stronger, tougher approach.

Lage: You must have known Jay Michael over the years, when he went on—was it California Medical Association?

Arditti: California Medical Association.
Lage: Do you know if he took that same—?

Arditti: Yeah, I think he was pretty much the same. There, he had more tools to use, because the Medical Association is a major figure in campaign contributions and other things. So you have a little more to work with. But I didn’t follow it that closely. I mean, we’ve stayed in touch and remained friends, but I wasn’t really closely involved with his work at the Medical Association. He had a large staff of people, and they came across the street most of the time. He didn’t really show up that much in the capitol himself. So I’m not really as knowledgeable about that. I really wish you could do an oral history with him and get some of that directly from him.

Lage: Yeah, because his theory—this all may be not just a personality, but a theory of how to do it.

Arditti: Yeah. Yeah.

Lage: Okay. So that period, it sounded like, the Saxon presidency, you had more difficulty in communicating with the Office of the President, and people working together. Tell me about that.

Arditti: Well, there were some people there, though, who were really good to work with. Archie Kleingartner was the vice president—Saxon created a vice president for personnel, or I forget what it was called, but the HR function, both academic and non-academic. We had huge issues with labor at that point. That’s the point at which the collective bargaining legislation was enacted, and that’s probably something we ought to talk about, and maybe that’ll be the last part of this portion of it.

So there were some good people. Archie Kleingartner in that spot. Let’s see. Donald Swain, who was the academic vice president. He was very involved in our budget hearing process and all of that, was very good. No, it was not a bad team of people, really, to work with. David Wilson, who came up as some kind of special assistant to Saxon—I don’t remember exactly for what set of functions—had been a professor of mine at UCLA, still a friend. The first professor I actually had to go talk to because I couldn’t get a paper done on time, or something like that. So in a way, it wasn’t bad. Saxon himself was a very difficult person to deal with and talk to.

Lage: I’m going to stop you right there. Sorry.
We’re back on. Audio File four, again on May 23, with Steve Arditti. Okay. We were talking about the Office of the President and the Sacramento office.

Okay, well yeah. I think you need to back up. If we’re talking about the relationship between the budget office and the governmental relations office, then we need to back up just a little bit to when President Hitch was still president. Because there came a point when Chester McCorkle became the principal vice president and assumed responsibility for the budget.

Would he have been the academic vice president?

No, he was—I forget what he was called, but he was like the—

Executive—?

—executive vice president. Again, I don’t remember exactly what he was called, but that would have been the role. And as part of that, assumed responsibility for budget, and planning, and all of that. And he and Jay did not get along at all. There was great conflict there. So those of us who worked, respectively, at the staff level in budget and governmental relations had to be very careful about that, and again had to be talking almost secretly among ourselves about how to get work done. And then the university—

So this was during the Hitch period?

This was during the Hitch period. And then when Saxon came in, McCorkle left shortly after Saxon came in. I forget how long he stayed. Maybe a year or something like that. But then McCorkle had brought in as an assistant a guy named Tom Jenkins, who had previously been at the National Science Foundation. Well, Tom Jenkins and Lowell Paige had been at that National Science Foundation at the same time, had had a reputation for being in continuous conflict with each other there. And the university, in its wisdom, imported this fight three thousand miles across the continent to the university. And so what had begun as a conflict between McCorkle and Michael simply morphed into a preexisting conflict between Jenkins and Paige.

And here they were, really, in a position that should be working hand in glove.

Working hand in glove! I mean, because after all, why do you have a governmental relations operation? There’s more than one reason, but certainly
one reason is to try to help maximize the budget. So that was a very uncomfortable period of time, and as I say, there was a point at which Jenkins actually rented a hotel room in which to have a pre-budget hearing prep meeting. He went for witnesses and staff, I think because he didn’t want Paige to be able to be involved. Because otherwise, the whole history of these things, all these hearings, these meetings have taken place in the state governmental relations office. That’s what it is.

04-00:02:53 Lage: Did he have you at that meeting? Or—?

04-00:02:55 Arditti: Not at that meeting, no. Our office was just not—

04-00:02:57 Lage: Your office as a whole?

04-00:02:58 Arditti: —was not there. So really, the bulk of the contact between the offices was, at the lower levels, it would have been Larry Hershman, and myself. Bill Baker and people like that. Because our bosses just didn’t want to have anything to do with each other.

04-00:03:14 Lage: So Hershman as—I don’t know what his position was then, but handling the budget?

04-00:03:20 Arditti: He came in originally handling the health sciences budget, and then I think went onto a broader responsibility for the budget. And then Bill Baker originally was handling the capital outlay budget, and so forth.

04-00:03:35 Lage: So the three of you would sort of confer, and—

04-00:03:36 Arditti: So we’d have to kind of confer in secret, just to have any chance of getting the job done.

04-00:03:43 Lage: And then could you go back to Lowell Paige, or were you sort of running alongside of him?

04-00:03:49 Arditti: Oh—I don’t quite know how to answer that. I mean, he was just very frustrated with Jenkins. But he didn’t object to our working together with the other people in the budget office, it was just he and Jenkins as personalities that just didn’t mesh at all. But it just seemed to me so odd that this relationship existed at the National Science Foundation and was brought all the way over here.
Lage: Did that continue throughout the Saxon presidency?

Arditti: Well, as long as Jenkins was there. Now, at one point—Jenkins was one of these people who just would talk, and talk, and talk, and talk, but often not say very much. And would often be perceived as not telling the straight truth. And legislators became very angered by this. And finally one day I think John Vasconcellos called Saxon and said, “If you don’t pull this guy out of here, you’re not going to have a budget.”

Lage: Wow. That’s strong language.

Arditti: And so I think very shortly after that, he did pull Jenkins out of the Sacramento part of the budget. I think Jenkins did remain in the office of the president for a while after that, but not all that long.

Lage: And had you been disturbed at the way he testified?

Arditti: Oh, yes! Yes, yes. Look, I think you can’t always say what people want to hear, but I think you’ve got to be straightforward, you’ve got to be accurate, you’ve got to be factual, you’ve got to respond to people’s questions, you’ve got to respect their right to have a point of view, and you can’t be hiding things all the time. Better to put it out there and then make your best case to defend it. But I think what frustrated people so much in that situation was they had a feeling, anyway, that they’d ask a question—What time is it?—and they’d get a long lecture about why the sky is blue or something like that. You know, you can’t duck and avoid like that. Oftentimes, we all get put in situations where we really would rather not discuss something, or really not have to answer—you can’t do that! You’ve got to deal with it! It doesn’t mean the other party will like the answer that you give them, but better to have them angry because they disagree with than that they feel you’re just putting them off, or misleading them, or something like that. Whether it was a function of actually misleading, or whether it was just a function of his style of just talking and rambling endlessly—

Lage: Well, that’s the way his staff meetings are described by, I think, Bill Baker in his oral history.

Arditti: Oh! Yes, yes, yes.

Lage: So it wasn’t just when he’s testifying?
Arditti: No, I think it was probably a trait that was fairly common. But when these hearings take place, they’ve got a lot of different things they need to get done, and unless they decide they want to spend a whole lot of time on one item, they want to move it through. [snaps fingers three times] And you don’t have the option of just deciding, well, I’m going to talk about this for an hour, and I’m not going to address what they’re concerned about, I’m going to say what I’m interested in. You just—people don’t respond well to that.

Lage: That must have been terribly frustrating.

Arditti: It was very frustrating, because it just kind of painted the whole university with that impression, that image. But it isn’t just—as I say, I was surprised that it was tolerated as long as it was. And again, whether Jenkins was intending to avoid or mislead, I have no way of knowing that. It’s just that his tendency to talk and talk and talk and talk, often completely missing or avoiding whatever it was, the issue—

Lage: Maybe he didn’t have a good grip on the budget.

Arditti: Maybe he didn’t. I don’t know. Because he was fairly new to UC. He’d been at the—I think had most of his career at the National Science Foundation, and then took on this budget job not too long after. And so he wasn’t really used to this world, either to the university or to the state capital. And so it just may be that that was a wrong fit for this position. I mean, I don’t think he was really—a lot of times people find themselves in jobs that they weren’t custom selected for. And I mean he was brought out here by McCorkle, I think, originally to work on other things: the business side of things, the payroll, and all that stuff. And it just kind of evolved, I think, that he wound up having this budget defense responsibility. And that just didn’t turn out to be a good fit.

I mean, Lowell Paige is normally a pretty soft-spoken type of person, but some of the comments he would make about Jenkins sometimes, it just drove him right up the wall!

Lage: Now how about working with Brown’s department of finance, and his own educational advisors?

Arditti: It was mixed. There were some people who were very friendly and helpful. Preble Stolz had been on the Berkeley law faculty, and went up as—I forget. He had maybe one or more jobs in the Brown administration. I think he headed the office of planning and research for a time. But was a pretty close advisor of Jerry Brown. They’d gone back to school days, or something like
that. And he was very friendly, very accessible, and tried to be helpful where he could be. And he might have even been functioning as the *de facto* higher education advisor for a period of time. Diana Dooley, who was the legislative secretary, she was wonderful. Marty Morgenstern, who was the founding director of the department of personnel administration, which was created when Brown became governor, wonderful guy. Great. In fact, he’s still a close friend, as is Diana, and some others. So there were some of these people who were very good.

He had some directors of finance that were somewhat problematic. There was a guy named Chuck Gocke, who I think was not the director, but the deputy director or something like that, and if you’ve talked with Larry Hershman, Bill Baker, or others, they can tell you more about that. But he was not regarded as being particularly friendly and supportive. Mary Ann Graves was a very strange case, because her husband was on the Berkeley law faculty. Excuse me. The Berkeley faculty, not law faculty. I forget—business faculty, maybe. Something like that. And she wasn’t regarded as being too friendly.

**Lage:** Was she in finance?

**Arditti:** She was the director of finance for a period of time, yeah. Now, let’s see. Who else was there? Oh, Richard Silberman, you know, the founder of Jack in the Box who went to jail for laundering money through mining operations up here? He was director for a short period of time. It was an interesting collection of people.

**Lage:** And a lot of turnover, it sounds like!

**Arditti:** A lot of turnover. And then Brown had these other people who were kind of in these kind of nondescript positions who were confidants. Jacques Barzaghi.

**Lage:** Oh, he’s the famous—

**Arditti:** He’s the famous one, yeah, who finally Brown, I think, had to let go from the mayor’s office in Oakland after some incident. I forget what that was.

**Lage:** Well, did you have to deal with him?

**Arditti:** I didn’t deal with him, no. I dealt with the legislative secretary, department of personnel, Preble’s—
Lage: Now, why department of personnel?

Arditti: Well, on all these labor issues, which were huge. In fact, that was the time that the collective bargaining legislation affecting higher education was passed. And at some point, whether we wrap this up with it or start with it next time, we should talk a minute about that, because it’s been huge. But there are just a whole lot of issues in which—I mean, Brown was very supportive of the unions. And so a lot of legislation that was being sponsored by the unions we had great difficulty with and were really struggling to try to not have the governor join in on some of these things. It was different when Governor Deukmejian was there. In general, Republican governors are less sympathetic to unions than Democratic governors. And so you’ve got little kind of checks and balances there on some of these things. But where you have the governor being as sympathetic as people in the legislature on some of these issues, then you’re really [sighs] you’ve got a big problem if you have things happening. So that was very important, that connection.

Lage: Maybe we’ll save that for next one, because it sounds like a good one.

Arditti: Okay. Okay. Yeah, if you’ll remind me about that one, because that—collective bargaining for the university was a huge issue, continues to be.

Lage: Yeah. I have a little note here. And it probably goes on, over time.

Arditti: Yeah, yeah, yeah.

Lage: Now, Brown was not friendly to the budget, even before Prop 13. And yet you say he was building a surplus. How did the university deal with—? Why—? What was his motive?

Arditti: [sighs] I can’t really explain him. I mean, trying to remember back. Part of the speculation was that he had been mindful of earlier huge deficits that had befallen other governors. And I guess there probably was one when he became governor, initially. And so he was determined to put away enough money so as to not have to repeat that.

Lage: He was not a growth guy like his father.

Arditti: No, not at all! Not at all.
Lage: Expansive personality, expansive goals for the state?

Arditti: Yeah, but not—I think the entire capital outlay budget for the University of California system in his last year in office was something like $17 million. For the whole system!

Lage: Just a couple buildings.

Arditti: Yeah.

Lage: And he didn’t believe in bond funding, Larry said.

Arditti: Yeah. No, he didn’t really want to do that. And as I say, I think he was salting away this surplus because of all the previous deficits that had occurred. I mean, that helped drive his father out of office. Remember, Reagan was accusing Brown, Sr. of looting the treasury and bankrupting the state, and all of that. And I think in part, he was just trying to compensate for that by salting money away in good times to save up for bad times. But politically, that just doesn’t work. I mean, Governor Schwarzenegger is now proposing a formalized plan in which something like that would happen. We’ll see whether it flies or not, but generally speaking, it’s awfully hard for a government to just sit on a large pile of money that isn’t being used, especially when there are perceived serious needs that are not being addressed. But I think it was just part of his view that less is more, and all that sort of thing.

Lage: Small is beautiful.

Arditti: Small is beautiful. And wanting to be financially prudent so as to not be in a situation that characterized his father’s last period, or other governors. I don’t know. You’d have to ask him why he did it, but it was an unusual thing, and it really stuck out when compared with all of the things that were not being done, that people felt were needed.

Lage: Was there every any discussion of the regents opposing Proposition 13? Was there a discussion about its impact, potentially?

Arditti: You know, I honestly don’t remember. I wasn’t attending regents’ meetings at that time.
Lage: But would your office have recommended that this is something we have to look at, do you think?

Arditti: No. I mean, our office really has not been involved in the initiative process issues. Maybe it ought to be, but it just hadn’t been. That was all handled somewhere else. And so—

Lage: But was it handled?

Arditti: No, I’m not sure that it was. Or it may be that it was discussed among the regents and they just decided it wasn’t something they wanted to get involved with. I mean, they’ve been very judicious about what they’ll take positions on, and for good reason. But, I mean, if something isn’t viewed as being specifically and almost uniquely applicable to UC, it’s very rare that they’ve taken a position on it, even though it may have huge implications. I think the one that I can remember that they did oppose was one of those that would have limited the salaries of all public employees to no more than the salary of the governor, or something like that. Well, I mean, that would have just shut down the medical schools and all the rest. I mean, it would have just been a disaster for the university. So they did take a position on that.

There was another one that would have cut the sales tax, and they refused to take a position on that. Saxon went out trying to be a private citizen arguing against that, and was almost held liable in a lawsuit for improper use of public funds to lobby on a ballot issue. That was pretty—

Lage: So that was during the Saxon?

Arditti: Saxon period.

Lage: But after Prop 13?

Arditti: This would have been after Prop 13, yes.

Lage: Larry Hershman told me—maybe it’s the same proposition—of their talking Saxon into intervening with Brown, for Brown to come back and oppose this major initiative—Do you think—?

Arditti: I think that would have been that sales tax item. Yeah. And that may have happened, and I don’t remember whether Brown opposed it—
Lage: He said he did come back, and it narrowly was defeated.

Arditti: Narrowly was defeated, yes.

Lage: But he didn’t tell me about Saxon being in hot water for working against—

Arditti: Oh, I think he actually lost a lawsuit—one of these taxpayers’ lawsuits—but in the end, the judge stopped short of fining him. But he made it pretty clear that if this happened again, it was going to be serious consequences. The rules are pretty strict on using public funds on these things. For the bond issues campaign, for example, private money has to be raised, and the campaign all has to be conducted by a separate private non-profit 501(c)3 committee, which for that purpose is formed in unison by UC, CSU, and the community colleges. But you can’t—you have to work very carefully with the general counsel on every statement, every document, every speech, be sure that you’re not crossing that line of using public funds to campaign on ballot measures.

Lage: So is this one reason why your office doesn’t campaign—

Arditti: That’s—yeah, we can’t be involved in that, really.

Lage: Even though so much—well, didn’t they oppose Proposition 98, or not?

Arditti: No, they didn’t. They debated it for a long time. And it was a very impassioned debate, and it was finally—they finally decided not to take a position by only a couple votes, I think. I was there for that debate.

Lage: But they would have been able to?

Arditti: Yes, they could have taken that position.

Lage: But then maybe the campaigning part?

Arditti: But campaigning, they couldn’t have done. They couldn’t have done much campaigning unless they were willing to raise some private money to do that. From time to time, regents have become involved in helping to raise funds for things that the university has a position on. A couple years ago, these infrastructure bonds that included substantial funds for higher education, Gerry Parsky, who was chairman of the board of regents, was active in
helping to raise private funds for a couple of those campaign committees. So that can happen, but you couldn’t use university funds to go out and advocate on one of these things, even when it’s a bond issue for the university. You can provide information, but you can’t campaign, and that’s a lot of hair splitting over—

04-00:19:59
Lage: That’s a fine line.

04-00:20:00
Arditti: That’s a fine line, yes.

04-00:20:01
Lage: But so much of our government, it seems, takes place now by initiative, in terms of major issues.

04-00:20:06
Arditti: Yes. More so all the time.

04-00:20:08
Lage: That it’s a hard thing to absent the institution.

04-00:20:11
Arditti: It is. It is. But it’s very clear that only the regents can take positions on that sort of thing. And they’ve been very, very sparing in their willingness to do that, and that may be prudent, I don’t know. But looking back at the impact of both Proposition 13 and Proposition 98, I don’t know that anything could have been done to stop Prop 13, frankly.

04-00:20:39
Lage: Only, maybe, finding legislative remedies.

04-00:20:42
Arditti: Well, yes. I mean, if the governor and legislature had come up with a solution that blunted that movement—But that would have required substantial tax relief, equivalent tax relief for the homeowner, and not sitting on that surplus. At least the equivalent relief for the homeowner. At least that much. But they were not able to do that. And absent that, I don’t think anything the University of California—and it would have been hard to make the argument, because remember, at that point, Prop 13 applied primarily to property taxes, all of which go to local government, so there wasn’t any money at stake there that comes directly to the university. The way the university gets hit is that once all those local budgets got cut, including the schools, and the cities, and counties, and so on, the state made a decision that it had to go in and bail them out, which then diverted huge amounts of state dollars to support those local functions. But property taxes don’t flow directly to the University of California.

04-00:21:49
Lage: So it wouldn’t have been seen as a direct link.
So it was not direct. It turned out to be massive impact in fact, but it isn’t—whereas the sales tax thing, sales taxes do directly fund the University of California, so that was a little easier—if you’re just playing intellectual games with these things, it was an easier case to make to do something about the sales tax issue than it was about the property tax issue. In effect, turns out to be the same [claps hands], but on the face of it, what you’re talking about, it’s a little different. And I don’t know that anybody knew, at that point, before Prop 13 was passed, that the state was in fact going to go in and bail out all these localities.

Awfully hard to predict the effect of that.

Yeah. I mean, I don’t think the legislature really knew what it was going to do until it was confronted with it, and then had to decide what to do. I suppose a good economist should have been able to figure out what the effect of this would have been, but it wasn’t, maybe, quite as obvious at the beginning as it turned out to be later.

Let’s see where we are. I’m thinking we’re kind of running down in terms of energy. Don’t you feel that way?

Okay. Probably.

So why don’t we stop, and if we find things that we want to pick up with on the Saxon presidency next time, we will.


Right. I have that down. Maybe we’ll start with that.

Yeah.

And is that a story that goes over—?

Well, it’s one major story right there, yes, with long-running implications. Yeah. It won’t take an hour and a half to tell it, but it is something—it is a major event that happened then that has had long-running effects, yes. Yes.

Okay. We will.
Okay, Steve. Here we are, July 10th, 2008. This is our second session with Steve Arditti on a series of interviews about the UC Office of the President and all its attendant units. Let’s just mention that we’re here at your home in Sacramento where there’s some remodeling going on, including a jackhammer. But it’s really fairly muted. Those who listen to the tape will understand occasionally we have a burst.

Well, I apologize for that. I didn’t realize they were going to be doing that particular job until this morning.

It’s not going to interfere. Okay. We had that one lengthy session way back in May. Do you have thoughts based on the summary I sent you of what we talked about?

It was a very good summary. Actually encompassed more than I thought we had covered. But I think we had reached—we were still in the Governor Jerry Brown administration and hadn’t concluded that. And so there are probably a couple more things to say about that. There were just a variety of different things, both positive and from the university’s point of view not so positive about that period. Clearly he, even though he had attended the University of California, did not appear to feel that the taxpayers were obligated to support it at the level that a great research university needs to be supported. That disappointed a lot of people because his father had been such a champion for the university in every way. The master plan for higher education and funding and all that.

The fiscal times were difficult. So that of course was a factor. But I think Governor Brown would say today that if he had it to do over again he would do some things differently. He has said that and he may.

Formally or behind the scenes?

Certainly to people that I’ve spoken to, yes. And he may have an opportunity to demonstrate that, because it appears as though he’s going to be running for governor again in 2010. But there were some very positive things that did happen. There was a pioneering new research partnership program established called the MICRO program, which is an acronym. But this is basically research in the microelectronics field, which was designed to help jumpstart the state’s industry in that area. And it is a joint industry, university and state government partnership. And so the state put in some money. It was required
for a state grant to be made that private industry match that amount. And industry responded very well. This program is going on to this day.

And that became really a model for major, major, major things that have happened since that time: the Industry-University Cooperative Research Program, and now several other fields that President Atkinson initiated; the huge institutes for science and innovation that are on several campuses that came during President Atkinson’s presidency and Governor Gray Davis’s governorship.

And were they directly based on this microelectronic—

They all reflected that same model of the state-industry-university partnership, both in funding the work and in selecting the work to be done.

Now tell me how it came about.

Well, I don’t remember precisely how this happened. I think that Governor Brown became convinced that high technology was the future of the state’s economy. Remember he was quite future-oriented.

This was before Silicon Valley had really taken off.

It hadn’t really taken off, no. It was beginning to happen, but it hadn’t really boomed to the extent that it now has. And I think he just felt that that was really the future in terms of the state’s economy and that it needed a boost, that the university could help, but that to ensure that the work not cost the state too much and be most relevant to what industry could actually use, it would be desirable to have the university and industry partnering together in this work. And it’s been very, very successful.

So the idea came from Governor Brown.

I think it did. There were undoubtedly a lot of conversations between folks in the university and him and people in his administration, and it may have grown out of those, but it certainly was an initiative of the Brown administration. And something that I think has not only been successful but has been the model for many later things of great consequence.

So I think that is something for which he deserves credit. On the other hand, his budgets were pretty slim for the university, even when the state had huge surpluses, which led in part to the adoption of Proposition 13. If you like, we
can talk about that in a minute. In his mind, though, he felt that he had been supportive. There was a time when he was running for the US Senate. A friend of mine later became a member of the Board of Regents, not by appointment by Governor Brown, by the way. Held an event for him, a campaign event in his backyard, and Governor Brown spotted me. I don’t go to campaign—never went to campaign events. But if a personal friend was doing one and invited me just as a guest, not as a participant contributing funds, once in a very blue moon I would go, as a filler to help the person organizing this to have a crowd.

But Governor Brown spotted me in the audience. And he said, “Hey.” He said, “I’ve been a lot more supportive of university research than I’ve received credit for.” And I said, “Governor, I think you have received all the credit you deserve. And if you can really have that view and really wish to be supportive, then I hope that you will be vetoing that bill that’s headed for your desk that would ban the use of pound animals in biomedical research.” “Oh,” he said, “I’m for the dogs.” I said, “Well, this bill doesn’t do a thing for dogs, and I think you probably know that.” “Oh,” he said, “Well, in that case I’m for the movie stars.” Which really hit it a little more on the nail, because there were a lot of Hollywood type people who had been supporting that bill. That had been a huge battle, and we can talk a little bit more about that later when we talk about that issue.

05-00:07:28
Lage: So did he veto it?

05-00:07:32
Arditti: Well, we managed to stop it before it got to his desk. I didn’t think we were going to be able to stop it in the legislature. The author of it was the then Senate President Pro Tem David Roberti, which is a very powerful position, and it had a great emotional appeal. And I really didn’t think we were going to be able to stop it. But we did stop it, as I recall, on the last night of the legislative session on the floor in the second house, which is very unusual for something to fail in a situation like that.

So my assumption is that his pen was ready to sign that had it gotten there. But we’ll never know for sure because it didn’t get there, and I’m glad it didn’t get there because I’m not sure what would have happened if it had.

05-00:08:18
Lage: It sounds like you really spoke quite directly to Governor Brown. You didn’t mince words.

05-00:08:23
Arditti: Yes. No, I didn’t.

05-00:08:32
Lage: Was that standard way of dealing with governors? Or had he pushed you to the point—
Arditti: He pushed me a little bit. Yeah, it was his way, it was the way he liked to deal with people and be dealt with. He has a brilliant mind, absolutely brilliant mind, and he loves a good argument, and he loves a Socratic dialogue, and he loves the give-and-take, and he delights in being provocative, and he’s very good at it. So I think that he expects [dialogue]. I don’t think that he really appreciated situations in which there was just no dialogue. I think he was very much interested in dialogue and really good at it.

Arditti: Well, in this particular instance he started the conversation. It’s not as though I accosted him in a hallway and then lectured him about something. I was this anonymous little character way in the back. I think I was as far back in the room as I could possibly be. I had no real role in this event, and I got picked out of the crowd for this conversation. So I figured, well, I’m free to respond in kind here. I did not respond in an impolite or disrespectful fashion, just a candid one. And as I say, I was very worried about that issue at that time, fearing that it would get to his desk, that he would sign it. So I felt this was probably my one opportunity to say something about it, and I did.

Lage: So you could talk to him like that and not suffer any consequences.

Arditti: When he funded research and wanted to take credit for it, does that come on top of the standard budget for the university?

Arditti: Yeah, that was a new initiative. That was a new initiative. It was not large dollars, but it was a new initiative. So it was significant in that respect. It was.

Lage: So he’d be cutting the basic budget but adding on some for research he thought was important.

Arditti: Yeah. And a lot of politicians like to do that sort of thing. There’s a reason that the university has constitutional independence in the management of its affairs; I think the framers of that section of the constitution believed that the university and its faculty were better judges of what research was worth doing, who the people were who were best qualified to do it. People in the political arena, quite understandably, have their own particular ideas of what they think research ought to be done on. And sometimes even about who ought to be doing it. Talk about AIDS research. We can talk about that one a little bit more.

But so there’s a continuing push and pull between the state government and the university over the extent to which the university will decide what research to do and the extent to which the state government will specify or at
least influence what’s done. Now the truth of the matter is there’s room for give-and-take and collaboration here. On the one hand, this is the state agency for academic research per the master plan for higher education. It has a public service responsibility. And if those who are elected to represent the people feel there are problems that require research, it’s not illegitimate for them to ask to do that or to seek to fund it. On the other hand, it is illegitimate—or at least is an unwise policy—for them to be just line-iteming and dictating the entire research budget.

And so there has been and needs to be and always will be something of a give-and-take process, which for the most part they provide the bulk of the state research appropriation in a lump sum. But there are particular things that they like to single out. And these each have to be evaluated and negotiated and worked out.

Lage: And how often do you have to remind people about the constitutional independence?

Arditti: Oh, about every other day. It’s something you don’t like to just bring up because it’s like sticking your finger in people’s eyes and show them this is the one entity for which they’re being asked to supply funds which they don’t have a right to dictate to. But on the other hand, where it’s necessary in order to protect important values and the fundamental nature of the place, you have to do it. So it’s not like you walk around the building with a big sign on your chest that says Article 9, Section 9A, of the California Constitution. But frequently in negotiations with people or in correspondence about issues that are not constitutionally applicable, you need to make that point. In part to help get them to do the right thing and in part to lay a foundation if need be for challenging something later in the courts if it’s enacted and the university decides to challenge it. And that has happened, and there have been major court opinions interpreting that section as a result of that. And that could be a whole other line of discussion here at some point.

Lage: Right. We have so many issues we can bring up here.

Arditti: But another major issue though during the Governor Brown administration was collective bargaining for employees of the university. The university had argued for years that this was not an appropriate mechanism for the university or for university governance, that this was an intrinsically adversarial process, that the university had been designed and operated and was in part made great by the shared governance model, and that collective bargaining, this intrinsically adversarial process—especially if implemented for the faculty—would just be destructive of that and have very serious negative consequences. And that was the position, we just opposed it in principle.
Lage: Even though when you talk about how huge the university was, you have so many clerical workers, hospital workers and all of that.

Arditti: Of course, of course, all of that. In any event, the university did oppose this in principle. In the meantime, though, it was enacted for local government employees. It was enacted for elementary, secondary and community college employees. It was enacted for state employees. And about the only thing left that hadn’t been covered was UC and California State University. And so you could see that the sands were just eroding here, and that there was a clear trend here. And when there had been Republican governors you could pretty well count on their willingness to veto legislation of this kind, but when Governor Brown was there and there was a Democratic legislature, I believe his administration was actually supporting this legislation. So it was pretty clear that if that got to his desk it was going to be signed.

And given the influence of unions in the political process it was pretty clear that something was going to get passed at some point. And so a decision then had to be made as to whether to try to negotiate the terms of this legislation or just continue to fight it and roll the dice on either passing or not passing as it was. The state university continued to oppose it outright.

Lage: Was it going to be covered all in one act?

Arditti: Yes, the higher education employment.


Arditti: HEERA as it is lovingly known. We decided after a lot of wrenching debate internally to try to get amendments to it. Now when you make that decision, that means that you have to be willing to withdraw your opposition if you get amendments that are satisfactory. And the situation was that this legislation was being authored by then assembly member Howard Berman, who is now a member of Congress. Had passed the assembly, and had gone over to the senate in the first year of a two-year legislative cycle. Was pending before the Senate Committee on Education. The chairman of that committee, Senator Al Rodda from the Sacramento area, had been the author of the legislation which applied collective bargaining to elementary, secondary education and community colleges.

Lage: So you knew where he stood pretty well.
Well, we knew where he stood in general. But he was also a very reasonable and fair-minded person. And he said, “Look.” He said, “I believe there should be collective bargaining legislation for higher education.” But he said, “I agree that it should be balanced. And if you people will agree to negotiate about the terms, I’m willing to hold this bill up until next year and give you some time and a little leverage to negotiate the terms.” And so we decided to do that. CSU decided not to. And this was very good, because the regents hated this idea, but President Saxon proved to be much more flexible on this issue than many others had been, and determined that that’s what we should do.

Can you talk about that decision process? Were you in on meetings? Let me just point out—

I think there was a lot of discussion first just within our office here. Lowell Paige was here at that time and I was in the office. And then conversations were had with the president. And I think he concluded that that was the most prudent approach for us.

Was it your recommendation to him?

Yes, yes, yes. Not easily come to, because frankly I agreed that I thought it was a bad idea for the university. On the other hand, I could see what was happening all around us. And the message was really clear from our friends in the senate that they were willing to give us a chance to negotiate some reasonable provisions. But they were not likely ultimately to refuse to approve it. If the unions had been totally unwilling to negotiate, maybe that would have slowed it up a little bit.

So some of the negotiation was with the unions, not just with the legislature.
I think that proved to be a very wise decision, even though you don’t like to say while I was working here that happened to the university, because I think it’s created a lot of problems. But we were able to get some provisions in there that have been very, very important. For example, the bargaining units for academic employees, the units within which employees vote whether to unionize or not, for CSU, which did not negotiate, there is one single very large unit that encompasses all academic employees. Faculty, lecturers, librarians, all of that in the same unit. And there are fewer regular faculty than there are in these other categories of academic employees. So almost immediately after this law passed and went into effect CSU academics were unionized. And the consequences of that to this day of hostility and conflict between the faculty and the administration and trustees at CSU are just really striking.

We were able to get a provision that drew by law—not leaving it to the commission that administers this, but drew in the statute—a separate bargaining unit for ladder-ranked faculty that belong to the Academic Senate. And to this day while there have been a couple attempts to get a couple of campuses to unionize, the only one that has voted to do so is Santa Cruz. And it doesn’t really mean much, because the bill provides that the only thing that can be negotiated by a single campus union are those things that can be decided at the campus level, and that isn’t really much in this arena. Salary scales for faculty, retirement benefits, all that stuff, teaching load policy, that’s all universitywide. But there were big battles at UCLA and Berkeley for example. In both instances it went down.

On the other hand, the teaching assistants and the lecturers and the librarians and all these other people have voted to unionize. And so had they all been in the same unit, we would have had a unionized faculty a long time ago. And the consequences for that can only be imagined, but you think about the really shared governance model that exists for the university, the Academic Senate participating in the governance and the management and so on, and try to superimpose a collective bargaining system on that, I think it would have just destroyed it probably.

So that was one example of something that was very important. Another thing that we negotiated about pretty extensively was the definition of the scope of what could be bargained in the collective bargaining process. And very strictly limited it to things that are not academic at all in character. And that’s terribly important too to keep that in the normal governance process and not have that be a bargaining table issue.

05-00:23:15
Lage: What would be things that would be excluded?
Arditti: Oh, well, anything having to do with curriculum, academic qualifications for appointment to the faculty, things of that kind. Anything that related to the academic mission of the university.

Lage: And did CSU not have those provisions?

Arditti: No, their scope was much broader, so they can bargain about just about anything over there.

Lage: It’s interesting that, in this law that applies to both, the two systems were treated differently.

Arditti: Yeah. If you just came in from Mars and read the statute you’d say, I don’t understand this. Why would there be these differences? But the difference was we elected for good or ill to negotiate; they didn’t. And this went on over months and months and months. It culminated one night where we had gone through and reached agreement on every one of—I don’t know—fifteen or twenty issues. And this is very complex stuff. And we were down to one remaining issue, and this was whether the teaching assistants and research assistants should be eligible to organize and bargain collectively. And our view was these people are essentially students, not employees. The unions argued that these were employees, at least in their capacity as RAs or TAs and should have the same rights to organize and bargain. And so we had a meeting late one day. It was down in University Hall. And there was Archie Kleingartner, who was the vice president in this area, and Howard Berman, the legislative author, came down there. And his staff member who had been working on this, and myself, and Lowell Paige was there. And we came up with this really—Howard at this point, he really wanted that bill, and he said, “I’m going to be honest with you.” He said, “On this issue I do have pride of authorship. I want a bill.”

And we were trying to hold the people in the Senate Education Committee to not approve the bill unless we agreed with it. And so we came up with this really weird language that I cannot remember that made it very unclear as to whether or not these folks could organize and bargain, but then leaving the decision to the state Public Employees Relations Board. And for years and years and years we were able to prevent them from authorizing the research and teaching assistants to bargain.

Finally the unions just put on incredible pressure on this. The United Auto Workers of all things.

Lage: That’s what they chose to join.
Yeah, if you like your Edsel you’ll love the UAW as the bargaining agent for teaching assistants and research assistants. But it was finally when President Atkinson was president and John Burton, the president pro tem of the senate, got very, very much involved in this that finally agreement was reached to allow them to organize and bargain. But this went on over years, and there were years and years of fighting. We did at least manage to hold it off for twenty years or so, more than that really. And this really pertained to the research assistants, teaching assistants and medical residents. All of whom we argued were really essentially students, not employees.

But they really do have a joint role. They are working.

They do have a joint role of course. They are working. They are studying.

They are being mentored and they are—

Exactly, exactly. But I think the faculty saw difficulties here where they’re trying to supervise graduate students and have them assist them where they see a collegial faculty-student mentorship relationship being now superseded by this adversarial bargaining relationship. And you could argue about this for some time here. We all did. But so that was one where ultimately we didn’t get what we wanted but we did for twenty or twenty-five years at least, and then the political pressure just became overwhelming.

But in any case, this has had huge implications for the university since. It’s a major, major factor in university decision-making and in the political arena, because these unions now, once they get exclusive representation rights, you can have 10,000 people in a bargaining unit, maybe 2,000 of them vote, and 1,001 vote to organize, all of a sudden the entire group is required to be in the bargaining unit. And then later they got legislation authorizing the so-called agency shop assessment, which means now they can collect dues from all the people in the bargaining unit. So you can have a bargaining unit where maybe 10 percent of the people actually voted and barely more than half of those voted to organize, and all of a sudden everybody in that unit is in the bargaining unit, and everybody is paying union dues. And so this was an enormous increase in strength for unions, because now with all that money they use a lot of that for political action and campaign contributions, which in turn strengthens their hand even further in the legislature, in the political process.

So labor has got to be a huge factor in any calculation that you’re making on a whole lot of different issues. And it gets to be very, very tough when they demand wage increases or other kinds of things, quite regardless of whether
the funds are available to pay for these things. And of course you have all these other activities of the university that are not even state-funded, that are either federally supported or auxiliary enterprises, hospitals and the like. So it’s a very tough process and these people, these unions, are very smart, they’re very tough. And it’s been a major—I’m not pleased that this was enacted at all. But I guess what I’m going to say is it could have been worse if we had just continued straight out opposition and not negotiated the terms.

It’s such an interesting confluence of having—on the one hand, you have to negotiate with a variety of unions over wages. But do you also face the consequences in the legislature? Maybe on other issues they will—

Oh absolutely, absolutely. Of course. And so that’s what you have going on. You’re bargaining with unions on the one hand. They’re going to the legislature. The legislature is pressuring you to do what the unions want you to do. So it isn’t simply the bilateral negotiation that would take place say in the private sector. It’s really a trilateral where this very powerful entity, the legislature, or in some instances the governor, are pressuring you to do what the unions want you to do. And it’s very hard to muster the strength to withstand that sort of thing. You just have to do your best. But it really did change the balance of power in a very dramatic way.

And a lot of our friends internally got very indignant when legislators would try to get involved in bargaining and these issues and so forth, saying these issues should be reserved for the bargaining table. Well, the truth of the matter is there isn’t just a unitary bargaining table like this. There are people who are very powerful, who are in other places, who can influence things in a major way. And you have to have a total strategy for trying to deal with these things that takes account of not only the unions themselves but their friends in the political process. And you need a multipart approach that takes into—you can’t just hide your eyes and say well, the legislature is not there. I’m sorry. They are there. And they’re voting on our budget as well as all these bills and so on. And so to say that, well, we’re just going to have a fine dividing line between bargaining table and any other thing, this won’t work. I’m not saying I like that. It’s a reality.

Is this hard for you to—do you have to get involved with the unit within the President’s Office that negotiates with the contract?

Yeah, absolutely. These are two units that get to know one another far better than either would have ever preferred or enjoyed. But it’s just vital. And I think it’s slow in coming because people don’t like the idea of being pressured on the one hand by the unions that are very powerful in the bargaining process and then getting pressured at the same time by these outside forces. But if you
don’t get everybody working together—and that really includes the people who handle labor relations, people who handle governmental relations, and people who handle the budget, if you don’t have all those people working together, you’re going to be in a lot worse trouble than you will be if you have a holistic approach taking into account all these things. Because there are times when they threaten to hold up the budget if you don’t do this or that or something else. Or they try to line-item something or they threaten to pass legislation or defeat legislation or something related to this.

05-00:33:26
Lage: But can’t you at the same time use the argument with the legislators, well, give us more money? And they must see the relationship.

05-00:33:32
Arditti: Well, you can use that argument but that doesn’t mean they’ll buy it. From their point of view they never have enough money to satisfy all the demands that are placed upon them. And so while there are some who will be reasonable and say, “Well, yeah, sure, only if we provide the money”—but first of all, 80 percent of the university’s operations now are not funded by the state. The DOE labs for example. The hospitals get almost no money from the state. And so connecting it to state funds, at least logically you can certainly do when it’s a state-funded activity, but that doesn’t mean people are going to pay any attention to it. This huge fight just a year and a half ago over wages for custodians. The union, a very strong union, AFSCME, represents those people. And for reasons that we could never figure out, they picked out four campuses and they were not necessarily the campuses with the lowest custodial wages. But they picked out those four for huge increases. We could see no logic to this at all.

05-00:34:47
Lage: I thought everything was the same over the system.

05-00:34:51
Arditti: No, no, not at that level. There are some things that are still localized. And there was a huge battle over this with massive pressure from the legislature. It finally reached the point where Richard Blum, the chairman of the regents, got personally involved. John Burton, the former senate president pro tem and a very strong union friend, and Blum had been friends. And so Blum actually brought in Burton to try to, quote, mediate this.

05-00:35:19
Lage: In what venue was he mediating it? In the discussions between the union and the—

05-00:35:26
Arditti: Between the union and the university. And so here was this really odd situation in which the chairman of the regents brings in a former legislator who is then going back and forth between the union and the university.
Lage: Who’s a real union strong friend.

Arditti: Who’s a real union, yeah.

Lage: He doesn’t seem like a mediator type, John Burton.

Arditti: Well, you might say that. I’m very fond of him, but mediator is not a term that I would associate with him. In any event he wound up pretty much siding with the unions. And our folks still didn’t want to go along with this. Finally, the pressure became overwhelming. And even Chairman Blum recognized that we just had to do this. And it was just—cost a lot of money. No money was provided to help fund it. It just meant money got reallocated from other things.

Lage: Well, what do you think about the level of wages? I know that clerical wages, they’re all much lower.

Arditti: Well, look, they’re all low, because the university has been underfunded for years and it’s getting worse, if you follow the state budget crisis. But you can’t manufacture money out of thin air. And there is also something called the market. And I believe—and it’s been university’s policy—that the marketplace should be the standard. And going through all the data on these custodial wages, the truth of the matter is we have some places where we actually were exceeding the market, like San Francisco for example, and other places where we were lagging the market. And we actually made counterproposals that would have looked at all of the campuses, locality by locality, and identified those that had the biggest lags to the market and made adjustments there. The union wouldn’t go for that. They picked out these four. I don’t know how they made that decision. And they just wanted these huge increases there.

I think the right thing to do is to let the market be the determining factor. Now the argument that is made by the unions and some legislators is that look, the market for custodials, you’ve got all these poor undocumented people who don’t speak English doing this. The private sector mercilessly exploits these people. How dare the university say that it’s going to level down to exploit people in the way that’s happening? So they dispute the appropriateness of the market. Or they’ll argue for a different market, like CSU and community college custodians. And the truth is the matter is they do earn more than our custodians. But on the other hand, if you look at the data compiled by the people who do market surveys generally, Mercer and company, for example, the market is very, very different. So there are just so many layers here in which people can disagree, starting with what’s the right measure to determine
what’s fair compensation. And then assuming you can even agree on that, which you can’t always, then the question is how do you pay for it, because the hospitals don’t have unlimited money, and research grants don’t provide unlimited funds, and the state doesn’t provide unlimited funds. And so you have those very difficult issues just about compensation levels, and then there are all these other issues about work rules and seniority and things of that kind that have a lot to do with the ability of an institution to manage itself. So it’s a very difficult situation.

But that process, collective bargaining, was established, as you probably recall, in the days when the large corporations were dominating employees. And the idea was to even the balance between labor and business so that labor could get its fair share of the fruits of business enterprises. University of California is not a profit-making enterprise. There are no profits to share here. But in any even that decision was made, and it’s been a huge factor in the university’s life ever since. Will continue to be. But I think is better in some respects than it might have been. And particularly in areas regarding the faculty and academic issues being at least so far out of collective bargaining. Now that could change sometime, but so far that’s held.

Lage: Let me ask something. I don’t know if it’s related or not. Under President Atkinson, casual employees were reviewed and the new policy was made about how long you could work and still be treated as casual, and also casual employees were given back-credit for their service. Was that something that came from the legislature or was that just from the president’s office itself?

Arditti: No, I think that was an issue in the legislature too. And I think that was an area in which we were a little vulnerable, frankly. Because I think the concept of a casual employee was intended at the beginning to relate to people who didn’t stay around too long. But when you found somebody who’d been a casual worker for twenty years and had no retirement benefits or something like that, that’s hard to defend; that’s hard to defend. And the truth of the matter is, like any large organization, we have done a lot of things right, and here and there we’ve done some things that probably we shouldn’t have done, and that was one of them. So I frankly felt that it was the right thing to do to correct that. Certainly bring somebody in for two weeks, you don’t want to give them the full range of benefits and seniority and all that. But some of these people, there were some examples cited of people who had been around a long time.

Lage: A lot worked eleven months, laid off two days.

Arditti: Laid off two days and brought back.
It was a policy in a lot of units.

Well, and I think it helped departments save money and maintain flexibility. They liked that, and that’s understandable. But it was very difficult to justify from an equitable point of view.

But do you remember how it got raised? Or is it not a big enough issue to recall?

I think it was raised by somebody in the legislature. And I think President Atkinson thought there was some merit to the objection and got a process going to look at it. It’s bad enough if you have a practice going that isn’t good at all, but it’s even worse if you recognize that there’s a problem with it and just sit still and ignore it. And so first preference, don’t have policies that are unjustified. Second rule, when they come to your attention do something positive about it. And that’s pretty much what happened in that case.

Did the different presidents have different attitudes towards these labor issues? Did that make a notable difference?

Well, let’s see. Of course, when President Hitch was president UC opposed collective bargaining and so on.

You said Saxon was more agreeable.

Saxon was more flexible on this. He’d made statements early on when he became president that he didn’t feel that the university should oppose in principle collective bargaining, but that the terms should be important. So he had a very different view, in a way, than his predecessors had had. Then after that, of course by the time President Gardner came in and subsequent ones, collective bargaining was well established. The power of the unions was. And it’s been I think a burden for all of them. Atkinson tried very hard to build bridges with labor. He became very friendly on a personal level with some key labor leaders, including Art Pulaski, who is today the chief person in the California Labor Federation, for example. Because he recognized how significant and powerful these groups are. And they had a very good, very warm personal relationship. But it never seemed to make much difference when it came down to these issues that were being fought out. Those just are what they are.

He did reach agreement on the establishment of these labor studies institutes that have been so controversial. That was really a President Atkinson initiative.
that grew out of his discussions with labor leaders directly. But that didn’t really—

Lage: To fund these labor institutes that later Schwarzenegger cut out.

Arditti: Exactly. Well, he cut them out and they’d get restored at the end of the budget process. So they haven’t been cut out, at least so far ultimately. The governor would not put them in his January budget, and then the legislature would put them back in. They would negotiate that and they would go back in.

Lage: Were they in any way a counterpart to these partnerships with industry? Or were they set up in a—

Arditti: No. Not really. There was no partnership. The unions were not funding them. Industry certainly was not funding them. These were just straight-out state appropriations to run these programs. Now the unions argued that you’ve got schools of business that study business that you pay for and fund. Why can’t we have one little one that studies labor paid for? And they do some legitimate work. But they do tend to have a particular point of view about things. And that’s exposed them to some vulnerability, I think, for not being objective academic organizations but rather more advocates.

I think the truth is there’s a little bit of each there. I think they do some very solid work. But they do tend to have a point of view on labor issues also. But in any event, as I say, that doesn’t seem to have made any difference at all in the bargaining and the fights about UC employment issues.

Lage: Too far removed.

Arditti: Too far removed, yeah.

Lage: Okay. Well, is there anything else about that collective bargaining, which is certainly a really interesting story, and important?

Arditti: Yeah. I think that’s really the key point about that. If I had to just go through all the history about that, the decision to negotiate rather than fight and the provisions relating to the faculty organizing and academic issues in bargaining, that was to me the core of all the fifteen or twenty issues that got negotiated. It was really essential.

Lage: Did this go to the Academic Council at the time?
Arditti: Yes they were deeply involved in it.

Lage: And what was their view?

Arditti: I think they agreed that negotiation needed to happen. And as a matter of fact, this was an interesting little twist. There were faculty within the Academic Senate who wished for the faculty not to be organized by unions and so, in what they characterized at the time as a defensive measure, formed a separate new organization called the Council of UC Faculty Associations, which was open in its membership only to members of the Academic Senate. And this was, I think, at first intended to be a fallback if it looked like other outside unions were going to come in. Then this group would compete and then at least it would be a faculty unit of just regular ladder-ranked faculty and not an outside organization and so forth.

Well, in any event, once the law got passed they decided to try to organize the faculty themselves. In fact it was that organization that ran these campaigns, big campaigns at UCLA and Berkeley and Santa Cruz, and they are the bargaining agent today at UC Santa Cruz. But other than that they remain as a volunteer organization and not with exclusive bargaining rights anyplace.

Lage: So they weren’t really opposed to collective bargaining, just to being mixed in with other groups.

Arditti: Yeah I think so, I think so. I think at first I’m not sure they favored collective bargaining at all. Then they evolved once the law was there and they were in existence. Well, why not try that? And I think the leading fellow in that was David Feller, who was on the Berkeley law faculty and a labor lawyer of great distinction and note, and somebody that I respected a lot, became very fond of. But I didn’t quite see how they went from setting up something that was supposed to be a defense mechanism to something that was now aggressively seeking to organize the faculty.

Lage: Now, when would you have had interaction with David Feller?

Arditti: Oh my God, just continually. Because they were involved in the negotiations over the legislation.

Lage: This group.
Arditti: Yes. As well as in various subsequent issues. They for a long while retained a lobbyist in Sacramento and would get involved in various issues. Things relating to faculty directly. Faculty salaries and things like that. So we had a lot of interaction. And I enjoyed every minute of it. He was just a wonderful person, very distinguished, and somebody that you could have a good argument with.

Lage: Did he have an adversarial feeling about his relationship to the administrative structure of the university?

Arditti: Oh, a little bit. He was a ladder-ranked faculty member on the Berkeley law faculty and so forth. And he was a real gentleman. But he had his views about things. And I think being a labor lawyer, I think he just had a view about how these things should work. But as I say that got turned around, that enterprise, I think.

Lage: Very interesting issue altogether.

Arditti: Yes, it is. It’s an important issue. It looms very large today in the operations of the university.

Lage: Well, if it comes up again, that’s fine. That’s good.

Arditti: Yes, yes, it probably will, probably will.

Lage: Okay. [interruption] You did, we just determined, have a number of other things you wanted to talk about, during that period.

Arditti: Yes. Let’s see. We talked about MICRO. The pound animal research issue. We had huge animal research issues over a number of years. The one that I mentioned a moment ago with Governor Brown was just one of them.

Lage: You mentioned another one about—

Arditti: Well, there were two or three bills like that. There were university buildings that almost weren’t funded because they had animal research activity taking place in them. In fact the—

Lage: Even back in this era.
Arditti: Oh yeah, yeah, very major. The Life Sciences and Biology Building on the Berkeley campus, which was the first new building in the biological sciences on that campus in fifty years, almost failed over that issue. It was blocked in the Assembly Budget Subcommittee. And there was huge—these animal rights groups can be pretty well organized. And there are some prominent folks who are part of that movement, including some Hollywood people and so forth, and so—

Lage: And now Leona Helmsley.

Arditti: Leona Helmsley, wouldn’t you—who would have guessed? And so in fact I remember that building. That was what would have taken Berkeley into the twentieth and twenty-first century in biology. Otherwise they had those really old facilities that were designed when they were dissecting frogs on tables and all that stuff. And here you were going into molecular biology and other things like that. And this was the building that was needed to do that.

Lage: And what kind of law or regulation did they want?

Arditti: Well, they were threatening, they were trying to kill the building, because they felt that it would increase the use of animals in research. And it was actually stopped for a time in the assembly budget subcommittee that handled this. There was one Democratic legislator who agreed to step up to the plate and negotiate with the other members and with the people on the other side and with us. That was assembly member Mike Roos, who was at the time I think the assembly majority floor leader and was just a tremendously important friend to the university and to me personally.

Lage: Did you encourage him to do that when you say he agreed?

Arditti: Oh yeah.

Lage: So would you go around to several people asking them to take the lead?

Arditti: Yes. Depending on the issue and the circumstances. But in those days when the members were here for a while you had an opportunity to build relationships with at least a few so that when you’re really in trouble you could find somebody who would be willing to go to bat for you. Because a lot of these issues may not be all that appealing to the member him- or herself. Why would you want to get in the middle of this one, really? Why? There’s
really no percentage in it. Because if anything the political advantage was to be with the animal rights people, not on our side.

05-00:54:26
Lage: What time period are we talking about now? Still the Jerry Brown governorship?

05-00:54:33
Arditti: No – Deukmejian, I think. And so we had these endless negotiations. The building was held up. And finally at like twelve or one o’clock in the morning or something like that we were all in some little office in the capitol hammering out some kind of language about how we were going to manage or report on things or whatever. And that turned out to be the linchpin that released the building to be funded.

05-00:55:00
Lage: To have some regulation put into effect that—

05-00:55:03
Arditti: I think it was mostly reporting requirements, something like that. There were other issues relating to animal research, especially at Berkeley. It’s a universitywide issue, a worldwide issue really. But Berkeley being the oldest campus, I think began in a decentralized way. And so unlike UCLA, for example, which has a central veterinary staff which is responsible for the supervision of all the animals used in research wherever it is on the campus, at Berkeley at that time each department had full responsibility for its own animal management. And so I went one day into a building that’s now since been completely gutted and revamped, but which was the building where these animals were kept. And here’d be one cage with rats that would be shiny and clean and have water and food in it and there’d be a little tag on it, Zoology Department. Then right next to it there’d be another cage. It’d be dirty and no water and all that stuff, dusty and all that stuff, and I don’t know if it was the biology—some other department.

05-00:56:21
Lage: We won’t impugn departments here.

05-00:56:21
Arditti: I don’t remember well enough to remember which they were. So I couldn’t do that even if I wanted to. But the point was that there was no central standard and no central oversight of how these animals were treated, which then made us very vulnerable to events that happened. For example, animal rights operatives infiltrated these buildings and with cameras got pictures of things and all that stuff. And all it takes is one horror story to create a real crisis. And so that sort of thing was going on.

05-00:56:54
Lage: When you visited did people from the legislature accompany you or you just wanted to see what—
Arditti: No, no, I just wanted to see for myself what it was we were dealing with, because this was coming up every other day here, both in connection with legislation and with some of our major building projects. And this was the period when Mike Heyman was chancellor of Berkeley. And I think it was finally the threat of losing one of these buildings that gave him the leverage he needed to put in place some reforms and centralize animal care on the model that had been the case at UCLA and some of the other campuses. But otherwise we came very close to losing some major, major things there.

Lage: But it does sound like here’s a case where the campus needed to be brought up to snuff.

Arditti: There was work to be done there. There was, there was. But of course these animal rights people, they didn’t want to just reform things, they wanted to just stop everything.

Lage: Yeah, they didn’t want to see animals used.

Arditti: No. But I think that you point to a lesson here, and that is you got a better chance to preserve what’s really important if you conduct things in a responsible way. If you don’t conduct things in a responsible way then you become a much bigger target for those who may be opposed in principle to what it is you are trying to do. Because the opportunities are just boundless to find these examples that just horrify people. And to do things that really get attention.

One day, I remember, we had one of these buildings at stake in a budget subcommittee, and that morning a member of our staff came running into the office. He said, “There’s a big animal rights group demonstrating against this on the steps of the capitol and they just said, ‘Let’s take the Bank of America Building.’” Well, that was our office building, because it wasn’t the bank’s building, but they are on the corner of it. So it looks like that building. And I thought oh, my God, what’s going to—and like within minutes about forty or fifty characters all dressed in white coats with gas masks on start filing in the door. We’re not leaving until that building is defeated. And the way the office is laid out, there was no back door out of it. There’s just a front door in. And they start filing into my own office. So I was getting pretty panicked. I started grabbing materials, stuff that I thought was sensitive, and got myself out the door. They all went back into my office, locked themselves in, barricaded the door, moving the furniture and all that stuff. And they wouldn’t talk to anybody.
So we called for the police and the Sacramento Police Department came in. And they start saying, “Well, let’s see here. If we bring in a battering ram we can take out the door, go in through the ceiling.” I thought, Oh my God, we’re going to have blood on the floor, place is going to be a shambles.

Lage: After your experience at UCLA.

Arditti: I said, “You know something? I need to get the UC Davis police out here, because they know how to deal with this stuff differently.

Lage: I’m going to stop you. This is about to run out. I’m sorry.

Audio File 6

Lage: Okay. We’re back on Tape 6 here. And we’re right in the middle of the story where you were going to search for the— I mean call in the UC Davis police.

Arditti: Yes. I could just see there was going to be blood on the floor and the place was going to be a shambles. So I thanked the Sacramento police for their help, called the vice president of the university who was responsible for security matters, Ron Brady, and they said, “Well, he’s in a meeting.” I said, “Get him out.” He came. “What’s the matter?” I said, “Help! I need the campus police now. We’ve been invaded.” So within a few minutes a couple of very good people from the UC Davis Campus Police Department arrived. They deal with this sort of stuff all the time. So at first these people wouldn’t talk to anybody. So finally this lieutenant came out who apparently knew some of these people. Knocked on the door. Said, “Pick up the intercom.” So they picked up the intercom. So went back and forth. Knock on the door. “Pick up the intercom.” So at least got communication going. He finally was able to negotiate an arrangement in which they would remove all but one piece of furniture from the door. The door would be pushed open and it would look like it was being forced. But all the rest of it would be gone. That these people would be lying on the floor. They would be picked up, handcuffed with soft handcuffs and led out the door.

He’s got on the intercom. I heard him doing this. Guy was really good. He said, “Look.” He said, “You think we’re going to come in there after you.” Said, “We’re just going to wait you out.” He said, “Why don’t we work out a way to get you out here before noon. You can get your TV coverage. That’s probably what you want for all this. And nobody get hurt.” And they, “Well, we need to talk among ourselves.” Back-and-forth. But anyway that was finally what he was able to negotiate. And so ultimately it went all according to script. The door was pushed open, looking like it was forced.
And was the media behind?

And the media, all the news reporters and everybody was there with their cameras and all that stuff as they were led out the door. But nobody was hurt. Nobody was hurt. And no damage was done to anything. And that afternoon we were back functioning normally. And that’s a case where I think we just could have had a shambles on our hands.

If you’d allowed the—

Oh, if we’d allowed the Sacramento police to do that. And I’m not being critical of the Sacramento police. They didn’t have any experience with that sort of thing. It’s the whole reason we have—or a key reason why we have our own police departments at the University of California. That’s a big expense to carry. But there were days when we had just a few retired military folks or something like that, security guard types. And so every time there would be a problem of any consequence the outside police, who didn’t know the landscape, didn’t have any experience, would come in.

They’d overreact and that would escalate things. This all goes back to the Free Speech Movement at Berkeley and so on. And so a decision was made, I think around the time of the Free Speech Movement or a little after that, that the university needed to modernize and upgrade its own police capabilities so as to be able to avoid those kinds of escalations and do community-type policing and so on. And in fact we had a whole package of legislation that I undertook to take the lead on when I was a young staffer in the office to help to make that possible. Like five or six different pieces of legislation that we had to get through, ranging from enlarging the jurisdiction of the university campus police to extending to them the same enhanced workers’ compensation provisions that are applicable to other police, extending to them the same enhanced retirement programs that are available to other police, the same training standards and opportunities that apply and are available to other police. Amazed I remember all these still. But it was quite a package. And it was not big glamorous work but it was important.

And it maybe grew out of some of your experiences at UCLA.

It absolutely did, absolutely did. Because I saw what that meant, boy, on the firing line. And it gave me an opportunity to get to know another really great person. That’s William Beall. He had been the chief of police for the city of Berkeley when the Free Speech Movement broke out and then had been recruited by the Berkeley campus to become chief of the Berkeley campus police, to professionalize that. He’d been a Berkeley graduate in criminology.
Very distinguished man. And then he was made like the lead police chief for the nine campuses as well. And so he was my partner and my lead witness as we fought all these pieces of legislation through the legislature. And he’d be great. He’d be on vacation in his cabin up in Mendocino or something like that. “Bill, they’re going to hear this bill day after tomorrow, we’ve got to see these, they’re going to kill”—“All right, I’ll be right there. Drop everything, come down.” But he was just a great man, great gentleman, and was really instrumental in the reform of the university’s police.

06-00:05:27
Lage: Is he still around?

06-00:05:29
Arditti: He may still be alive. I haven’t seen or heard from him. But I’ve not heard that he’s passed away. When he retired there was a great farewell event for him. I think some eight hundred people at the Shattuck Hotel in Berkeley. One of the speakers was Earl Cheit, who had been executive vice chancellor at Berkeley during the Free Speech Movement period of time. And he said of that era, he said, “Yes,” he said, “It was a time when executive vice chancellors and campus chiefs of police came to know one another better than either would have dreamed, imagined, or preferred.” But that was that kind of an era. But out of that I think grew a recognition that we had to have a really professionalized group that knew the campus environment and could work with it and not have things escalate unnecessarily. And I think it’s made a real difference.

06-00:06:25
Lage: That’s an interesting point. Just along those lines, has there been, or for how long was there an impact of the student activism era in Sacramento?

06-00:06:38
Arditti: Oh, well into the seventies, well into the seventies. Certainly as long as the Vietnam War was going on. I think once that ended then things began to die down some.

06-00:06:51
Lage: Did it have a legacy among legislators particularly?

06-00:06:59
Arditti: Well, sometimes things fade away. They just fade away. I think while it was going on it was very difficult because legislators were getting a lot of pressure from constituents, who were just angry as hell. Or for the most part anyway. “Our hard-earned taxes are going to provide these kids an education and here they are tearing things up and raising hell and disrupting things, and what are you going to do about it, senator?” So the members didn’t like it at all, and they’d keep telling us, “We want to be your friends, but you’re not making it easy for us, and do something.” Well, what are you going to do about it? Obviously you can work with these situations. I did when I was on campus and saw others doing it once I was here. But if there’s a big issue out there and
people are mad about it, they’re going to do something about it. And the hope is that people can work together in a way that nobody gets hurt and that things are not disrupted in a major way.

But as long as that was going on, there was tension around these demonstrations about the occasional communist on the faculty, Herbert Marcuse at UC San Diego, Angela Davis at UCLA. And it’s just part of university life. The place exists, is intended to be a free environment in which people can express themselves. It’s not intended to be a place where people commit violence and destroy property. But there’s a lot that goes on that really needs to be protected that makes people very mad.

06-00:08:47
Lage: Did you have many occasions where you had to explain academic freedom, for instance, to the legislators?

06-00:08:56
Arditti: Oh yeah, or tried to anyway. Yeah, “Academic freedom is not academic license,” people would say. And “What’s academic freedom got to do with shutting down the administration building? and so on. So the academic freedom issue, it applies in a way to free speech in general, and certainly applies to issues of who can serve on the faculty and what the qualifications are and aren’t for serving on the faculty. But when people get mad enough you can try to speak logically, and it doesn’t really sink in. And I think there is a belief—or there had been anyway for a period of time—that the concept of academic freedom was being stretched to cloak abuse of various kinds. And I don’t think that’s really true. I think there was some stuff that was abusive, and we never tried to justify it as academic freedom. If people were tearing up a building or something like that, that’s just tearing up a building, that’s not academic freedom. But if you have a case like the Angela Davis case where she’s a communist but is meeting all of the standards and requirements of her academic appointment and not engaging in misconduct that violates the faculty code of conduct and all of that, it’s hard to say how you could shut that down and not violate academic freedom. And so those were really hard issues though, because—

06-00:10:31
Lage: Was that a particularly hot one? Did you have members of the legislature wanting to hurt the budget?

06-00:10:38
Arditti: Oh yes, wanted her fired and yes, yeah. Chancellor Young at UCLA was really a hero on that one because he had, I think, probably the majority of the Board of Regents angry about that, as well as many people in the legislature and out in the community. But he just determined that this was the right thing to do and he was going to do it. If they want to take him out, they’re welcome to try. They didn’t. So that was a very courageous act on his part. But it did engender a lot of controversy. And Marcuse at San Diego was another one.
There was a very conservative state senator from San Diego, John Stull, a retired naval commander, big bear of a man, six and a half feet tall. And actually a very interesting gentleman.

But he was just furious about this and kept stirring that up and complaining about it. And he served on our budget committee and on another committee and made life a little difficult with that one. The chancellor there stood his ground on that one too. That was William McGill, I think. And that just eventually faded away.

And then later, [President Emeritus] Jack Peltason tells when Angela Davis was made a presidential scholar or president—not scholar, but—

Fellow or something like that at UC Santa Cruz, yes.

As if he picked her personally. Are there other things on your list? I had wanted you to talk about the health sciences.

Oh, all right. We’ll talk about that. Yeah that’s great. Now you tell me when you want to break for lunch too, by the way, because we have something in for that. So you want to do the health sciences and then lunch?

Yeah, that’d be good.

Okay. Well, I guess it was before I got involved in things, and probably in the 1960s, that the university took account of the projected growth in the state, took a look at the supply of health personnel, and concluded that growth was needed. And so drew a plan that primarily encompassed starting three new medical schools. At that time the university had two, UC San Francisco and UCLA. And there had been three private medical schools, Stanford, Loma Linda and USC. And so the plan was to start up three new schools of medicine.

Which is a pretty bold plan.

Pretty bold plan, absolutely. And also encompassed the view that each medical school needed to have its own on-campus teaching hospital. Now there was a fair amount of support, I think, from the beginning for starting up these new medical schools. Everybody was concerned about health care. And certainly the legislators in the areas where these places were proposed to be put welcomed them as additions to their areas.
Lage: Would this have been under Kerr this was started or Hitch?

Arditti: I don’t know if it went back that far or Hitch. I just don’t know.

Lage: But before you.

Arditti: By the time I got there these plans had already been made. The plans had been made. And the Davis medical school had been founded. And a decision had been made to take over what had been the Los Angeles College of Osteopathic Medicine or something like that and to move that to the Irvine campus.

Lage: And that was a legislative—

Arditti: That was definitely legislative. It happened before I got to Sacramento. But as it has been recounted to me, Senator Stephen Teale, who was an alumnus of that school, wanted the university to take that, and I guess he was like the chairman of the Senate Finance Committee or something, in a position to decide, I guess, the fate of the entire plan to expand in medicine, or something like that. And so somehow or other that got done. But that was before my time. That had happened by the time I got here. And then similarly UC San Diego. So there were these plans to build these on-campus hospitals as these schools were developing. And I think the faculties all felt strongly about that. It was the policy of the university.

In the meantime, however, here in Sacramento there was a growing body of opinion that first of all we have a very short supply of primary care physicians and a very short supply of health care for the underserved and people of low income. That on-campus teaching hospitals foster specialization and tend to serve the more affluent and don’t really socialize the students to become interested in taking care of the underserved. And so they quickly focused on the fact that there were large county hospitals in each of the regions where these new schools of medicine were to go. And I think egged on some by the counties in question, which would have been very happy to unload these places, began to put a lot of pressure on the university to not build on-campus hospitals but rather to take over these existing places and then reform them.

Lage: And wasn’t that a Willie Brown favor?

Arditti: Oh absolutely, absolutely. Well, not just Willie Brown, but he was one of the key people. It was also a Republican assemblyman named Gordon Duffy. But Willie Brown was certainly maybe the most significant mover here.
Lage: Were there people involved in the health committees in the legislature or just—

Arditti: Oh, the health committees, the education committees. They were scattered. It became a pretty widespread view. And Willie Brown had caused to be created something called something like the Select Committee on the Siting of UC Teaching Hospitals. And they hired a staff and they held hearings up and down the state. And they interviewed a lot of people and they developed a thick report and all that stuff, but basically concluding that the university should take over those three hospitals.

Well, the day came when that report was done. And Jay Michael, my boss, was out of town somewhere for the day. And this was before cell phones and pagers and all that sort of thing. And on almost no notice Mr. Brown convened the hearing of this committee to make decisions about what they were going to do, particularly with regard to the Davis Medical Center. It’s a story, incidentally, that I recounted to colleagues at Davis just after I retired. I said this is one I’ve had mothballed for about twenty-five years; I guess maybe the statute of limitations has run out.

Lage: Do you have a date?

Arditti: Well, this would have been in the very early seventies.

Lage: Willie was not speaker yet.

Arditti: He was not speaker. I think he was chairman of the Ways and Means Committee, which is also a very potent and powerful body. So in any event he convenes on almost no notice this hearing. And there are like, I don’t know, seven or eight members there.

Lage: And you have to go.

Arditti: And I’m what’s there. As I said to the folks at Davis, it’s like being the on-call resident when there’s a train wreck or something like that. So there I am. They’re all sitting in their big chairs. And I’m sitting in the witness chair. And they recount the conclusions of this report. And they said, “Well, it’s time to vote.” And now this committee was technically an advisory committee to the rest of the legislature, but looking around, every member who would have anything at all to say about this was on that committee, and it was clear where they were. And so Brown says, “Well.” Looks down at me, says, “It’s your hospital. You want it?” And I’m thinking to myself wow, let’s see here.
University wants these medical schools, believes that each medical school needs a hospital. There is no way that these people are going to allow us to build new hospitals on campus. So it seems to me this decision has made itself. And I said, “Yes, Mr. Chair, we accept.” “Well, thank you very much.” Well, there was a lot of dissatisfaction with that a long while because—

06-00:19:23
Lage: With you in particular? You really had to step in, and you didn’t have some way of saying I’ll have to talk to the president?

06-00:19:30
Arditti: It was too late by that time. This had been vetted and debated and discussed and—

06-00:19:41
Lage: It wasn’t a surprise.

06-00:19:41
Arditti: It was not a surprise, no. This had been going on for a year and a half or two years. But I think the faculty had really hoped for an on-campus medical school and so on. So that happened. Today I don’t know if you’re familiar with the UC Davis Medical Center. It is one of the most stunning success stories in American medical education and medical care. In fact among other things the Shriners Hospital chose that site to build their new hospital. They closed one in San Francisco and moved to Davis. And now they’ve moved the entire school of medicine from the campus to the medical center site.

06-00:20:27
Lage: To the site where the county hospital is.

06-00:20:27
Arditti: Yes, yes, yes. Well, it’s now the university’s hospital.

06-00:20:32
Lage: It’s not even a county hospital. Does the county help fund it in any way?

06-00:20:35
Arditti: Only to the extent that the county and the university have a contract for the provision of care to indigent patients, which are the responsibility of the county. So the county pays the university some money to provide care. In that sense the university stands in the shoes of the county in providing that care. And the county is theoretically obligated to pay the cost. Now there are always fights about how much that cost should be and so forth. But the university ownership has absolutely transformed that place. It’s stunning. You get a chance sometime when you’re in this area to go over and take a look at it, you wouldn’t believe it. It’s a magnificent campus. And it was a long time coming. Even after the university took it over there were issues about accreditation, which was almost lost at one point. And there were a series of malpractice cases that were very difficult and buildings that were thought to
be okay that were crumbling apart and it just goes on and on. But it is today one of the most incredible crown jewels that the university has.

The ones at Irvine and San Diego are good, although have struggled a lot more than this one. They all struggled in the early stages.

And they have this division. I guess Davis moved their faculty up there.

Moved the whole medical school out there.

But don’t the others have to commute to—

The others have to commute, yes. But the problem was if you built the hospital on the campus, then you’d have the hospital and the school of medicine joined together but separated from where all the patients were. There aren’t any patients to speak of in Davis. They’re all here in Sacramento. And similarly in Irvine at that time. That was in the middle of what had been the Irvine Ranch. And similarly in San Diego. And part of the argument there was here was the campus up in La Jolla with all these rich people, but all the poor people in San Diego were down in downtown San Diego. And so you either separated the hospital from the school of medicine or you separated it from the patients. And the view on the part of people here was that if we’re going to make this huge public investment we want to use it to help improve care for those who are not getting care, which meant first of all putting it where they are and have access to it, secondly improving the quality of that care by conducting teaching and research along with the care that is being provided, and then alongside that hopefully motivating the students as they learn in that environment to in their careers subsequently have some commitment to providing care for the underserved. That was the argument that was made.

And frankly, I think it’s proven to be true. It’s proven to be true. So once the decisions were made where to put the medical schools, this dilemma was created instantly. Do you put the hospital with the school or do you put it with the patients? And so any way you sliced it there was going to be a problem. And so it was not a matter of what’s the perfect solution, it’s like, on balance, what’s the best solution? And UCLA and San Francisco remain great institutions with their hospitals on the campuses. But they also have major deep affiliations with county hospitals in order to achieve some of those same values. First of all—

Were those also encouraged by the legislature, or something they came up with on their own?
Arditti: That’s something that they came up with on their own but with a lot of encouragement from the legislature. And the legislature provides funding, for example, for residency positions that are out at other hospitals to help encourage that. But the truth of the matter is the amount of clinical teaching capacity required greatly exceeds what even one large university hospital can provide. And so they all need at least some affiliated hospital arrangements. UCLA has a huge affiliated arrangement with Los Angeles County Harbor Hospital, and UCSF has a huge deep affiliation with the San Francisco General Hospital. But in those cases the counties actually own and operate the place, with major teaching activity and affiliation with the university. There are pros and cons with all these things.

I think the faculty believe, and I think rightly so, that they have to be able to control at least one major clinical facility, because the average hospital operator, while they like the idea of an affiliation and so on, don’t like the disruptions and costs that come with having teaching going. It’s not like one physician comes in, sees you, twenty minutes, makes a note, goes away. It’s the faculty member on rounds bringing the group of residents and students in and having this discussion for an hour and a half.

Lage: It’s a very different operation.

Arditti: It’s a very different operation. It slows things up, adds cost, also improves care and helps education and helps research. So it’s a great system. But if you’re trying to run a hospital and keep a bottom line and keep the patients happy and all that, it’s not always a welcome thing. And so the faculty believes—and I think they’re right—that to do proper work they need to have at least one major facility that the university controls. But to control it you almost have to own it. There are great medical schools that don’t own their own hospitals, by the way. But for the most part if they don’t own it they have a contractual arrangement that lets them have very major elements of control over it.

So that dilemma was there. And that’s how it got resolved in those three cases. I said the Davis example has just been stunning. The others are still coming along. And they’ll be fine eventually. But San Diego now has built an on-campus hospital also, the Thornton Hospital. And they’re talking about wanting to shift more of the care up to the campus as opposed to Hillcrest, which is the former county hospital. And it’s opened up all the same old arguments all over again with people in San Diego and legislators from there being very nervous about shifting much more up to La Jolla, which is very difficult.

Lage: It’s quite a ways from the center of poor populations.
Quite a long way. Yeah, and they’re even talking about moving some of the emergency room up there. And people say, “Look at the freeway gridlock that takes place at certain hours there.” And you think about trying to move somebody from the Hillcrest Hospital up to the Thornton Hospital. So they’re still struggling with that. Irvine is in the process of completely rebuilding its hospital on the county hospital site, and it seems to be coming along quite successfully. They had a lot of issues there.

They’ve had issues for a long time.

The fertility clinic issues and all of that.

That must have been something you had to deal with.

I didn’t even write that one down. That’s another whole ordeal. Oh, that’s when Senator Hayden was in the legislature and Senator Speier and others like that. And they held these huge investigatory hearings and dragged up the chancellor and the medical dean and oh, we had hours and hours and hours over that. That was just awful. And there’s an example of something that just got away. Just got away. Whether better systems could have prevented that, probably—Jack Peltason has all these wonderful one-liners for just about any topic. They’re concise and humorous and they say something. But one of them, he said, “150,000 people work for the University of California; you can just bet that every hour of every day at least one of them is doing something he shouldn’t be doing.” So maybe better systems could have prevented that, but to some extent you’ve just got so many people with such a complex institution that, unless you have like a one-to-one ratio of auditors to other employees, things are just going to happen sometimes. But they’re just terribly embarrassing.

And they get more in the public eye when it’s the university.

Yeah, because I think people really expect more of the university and are therefore more disappointed and more critical when things happen that seem like they shouldn’t be. And it’s partly because we hold ourselves out as being special. They say, “All right, we buy it.” Be careful what you wish for.

Well, is this a good place to stop for lunch?

Yes, I think so, yeah.
Okay. We’re back on after lunch. And this is still Tape 6 with Steve Arditti. We were talking about the health sciences issues. I had one other follow-up. Larry Hershman mentioned that Governor Brown wanted to close the UC Davis Medical School at one point.

The Davis Medical School.

Right. And they had to fight that off. Do you remember that? It was during this—probably before—

Maybe it was before I got involved. What I do remember is that during one of the serious budget crises there were proposals being considered ranging from closing a medical school to closing a campus. But I don’t know that I remember a specific one to the Davis Medical School.

It would have been early on, but during the Brown governorship. So you would have been here. But maybe—

That’s funny. I just don’t remember that one. Maybe it was something that happened in negotiations with the Department of Finance that I wasn’t involved in or something. But I just don’t remember that. It wouldn’t shock me. But I just don’t remember it.

Do you have any other stories since we’re talking about Jerry Brown? I’ve heard horror stories about Brown’s treatment of people from the university.

Oh well, just one small example. As part of the annual budget process ritual, it begins with a lot of negotiations with the Department of Finance, which is the governor’s principal fiscal agency. And then a lot of things get worked out at the intermediate level and then there’s a meeting of the president of the university typically with the director of the Department of Finance. And if that doesn’t resolve things satisfactorily then there’s an effort at least to have a meeting of the president of the university and the governor. The president, that would be Saxon at that time, would come up for what was scheduled to be a four o’clock appointment in the afternoon or something like that. And six-thirty or seven o’clock the president would just be cooling his heels out in the office as various other characters streamed in and out and so forth.

And would you be sitting there with him?
Sometimes, yes. So there was that sort of thing. And then there were times when Brown would just—I remember Saxon told a story of one time Brown just showed up at ten o’clock on a Sunday morning at Blake House wanting to talk about some things. He was a very erratic, eclectic character. But he was not noted for diplomacy or tact or anything like that. He is a brilliant guy. Just absolutely brilliant mind. And very creative. But he was not one to say thank you when people did things for him, and he didn’t treat people with a lot of respect. Now, he was in his thirties in those days with a huge amount of power. And you put those two things together, I don’t know how he might be today. But no, there were a lot of stories like that.

Okay. Do you have other things on your list that you wanted to cover that at least originate in these years?

Let’s see. The UCRS thing, that’s the beginning of the Gardner period. So I’ll hold that one out. Campus growth and local—may talk a little bit about that. DOE labs. Well, when Brown was governor, he was very skeptical of the university’s managing at least the two DOE labs that do weapons work. And I believe he was advocating that the regents not renew the contracts at one point.

Which would happen on campus periodically too.

Oh yes. Oh, there were all kinds of votes by the Academic Senate and student protests. And at turns there were extensive efforts made related to that here in Sacramento where legislative committee hearings would be held and budget language would be inserted and all sorts of things on that issue. But I believe there was a point there where there were like quite a few vacancies on the board. Brown would let vacancies just mount for a long period of time.

In every area, not just the Board of Regents.

In every area, but including on the Board of Regents. And there was one point at which a critical vote was going to be held on the renewal of the contracts, and he filled like five seats all at once. But then as luck would have it, two or three of those people refused to vote with him on the lab issue. One of those, I think, was John Henning, who at the time was the secretary-treasurer of the California Labor Federation and a wonderful, wonderful man, a wonderful gentleman. He had been ambassador to New Zealand in the John F. Kennedy administration and was a brilliant, articulate, charismatic, tough guy. And as a matter of fact, as I’m recalling now, when we were doing the fighting and negotiating over the collective bargaining legislation he was actually a regent
at that time. And I would find myself in front of a legislative committee going head to head against a member of the Board of Regents on those kinds of issues.

06-00:36:15
Lage:
So he would be called as a member of the Board of Regents to—

06-00:36:16
Arditti:
No, he was there in his capacity as head of the Labor Federation. But a wonderful gentleman. And somebody who was a great personal friend. Very, very elderly now. But his son Patrick Henning is now a Schwarzenegger appointee as the director of the State Department of Employment Development. He had worked for a number of years for the legislature staffing labor issues, but very highly regarded. It’s a marvelous family. I don’t know most of the kids. There are like eight or nine kids. All very highly accomplished. But Jack Henning was a great figure. But in any event he was—like the day after he was appointed by Brown to the regents in the context of that issue, he refused to vote with him. “I oppose divestiture.”

06-00:37:11
Lage:
Would you ever get involved in trying to persuade regents of the rightness of the President’s Office views?

06-00:37:22
Arditti:
Occasionally. Particularly if we had—only if we had an issue here in Sacramento where we felt we needed to do something that we needed the regents to accede to. Because remember the regents had delegated to the president the authority to take positions on legislation, subject to his obligation to inform and consult. And so where you had an issue that you thought would be of interest to the regents, some way had to be found to consult with the board. And so yes, I would do that.

06-00:37:54
Lage:
And this might be one of them.

06-00:37:56
Arditti:
This would be one of them. But only on those things that involved something going on here in Sacramento. I wouldn’t have any role in talking to the regents about things that were unrelated to what we were doing here in Sacramento. But, yes, on budgetary and legislative issues there were times when I was involved in talking with them, sure. In fact there’s a fairly recent example where the regents were becoming concerned that the current Public Records Act, as it was at that time, required that we disclose to anybody inquiring all kinds of information about the university’s investment portfolio, which in general is not a bad thing. But with the growth in the importance of private equity investment funds, those were turning out to be very, very profitable. They can be very risky. So you don’t want a big percentage of the portfolio in those. But for the investments that were being made in those, they were just yielding huge returns. And so, however, as some of these public
interest groups and the press were probing for more and more information, these funds, which are private in nature, were just saying, “Well, if we have to have that information disclosed about us, we’re just not going to let you participate.”

Lage: Like information about what they invest in?

Arditti: Well, what they invest in and how they’re managed and reams and reams of detail about all this. And so the regents were becoming very restive about this because obviously we want the investment funds to be as strong as possible for the retirement system and for other purposes. And so after they became very, very concerned we had a couple of meetings with some interested regents and decided to sponsor legislation to exempt certain pieces of the information about private equity funds from the public disclosure requirement. And of course this was looking like it was going to be a sure failure. Who can be against public disclosure, right? And beyond that with the news publishers and other media on the other side, everybody who’s in elected office has got to be sensitive to what those people think. But what we did there is I contacted Bill Bagley, who is a former regent but also a former legislator and had been the lead author of all these public disclosure laws, public records and public—

Lage: Public meetings, I remember that one.

Arditti: Meetings, all of that, yeah. And explained this problem to him and asked if he would try to open the door for us to at least meet and negotiate with representatives of the publishers to see if we could agree on some configuration here that would help to solve this problem without being opposed. And so he was happy to do that. And so this meeting was called. I think it took place in San Francisco. And we had the treasurer of the regents and one or two board members and I don’t know, one or two vice presidents and a delegation of people from the media field—

Lage: Did you have the Chronicle?

Arditti: No, we didn’t have the Chronicle. No, but we had—let’s see. The Newspaper Publishers Association, head of that. And also there’s another group, is it the First Amendment Coalition? Or something like that. A representative of that. So we had not individual papers but organized groups. And it started in a contentious way, and it looked like it wasn’t going to go anywhere, and it was tedious, and it dragged on, and they would say, “We’ll get back to you,” and they wouldn’t. And the treasurer was getting impatient. “Why are we talking to these people? They’re liars.” “Well, the reason we’re talking to them is that we want to get legislation passed, and if we can’t get them neutralized we’re
not likely to get it, that’s why we’re talking to them.” Anyway, after about
three months of very tedious negotiations we actually did reach an agreement
with them. And that we did quite deliberately before even setting foot in the
capitol with any request about this, till we got something nailed down with
those people.

And then we took that in and it was very easy to get an author for it, and it
passed quite easily, and it’s on the books today.

06-00:42:32
Lage: That’s a very fascinating story really about how you operate.

06-00:42:39
Arditti: Well, examples abound that illustrate a couple of principles here. One, if you
have something controversial and you just plunge into the legislature, the odds
that you’re going to get anything done are not very great. You’re really better
off, or at least in some instances, trying to first of all do the analysis and
homework thoroughly. Secondly, identifying any potential allies who might
be supportive.

06-00:43:07
Lage: Like Bagley.

06-00:43:08
Arditti: Well, Bagley is one example or if there were some other—the California
Public Employees Retirement System was similarly situated, they were
interested in working with us on this, as was the State Teachers Retirement
System.

06-00:43:23
Lage: So it affected others than just the university.

06-00:43:26
Arditti: Affected them in the same way. It wasn’t just the university. It was any public
retirement system. So do the homework, look for allies—in this case Mr.
Bagley and these other retirement systems. Then identify the key opponents
and make a determination as to whether it’s worth a shot at trying to reach
agreement with them. And it usually is worth trying. It doesn’t mean it’ll work
in every instance. Some disputes are just irreconcilable. But sometimes you
don’t know until you try. And in this instance we did work at it.

06-00:44:01
Lage: Did you have to give anything up or was it a question of just persuading?

06-00:44:06
Arditti: Well, it was first of all persuading them that there was a problem, because
their first inclination is you don’t have a problem, you’re just making this up
because you want to hide stuff. So it involved a very detailed walking through
of the current provisions of the law and the particular types of information that
were required to be disclosed and the data that we had from the private equity
investment funds about what they would and wouldn’t be willing to disclose. And then trying to come up with configurations of language that would protect what absolutely had to be protected while still ensuring that enough would be disclosed that people could see what they legitimately needed to be able to evaluate how all this was. It was very tedious detailed stuff. But I think in the end we did convince them that there was a problem, that we were not just making this up to hide stuff.

They weren’t satisfied with the initial language that we proposed about how to fix it. So what ensued then was a lot of detailed work on how to craft the words to protect this but not that and so forth, till it got to a point where they felt that there would be enough still disclosed without causing us to lose the opportunity, really literally, to make billions of dollars over time.

Lage: So you’re basically writing a piece of legislation and then getting someone to sponsor it.

Arditti: Exactly, exactly, exactly. And lots of legislation in the capitol originates in that way. There are what are called bill sponsors, people who draft legislation and then take it to a legislator and ask him or her to introduce it.

Lage: And who did you get to introduce this one?

Arditti: A senator from Silicon Valley. And as it happens he has a lot of private equity investment firms in that district, that area. So this turned out to be a good—and having something that was welcomed by the equity investment groups that are in the district and not opposed by the newspapers, which are everywhere, made this an easy one for almost anybody. I think we could have gotten any one of fifty people to carry that bill once we brought it to that point. But had we just gone in to somebody and said, “Well, we’ve got a bill, we’d just like to exempt disclosure about private equity.”

Lage: You would have been suspected immediately.

Arditti: Well, we would have been suspected of incompetence because if it had the implacable opposition of the newspaper publishers that probably would have been enough to stop it right there. But I think what a legislator appreciates is if you are able to anticipate opposition and neutralize it first. Then it makes it very easy for the legislator. Much, much harder decision to take something that’s going to get strong opposition from some other important group. And I see the same principles now again back on our old friend, animal research issues. There’s been this very disturbing trend now of some of these animal rights people harassing and threatening medical researchers and biomedical
researchers in their homes. And there have been water cannons and explosives and threats in people’s homes. Very disturbing. And there’s a very strong feeling on the part of the faculty and others that something needs to be done to get—but I think there was a decision. This happened after I left. That something needed to be done here. But I think the Governmental Relations Office was pushed to go with something before those steps of full analysis, identification, and development of allies, identification of opponents to see if any could be—before all those steps could happen. And so legislation was introduced, all right, that was fairly ambitious, and at the moment I’m told it’s been amended to do very little.

At some point I’m hoping that something will get salvaged out of it, whether it’s this year or whether people will begin over again last year.

06-00:48:35  Lage: But there was not that careful laying of the groundwork.

06-00:48:38  Arditti: Well, I think maybe that’ll happen this time. But sometimes you get a situation where the people who are concerned about something are just so anxious about getting something done and showing people that something’s being done that they don’t want to listen to advice about there’s certain steps you really need if you want to be successful as opposed to just feeling good, there’s certain steps you need to go through in order to maximize the chances for success. And in this case it’s going to involve first of all looking at everything that is in existing law and seeing how that applies to the behavior in question, and then asking the question are there some holes in the law, are there some things that would be reasonable that could strengthen existing law in terms of these actual behaviors, and then crafting language around that, and then going through the other steps. And there may well be something that can be accomplished there. But a lot of this activity is already illegal anyway. So the question is, what are the holes in the law that need to get filled, and how many allies can you get, and how many adversaries can you neutralize, and then maybe the case can be heard.

06-00:49:59  Lage: We haven’t talked much about the legislature, actual members and people in power during these years, like Leo McCarthy, and I’m not sure who the other key people were.

06-00:50:25  Arditti: Oh, well, let’s see. There have been of course a lot.

06-00:50:30  Lage: In these years of the Brown governorship.

06-00:50:32  Arditti: Yeah. In those years, well, let’s see, you had Willie Brown, we’ve talked some about him. He was a force for the whole time practically that he was in
the legislature, whether he was chairman of the Ways and Means Committee or speaker of the assembly. He set records, I think, for both and will always stand out, I think, as an extraordinary character. Just absolutely brilliant, witty, clever.

Lage: Could you count on him once he gave his word on something?

Arditti: Yes. At least that was my experience. As with many people it wasn’t always easy to get him to give his word, which is as it should be. But I don’t ever remember his making a commitment to us and then walking away from it. And it’s interesting because his relationship with David Gardner started out in a highly adversarial fashion, but ultimately they became very good friends and allies. And Brown stood with him through the bitter end of the retirement controversy and all of that. So no, I found him to be somebody who once he would give his word would keep it. And he’s been accused of doing things that are not honest and all that, but he’s probably been more thoroughly investigated by the FBI and everybody else than any other fifteen members. And nothing has ever—no charge has ever been filed. So I don’t know what that tells you, whether he’s either very honest or very clever.

Lage: Maybe both.

Arditti: Maybe both, maybe both.

Lage: But he did have a tremendous amount of power. I understand as speaker he really centralized the money-receiving power.

Arditti: Well, that began during the Jess Unruh era, and Willie Brown was a protégé of Jess Unruh. But yes, if you read about the Unruh era really up to that point it was the lobbyists who would gather money from their clients and then go and pick out candidates to run for office and so on. And Unruh determined to centralize that by getting the lobbyists to give him the money and then letting him and his colleagues choose the candidates to run. So that was a huge transfer of power in a way. And Willie Brown was a protégé of Unruh’s and carried that to the next level. And so they literally were just handpicking candidates to run in offices and then getting the money, either collecting the money directly and redistributing it, or directing people to give their money to certain candidates. And so that of course then became an enormous source of power.

Lage: So it must have been very important to get Willie Brown on your side.
Arditti: Oh, absolutely, absolutely, absolutely. It was important for just a lot of reasons, because if you were having problems with other members he could help you solve those problems, and if you had him against you, it didn’t matter too much what the other matters were. So it was very important. And there were times. In the early years when I first got here he and many liberal Democrats were very angry with the university over a whole array of things, since relations were very difficult, whether it be labor issues or the perception that the university was an elite place serving only the wealthy and not the poor and not people from diverse ethnic backgrounds, the feeling that the schools of medicine and the whole health establishment in the university was aimed towards specialties and treating the more affluent rather than primary care, those who are less well-off. There were just a whole range of things. That the faculty didn’t care about undergraduate students, all they cared about was research. And the faculty members who did try to care about students and teaching got fired. And just this whole litany of things that—

Lage: You would hear when you went to talk to—

Arditti: You would hear all the time, yeah. And just reflex reactions by people about the University of California. And there were periods there where we were just getting it from all sides, because the liberals saw the place as a bastion of conservative elitism, the conservatives were reacting to the Free Speech Movement and everything that succeeded that, seeing it as a hotbed of liberal activism, communism and all that. And you wonder, could both of those be true? But they both were perceptions that these different groups had. And so there were times when it was pretty hard to find friends because everybody was mad, but for a different reason.

Lage: Well, I can see that as you mention those issues it appears that this liberal group in Sacramento who had power in the legislature has really had an effect on the direction of the university. Admissions policy.

Arditti: Well, certainly, yes. The university has made changes in all these areas. And you could debate whether it results from pressure from those quarters or whether it results from independent conclusions being reached in the university on these matters. It’s probably a little of each, because you would hear people arguing that certainly diversifying the student body is the right thing to do and critical in a state like California, but also you’d hear statements that this is also strategically important to the university’s own future, because if we’re not viewed as serving the state then the state is not going to support us. Now whether that’s a response to the legislature per se or the larger population which is electing the legislature I don’t know. Maybe it doesn’t make much difference. But the truth of the matter is a state that isn’t
feeling well served by its university won’t support it. And so is it the right thing to do? Yes. Is it the wise thing to do? Yes.

So if you look at the things that were the objects of this criticism, yes, there has been great change in the university on every one of them. The schools of medicine and the health sciences in general have been much more now in the direction of service to the underserved and greater emphasis on primary care. There were a series of reforms involving undergraduate education, mainly during the Gardner era, the Neil Smelser committee report and so forth, that had more senior faculty members teaching small seminars and offering of more courses that were in high demand so people could get through more quickly, things like that. More opportunities for undergraduate students to participate in research with senior faculty members and so on. So in the whole field of undergraduate education, there were a number of reforms that I think persist to this day.

Further admissions policy reforms under President Atkinson, including comprehensive review in the admissions process and other things like that. Reform of the SAT I test. I don’t know what result that’s had yet. And so on. So yes, there have been a number of these things. Certainly on the labor side the facts have changed in terms of the power of the unions. Whether attitudes in the university have changed about unions I don’t know. I think that’s an issue that just lends itself to hardened feelings. But all the things for which the university was criticized have been the objects of change over time. And you could—

06-00:58:41
Lage: It’s the interplay it seems between—

06-00:58:44
Arditti: It is interplay, and in a way that’s as it should be. I think the legislature should not be in a position to prescribe any of these things. On the other hand, this is a democracy. These people are elected by the citizens of the state. And they have a right to express views about the interests of those citizens and seek to protect those interests. I rarely found it objectionable, for example, when legislators would contact us about constituent issues. Some people said, “Oh, you shouldn’t even answer a question about admissions.” Well, why the hell not? If somebody’s been elected and somebody in the district says, “My daughter applied to the University of California, which is a state institution, and hasn’t heard anything,” or “All her friends got in and she didn’t, why is that?” on what grounds do we say, “We’re not going to reply to that.” Doesn’t mean we owe them a particular action in terms of admitting somebody, but I think as a public institution we’re as obliged as any other public institution to explain ourselves thoroughly.

06-00:59:51
Lage: I’m going to stop you there because the tape is running out here.
Okay. This is continuing our second session on July 10th. And this is Tape 7 starting with Steve Arditti.

Thank you. Well, one of the issues that was very prominent at one point was the issue of privacy of personal information and access to personal information by individuals, the subject of that. At one point Senator Roberti, who was at that time the president pro tem of the senate, introduced legislation which is now the Information Practices Act, which among other things pretty much prescribes that any citizen has full right of access to any records kept by a public agency relating to that citizen. Which sounds fine, very nice on its face. But a problem that created a big battle for us in that regard had to do with academic personnel records. In the faculty area the university, all good universities rely very heavily and for good reason on candid peer review of the qualifications of colleagues. And you can argue all you want, as some people do, that people ought to be willing to have their opinions known by others. And I don’t know whether that’s right or wrong, but it really doesn’t matter. The point is they’re not.

And so to the extent that you say, “Steve has the right to open his file and see every verbatim letter of evaluation placed in it by anybody,” and to the extent that’s known to people whose opinions are sought, they’re either going to decline to respond or they’re going to soften and muffle what they say to the point where it won’t really mean anything, because they know they’re going to see me the next day at the coffee shop, or in the committee meeting, or something like that. And again there are people that say, “Well, they ought to be willing.” Well, maybe, but they just aren’t. Just human nature. They’re not. And I don’t care how brilliant they are, how courageous they may be in other ways, by and large people just won’t be fully candid if they know that the person they’re talking about is going to know about it.

And so we had this huge battle over whether this legislation would in fact force that kind of access, which would have been very harmful we thought to peer review. We finally carved out a compromise in which—

Now who was the battle with?

With Roberti. And the ACLU was the main sponsor of the legislation, also supported by the AFT union, by the way. So here you have a major organization like the ACLU and the very powerful president pro tem of the senate. And in a situation where our values were really not the majority values in general. Confidentiality, peer review, this is a very obscure sort of thing.
It’s not something that people generally practice, or are familiar with, or think to be important. But it was very important to us.

And other personnel records are usually a matter of record.

Exactly, exactly. So in any case I think we—let’s see. In the first instance we finally carved out a compromise in which people would be entitled to a comprehensive summary of the substance of what was in the file but not the raw documents. Or the documents could be redacted. That is to say identifying information could be stricken. But that gets tricky too because if somebody has a particular style of communication you can strike out the sentence that says, “We were roommates in college,” but it’s still going to be pretty clear who said it. So it requires a fair amount of flexibility to be able to handle those in a way that is really not going to reveal the identity of the sources.

Did you work with the Academic Senate on this also?

Oh closely, yes, yes, the senate was very closely involved. And we also had as our chief witness somebody we worked very closely with, a really wonderful guy who’s no longer alive, Harold Horowitz was a member of the law faculty at UCLA, a constitutional lawyer. And he became vice chancellor for faculty relations or academic personnel, I forget what the exact title was. But anyway vice chancellor at UCLA with responsibility for the academic personnel process. And so he was up here with me a lot as we argued our case and fought this. As I say, we finally were able to carve out that exception, but I think it took a couple years and a court case and a lot of other things before we finally got that done.

Another element of that legislation was to prohibit the disclosure of information in personal files to anyone else.

Other than the individual.

Other than the individual. And that wound up closing the door on being able to respond to constituent inquiries from legislators about student applicants. And so that just went through. And we started to get inquiries from people and I said, “Well, the law has changed here. I don’t think we can do this.” People were very unhappy. So finally I went and talked with Senator Roberti’s staff person, who’d been the author of this. And I said, “Are you aware that this, your law, prohibits responding to these inquiries?” He said, “Well, now, I didn’t realize that.” And I said, “Well.” I said, “If you want to leave it that way that’s fine with me, but people are starting to ask us these questions and I’m just going to have to point them to your office if they want to know why
we can’t—” “Well, well, can you—we’re going to be doing a cleanup bill. Can you draft some language that would correct that?” And so we did. Working with our General Counsel’s Office, there’s an exception in the law where an elected official represents reasonably that he is making an inquiry in behalf of the applicant, in which case then information can be provided. And so that was then in a subsequent piece of legislation that amended the original piece of legislation. Some of our admissions officers still aren’t aware, I think, that that legislation is now on the books. But that was something put in there very explicitly to allow for those responses.

The really big issue in the privacy matter, other than many of the complexities in general, was the academic personnel matter. That was really important to the academic quality of the place. The student information thing was just a little amusing sidebar.

07-00:07:02
Lage: Just to carry through on the student information thing, were the legislators asking you to go beyond just telling them why their constituent didn’t get in? Or was there this kind of pressure? How did you handle that?

07-00:07:31
Arditti: It was a mix of things. Some of them just say, “I just appreciate having the facts so I can go back to the family and explain it to them.” Others were really campaigning to get people in.

07-00:07:46
Lage: Somebody who was maybe more than just a neighbor.

07-00:07:47
Arditti: Yes, yes, yes, ranging from their own children to people who were important supporters.

07-00:07:56
Lage: Now how did that get resolved?

07-00:07:56
Arditti: You just have to work with these things. You can’t just say, “Jump in a lake. We’re not going to talk to you.” So you have to go through a lot of agonizing steps sometimes. And these kinds of things sometimes take up more energy and angst than actually working on issues. But these are the people who are voting on the issues, and so somehow or other you have to pay attention to them.

07-00:08:20
Lage: And did you have to contact the campuses, and did they ever feel you were putting pressure on them?

07-00:08:25
Arditti: Oh yes. You’d have to ask them. If you work with these things, there are a lot of things you can do that stop short of things that are inappropriate that can
get you through these things. Sometimes, for example, if somebody wasn’t admitted in the fall they can be admitted in the winter. Or they can start in Extension and then transfer over. There are things that can be and are done for other applicants that aren’t widely known. So just the ability sometimes to get information about something that might be applicable can be very helpful. The other reason why it’s valuable to us to be able to disclose the facts in these inquiries is that so many times they call and say, “This kid has got a 4.2 grade average and she was champion of the swim team, how can you possibly turn her down?” And on the face of it when you hear that description you wonder, well, how did we turn her down? Until you find out that she really only had a 3.2 and drowned on the—not drowned, but didn’t do very well on the swim team and so on. And it’s awkward because you don’t know whether the student has misled the parent or whether the parent has misled the legislator or who did what. But it was frankly possible to defuse a lot of pressure oftentimes by just setting the record straight. If you can just line up the GPA and the test scores of this applicant and then get information on the profile of the average admittee, scores, oftentimes these things would just melt away when people could see what the facts were in this instance and what the profile was of those who were actually being admitted.

Now that gets harder when you’re dealing say with graduate admissions. But at the undergraduate level there’s data out there. And so sometimes just working with the information can defuse a lot of these problems. And there are times when you can steer them in a different direction that they’ll still find satisfactory or at least enough to stop fighting without doing anything wrong. I can tell you right now that if you really want to go to UCLA, really, really want to go, not just UC, but UCLA, and you don’t get in as a freshman, go to Santa Monica College, and your chances are super good of being able to transfer in as a junior. UCLA has a very well articulated arrangement with Santa Monica College, faculty to faculty and so forth, and I think they take something like nine hundred students a year out of just Santa Monica College.

So just that bit of information on your part.

Just that bit of information, which is public record, that’s fully on the public record, just nobody knows about it, or a lot of people don’t, so oftentimes just being able to provide information like that or to get somebody a counseling appointment, which they could get on their own if they just knew who to call, to get somebody who’s knowledgeable in the admissions process to sit down with the student, go through his or her transcript and the requirements of admission and give them advice about what they can do. So there are a lot of things like that short of actually admitting somebody that require a lot of time and a lot of patience and a lot of understanding on the part of admissions office staff. They’re heavily pressed of course with all the thousands of applications they have to deal with. But I think it’s just very valuable when
they are willing to take the time to share that kind of information, because that can result in solving a lot of these problems, just defusing them and eliminating them, making everybody feel a little bit better when it’s over with.

07-00:12:21
Lage: Your office was very busy with a wide range of activity. I know you yourself are a lawyer. Did you have other lawyers on your staff or did you draw on the general counsel?

07-00:12:34
Arditti: Well, Celeste [Rose] was a graduate of UC Davis Law School.

07-00:12:42
Lage: To fashion legislation?

07-00:12:45
Arditti: Well, no, but we relied on resources elsewhere in the university for almost everything we did no matter what we were trained in ourselves. For example for legal matters the General Counsel’s Office was the place where we went. And so if we would—

07-00:12:58
Lage: Even to draft legislation?

07-00:13:01
Arditti: Oh yeah, especially when you’re drafting legislation. We might have come up with a first cut that described what we wanted to do, but when it came to actual proposed code language we would always turn to the general counsel to do that, because in order to know exactly how you need to craft something you often need to know what ten other applicable laws are so that some term was construed by a court to mean a certain thing as a term of art or something like that. And within the General Counsel’s Office they have been organized to specialize by field. And so it wouldn’t be just one person in the General Counsel’s Office, but if you talked to the person who did health law and you had an issue about privacy, he’d have to refer you to somebody else. There’s no way one person could possibly keep up with all those different fields. And so the General Counsel’s Office was a hugely valuable resource to us. We were on the hotline with the general counsel’s office, OGC, on an almost hourly basis. And it was very valuable, invaluable assistance really. In this kind of work you need to partner with lots and lots of people, whether it be with the campuses and the alumni and so forth for advocacy of the university’s position or with the different units, whether it be general counsel or academic affairs or student affairs or others in the fashioning and formulation of positions and the carrying out of the necessary staff work to get bills analyzed or drafted or redrafted or amended or whatever it is that you’re going to do. And no small office can possibly or should have all the expertise and bodies necessary to do all those things.
Did the office never get too big? How big was it in this era we’re talking about when you were not even head of it yet?

Oh, gosh, back in those days it was probably six, seven people or something, including the clerical support folks and all.

And your headquarters, it would appear, was at the Senator Hotel.

When I first got there it was in the Senator Hotel when it was still a hotel.

Was there like a hotel room or an office?

It was a hotel room. It was like maybe three hotel rooms strung together with doorways going from one to the other. And the xerox machine was on a piece of plywood straddling a bathtub in one of the bathrooms.

Really.

Yeah, when I first got there. And of course the Senator Hotel was a legendary place in earlier years. If you read about Artie Samish and that era, lobbyists lived there, they entertained there, they had women there and all sorts of things.

Is that where Jay Michael put it? Or Jim Corley?

Oh, I think it was there even before Jay. I think it was there the whole time. I think when Jim Corley was just coming up for a few days or a few weeks at a time I think he probably stayed there. It was the only hotel close to the capitol. Why wouldn’t you if you were coming to deal with the capitol?

And then it just became a permanent—

Then it went from a hotel room to an office to a suite of offices. And then it moved. When a high-rise office building went up close to the capitol, then I think it was Jay who moved the office over to there. It was not really a very satisfactory office situation. It’s what there was. So then the Senator Hotel was converted to office space. The exterior is preserved as it was and the lobby was restored to what it was at an earlier time, but it’s a literal office building. And because of, in part, its convenience, its location, and just the
nostalgia about the university having been in it all these years, when I first took over the role of heading the office I moved the office back to the Senator. But unfortunately the space that we got was really too small for our needs, and we just tried and tried and tried to get somebody adjacent to move out or give up some space, we just couldn’t do it. And then this office space became available in the building that the office is now in. So that just seemed like a more practical step. So we did that. But no, there’s much history in the Senator Hotel for the state and for the university.

Lage: Well, I loved your story about the xerox machine.

Arditti: Oh, that’s literally true. And at that time you used to have to spend a lot of time with things like xerox machines and fax machines. Nowadays zap, zap, zap. You had to sit and watch for—I don’t know—minutes to get one sheet out of these machines in those days. But no, that’s where the office was when I first—

Lage: Right above the bar.

Arditti: Right above the bar. It was all very convenient. And we had those long evenings. Did I talk about this? I did. Okay.

Lage: We started out that way. That’s great. Well, let’s see. Where are we now? I had mentioned the issue of local control. And I don’t know if that’s a good thing to bring up now, or talk about—

Arditti: We could. Just even though there’s been a lot going on, I don’t know that we have to take an awful lot of time on it. The central point here is that the university is a statewide institution with obligations to the state as a whole to do a variety of things ranging from admitting all eligible students somewhere in the system and making room for them, conducting research, providing public service of various kinds, health care, agriculture and so on. And yet its facilities are all in very specific local places by definition. And localities of course, some do not wish to have the added population generated by university growth, because they maintain that it drives up housing costs, that it puts additional strains and demands on infrastructure of various kinds, traffic, sewage, water and so on. And so they will argue variously that they don’t want the growth and the increased pressure on the community and its economy, they want to be reimbursed at very generous levels for the cost of all these various services.

Lage: Is this across the board or do different campuses have different local—
Arditti: This tends to be most pronounced where you have a large campus in a small community. Even a fairly large campus can get lost in a very large city. But where you have something like UC Santa Cruz, for example, the campus is a very good size and the town is very small. And so the campus is just a dominant institution in that place. Similarly Berkeley is a relatively small city with a very huge campus. And so there are huge fights that go on there.

Lage: And are going on.

Arditti: And ongoing and ongoing. And it has been and it ever will be. We’ve had effort after effort to try to make peace and maintain good relations and that always has to go on.

Lage: And then you’re dealing with the local assembly people and senators.

Arditti: Well, of course, yes, yes. In fact in the case of Berkeley you have Loni Hancock who is now the state senator, has been the assembly member. She’s the former mayor of Berkeley. Her husband, Tom Bates, is a former assemblyman, and he’s now the mayor. They have passed these offices back and forth among themselves for pretty much a generation. But when the mayor is married to the assembly member or senator and there’s a local dispute, that gets transmitted to Sacramento real fast, real fast.

Lage: In ways that affect the budget? Or they try to bring up legislation about the specific incident?

Arditti: There have been a variety of different ways.

Lage: Give an example, something meaty.

Arditti: Well, just very recently in terms of the Santa Cruz campus and its long-range development plan, the campus wanted to grow to something like 21,000 students ultimately. I don’t know where they are right now, at fourteen or fifteen or something. And the community was just vehemently opposed to this, or at least those who claimed to represent the community. The campus was as determined to grow to that level as most in the community were to stop it from doing so. And the issues revolved around pressure on the housing market, water availability, traffic, roads, sewage and various things of that kind. And so this got very heated in the context of first proposed legislation that we finally succeeded in neutralizing and then became an issue in the budget. And where finally one very powerful state senator virtually threatened
to have the budget held up if some concessions were not made on the ultimate size of that campus and so on. And there was a very awkward compromise that was ultimately reached. But where you have the capital budget for the university, including for the campus in question, sitting right there under someone’s thumb, and they’re saying that’s not going anywhere unless, that’s a very heavy form of pressure. And that was probably about the most heavy-handed example that I can think of.

And how did you deal with it?

Very awkwardly. We engaged in a lot of negotiations with the staff people to that member and with the other member representing the district from the other house, and the outcome was not exactly what the member had been demanding, but the growth will be something less than had been originally desired.

Now whether it really needed to be what was being desired or not I don’t know, because here you get to a matter of looking at both the aspirations of the campus in terms of the range of programs, numbers of faculty and so forth, all of which are driven by the number of students, or supported by the number of students that are taken, and what the needs are of the state for enrollment capacity for the university as a whole and in any particular region. And those two are not always in alignment, and so—

The campus had a certain growth desire.

Yeah, in other words if you want to start three new schools and five new departments with so many faculty members per department or school or college or whatever it may be, the only way you can hope to get funding to do that is to have that requisite number of students so that at the ratio of seventeen point something or other or eighteen point something to one students to faculty you’ll get that many faculty members. Otherwise you can’t do it.

Everything is driven, as I’m learning from Larry Hershman, driven by the number of students.

Yeah, driven by enrollment numbers. And so it’s quite possible for a campus quite legitimately to aspire to develop in a number of fields and so forth, leading it to a conclusion that it needs to have a certain number of students, when it may or may not also be the case that the state needs them to have that much student capacity in order to handle projected enrollments. And in fact it has been argued that at Santa Cruz there isn’t a need for as much capacity as
had been sought. I don’t know what the truth is, but that was part of the debate that was going on, not just what is it that the campus wishes to have in terms of its own aspirations, but what does the state need from that campus in terms of enrollment capacity.

It is clear that most all these campuses that can grow will have to, to some extent. But how much each one needs to I think is a more subtle matter. So there was that example. Then we had this battle for years and years over the issue of the authority of local utility districts. For example, East Bay Municipal Utility District. To put assessments for capital facilities on educational institutions and other public entities. For a long time there had been a case law that had prohibited localities from assessing other public entities for these costs. I think the argument was that that would essentially allow one level of government to tax another and thereby to distort priorities in a unilateral way.

And then there was a court decision at one point that—let’s see. This I think would have been the San Marcos case.

07-00:26:31 Lage: Early on.

07-00:26:31 Arditti: Early on, yes. No, the court decision was that—the earlier interpretation had been that they could—we were able to pay voluntarily but could not not be forced. And in fact by agreement were paying in many instances. Then this court opinion came along and said not only can they not assess, we were not authorized to pay, even voluntarily. Well, immediately all these utility districts came raining down on Sacramento and hijacked a bill that was partway through the process, seeking to amend it to give them unilateral authority to tax us for anything they thought right for utility capital costs, sewers and pipes and all that.

07-00:27:25 Lage: Now other people, individuals and corporations, would be taxed for these things.

07-00:27:30 Arditti: That’s correct. In the private sector but not in the public sector. And our worry all along was that since the private sector people do have political influence in these communities they were better able to protect themselves, and that we would just become the deep pockets, the soft targets of opportunity in which to take disproportionate amounts in order to deflect the pressure from those other quarters. I believed that before, I believe it now, as a danger.

So in any event we had this huge battle that lasted for two years. At one point a couple of people almost got into a fistfight. This was a very hotly contested issue.
Tell me about the fistfight.

Oh, well, we were having a meeting in the office of the author of the legislation, a very nice gentleman named Dominic Cortese, but he was on the other side of this issue. And one of the lobbyists on our side was a guy named Bob Wilson, who was a former state senator from San Diego, who had then left the legislature and started a very successful law and lobbying firm here in Sacramento. And one of his clients was the San Diego Community College District. So he was on our side. And this was a very heated issue and something happened to just trigger something, and Wilson says to Cortese, “You want to come out in the hall?” And we’re all saying—and I think I was the one actually who got in between these guys and said, “Come on, come on, we’ve got a fight to have, but let’s don’t do it that way.” I almost got hit myself trying to separate these people.

So that was a very hotly contested issue. And so in any event after a two-year battle we settled it with a statute that said we could negotiate—that fees that we’d been paying previously to that court decision we would continue to pay and that those could be adjusted by some inflationary formula. But any new charges could only be levied if they were negotiated with us and we agreed to them. That was like twenty years ago or something like that. And every so often the utilities would come back with a bill to try to gut that and repeal it and give themselves unilateral authority to do this. And finally a couple years ago they came back again in really full force, and this time they got a lot of people in the business community to support them. The argument they made to the businesspeople was whatever we can’t collect from these people we just have to tax you and so on. And so after about twenty years of holding this off, they finally got a bill through that expanded their authority to levy these assessments. It is limited by some other statutes and by some court decisions, so it’s not quite as bad as it might have been, but it was still a disappointment, because I was right in the middle of that original compromise twenty years ago, and I hated to see that get diluted finally. But we held it for twenty years or so, so that was—

Is the campuses’ contribution to their local police and fire, I guess it’s just fire usually, also a voluntary or—

It’s all over the map here. Remember first of all that our campuses all run their own police departments for—

But they do draw on them.
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Arditti:

They do draw on the local. Although even that’s a little mixed, because they have these mutual assistance agreements, which means that if we have a big crisis on a campus we can call upon the local police to help, but it also means that the locality can call upon our police to help if they have a problem. But the argument is made and can be made that even if our police are taking care of everything on our campus and within a mile of it and so on that the fact that we have tens of thousands of students and faculty and visitors and so forth coming through and/or living in those communities increases the demand for these various other services, including police and fire and water and sewer and other things of that kind. And we have as part mainly of the long-range development process a whole host of various agreements to pay various sums of money for various so-called mitigations. And one of those pieces of legislation that we succeeded in neutralizing had proposed that there be a requirement of an agreement about mitigations attendant to any campus growth.

Well, what does that mean? Does that mean we can’t grow unless the city agrees to what it is we think is fair to pay or the county or the water district or the sewer district? It sounded nice, but if you thought about what it actually would mean I don’t know how you’d do that. But this is a matter of great tension because we feel the need to grow in order to discharge our state responsibilities, localities often don’t want us to grow just because they don’t want the growth, and/or they’re strapped for money and they want a deep pocket to turn to, to get paid. Yet from the standpoint of a campus it doesn’t get any extra money to pay so-called mitigations to localities. So they’re basically cutting money out of academic programs to turn over to the city or the county or the sewer district or whoever it is for whatever these services are. And there never has been anything resembling a rational process for sorting out just what’s equitable and fair in those situations. It’s just been a fistfight free-for-all.

Lage:

On the local—

Arditti:

On the local level. Leveraged by the political people in Sacramento as to who can get—not as to who’s right but who can muster the most muscle.

Lage:

Now, it seems that with Prop 13, are we seeing more local—more legislators who come out of city council and board of supervisors—

Arditti:

Oh, the overwhelming bulk of them. That’s finally what was—

Lage:

Does that affect this kind of issue?
Arditti: Oh, of course it does, sure, yeah. When people come right out of that background straight to the legislature and maybe have only been here a year or so, something like that, just seems perfectly reasonable to them.

Lage: They’ll understand the local, even if they don’t come from that locality.

Arditti: Exactly, exactly. They’ll certainly understand the general argument. So, yes, that’s been a complication. And so in a way Prop 13 and term limits, that’s another thing where you have so many people coming right out of local—the local governments are a farm team really for the legislature. It’s a huge proportion coming out of those backgrounds. And so that has complicated that some more.

Lage: I’ll bet. I talked to Ellen—

Arditti: Mantalica.

Lage: Mantalica, whom you haven’t really mentioned. You might want to mention her role. But she mentioned the same issue in relation to the Coastal Act way back in ‘72 that she had worked on. And I thought that was very intriguing that the university had to worry about that.

Arditti: Well, as I mentioned a moment ago, a lot of university property, including at least one whole campus, are in the Coastal Zone.

Lage: So that’s Santa Barbara.

Arditti: That’s Santa Barbara. But big pieces of Santa Cruz and San Diego and so on are as well. This originated with an initiative, I think it was a statute or a constitutional amendment even, I don’t know, spearheaded by then assembly member Alan Sieroty. Somebody I knew before I even got to Sacramento. But anyway, that put in place the basic framework for regulation of coastal development. And then there was implementing legislation that had to be passed in order for that to happen.

And I don’t doubt that we probably were involved with that and that Ellen would have been the person in the office to work on that. She’s just a brilliant analytical person. Well, you’ve talked to her. You can tell. And she’s also a very passionate environmentalist. And so when she was in the office she always got those assignments, issues that were environmental. But I don’t remember the details of that. I’m sure we must have cared a lot about—
because this is a huge—this occupies time of chancellors these days, is getting Coastal Zone approval for say a faculty housing project or something like that, because they have to approve everything that you do.

Lage: But you aren’t aware that you got some kind of special exception?

Arditti: I just don’t remember. I know that we’re subject to it. But it may well be that we are in a somewhat better position than others.

Lage: Well, it’s a good example of what you told me last time, that you have to analyze every single bill that’s coming.

Arditti: Oh, you’ve got to analyze everything, every single bill, every amendment to every bill. Because you never know what might be lurking there when it’d never even occur to most people that this would have any impact. How many people know that we have ships on the seas out of Scripps Institute of Oceanography in San Diego, or that if somebody put the wrong restriction on access to ports and harbors it could disable the deep sea research project or something? There’s just a lot going on there that has to be looked after.

Lage: I’m wondering if this is as good stopping point. And next time we could take up with the coming of President Gardner and what follows. Is there anything we need to talk more about the Saxon/Jerry Brown era?

Arditti: I can’t think of too much more there.

Lage: I think we’ve pretty well mined it.

Arditti: Yeah. And I wasn’t heading the office at that point, so I wasn’t involved in quite the same way that I was later on.

Lage: But on the other hand you’re one of the few people who can still tell us about it.

Arditti: Well, that’s true, that’s true, that’s true. And should I say something about Ellen while we’re—

Lage: Yes, why don’t you?
Arditti: Yeah. Ellen, this brilliant person. She’s a Stanford graduate and was a Fulbright fellow. And she had come to work in the Office of the State Legislative Analyst when Alan Post was the legislative analyst. And I think it was actually Jay who had hired her. She and I worked together for Jay. She is a brilliant analyst, and so she really took the lead responsibility for the analytical work on pretty much all the legislation in the office. And later on when I assumed the leadership of the office and the office grew a little bit, she was part of my management team, she and Celeste and I were the trio, the management team.

And she was responsible for all of the legislative and analytical work that went on in the office. And she’s a wonderful person, a brilliant person, somebody who cares a lot about good causes. Her son—I remember when she first became pregnant. This was the time when Lowell was still in the office. And he’d say, “How long do you wait before you say something? You don’t want to be wrong.” And finally he said, “I think it’s time.” And yes, sure enough she was expecting a child.

That child that I still remember from when it only looked like about that much has just graduated from Harvard Law School. So time goes by. But anyway, she is absolutely wonderful. She’s a passionate environmentalist. And her husband, Clyde Macdonald, who was trained as an engineer, has worked for the legislature for many, many years and is one of the experts on water policy and things of that kind, and works for currently the second in a row assemblyman representing the Santa Cruz area, which might have had something to do with refreshing her memory about—

Lage: Right, bringing up this general issue.

Arditti: Growth issues and all of that, yes.

Lage: Okay, well, I think that’s a good place to stop.

Arditti: Okay, well, thank you.

Lage: Very good. Thank you.
Okay. We are on again with our third session with Steve Arditti in this series on the systemwide university. Today is July 22nd, 2008, and this is Tape 8. So Steve, to start with, you had a further addendum to our discussion of the David Saxon/Jerry Brown era.

Yeah, just one last footnote. I had commented earlier on one very positive thing that I thought Governor Brown had initiated, and that was the cooperative research effort MICRO, related to microelectronics research. Government-university-private industry partnership, which was the foundation for so much more that came afterward, and I think that is a very positive legacy. There was one other thing that he did, though, that I thought was quite unfortunate. David Gardner, whose presidency we’re about to begin talking about, had at an earlier time been a vice president of the university before going on to be president at University of Utah. And one of the things that he established or sought to establish was something called the extended university, which was intended to bring the benefits of the university to people who could not go to school full-time, who did not necessarily live near a campus, but who wished to pursue both degree- and nondegree-related education. And in terms of extending the resources of the university to a much broader audience of people, it was a very interesting idea that had a lot of promise. But during one of the budget crisis years, and of course there were so many of those, the governor decided to—after the program was launched and was operating, and while operating on a small scale, I think it was being evaluated as being effective—but Governor Brown decided to pull the money for it in one of those budget crisis years. And nothing like it ever really got started again.

It was different from our university extension?

Yes, because this would offer courses for degree credit as well as other kinds of courses, whereas extension is almost exclusively nondegree courses.

It’s really pretty farseeing, because ideas like this are coming back now.

Well, yes. Well, the ideas have been around for a long time, but the will to execute something is something that just hasn’t happened, I think. It was not easy to persuade our faculty that that was a high-priority activity for the university, and I understand what the core purpose of the university is, but to the extent one could [do it] without disturbing the existing level of work, this would also make the institution available on a broader scale. If you look at all these private universities
and colleges that are popping up and how many hundreds of thousands or millions of people are signing up for all these courses, the University of California could do some of that for a particular audience of people, and was beginning to at that time. But I just thought it was interesting that a governor who purported to be concerned about the interest and welfare of common people, not just the elite and so forth, wasn’t more interested in that idea.

Lage: Was there a story behind how it got cut out? Were you involved in—

Arditti: It was a matter of bad budget times and setting priorities and just feeling that this wasn’t an important thing to do. And that’s about what I remember about it. But it was unfortunate. Because had that kept on going, who knows what it might have been today?

Lage: Okay. Well, I’m glad you added that in. We’re going to start today primarily focusing on the Gardner and hopefully the Peltason years. And of course the Gardner years started out with a bang.

Arditti: Did they ever.

Lage: Do you want to tell something about your first contact with Gardner and what led up to this budget request that’s so famous?

Arditti: Yes. Well, let me start. My very first contact with him. I had known him a little bit when he was at the university before going to Utah, incidentally. But my very first contact with him once he had been appointed president had to do with the matter of his compensation. The regents had determined a level of compensation that was considerably higher than his predecessor. And one day I got a phone call from President Saxon to say, “Well, the regents have approved the salary for Gardner, and it’s going to come out shortly, and I just felt you needed to know about it.” And I said, “Well, how much is it?” And he said, “$150,000.” Well, $150,000 doesn’t sound like a lot today, but in those days it did sound like a lot.

Lage: Do you remember what Saxon’s had been?

Arditti: Yes. Saxon was earning about $90,000 at that time. So in terms of a proportionate increase it was quite sizable. And in addition to the salary itself there were other factors, a housing allowance and so forth.

Lage: There were a number of other factors.
Arditti: There were quite a number of other factors, yes.

Lage: What was Saxon’s attitude? Or did he convey one?

Arditti: Well, I began to ask him questions about it, because I knew I was going to have to be explaining it here. And he grew a little impatient, and he just said, “Well, why don’t you just talk to Gardner directly about this?” So there I was at that point being only acting in that position; I hadn’t been appointed to this position.

Lage: Yeah, that’s what I wanted to ask just as background. Had Lowell Paige left?

Arditti: Yeah, here’s what had happened. Lowell had announced his intention to retire. And so a search process had been set up. Then subsequently President Saxon had announced his intention to retire, but like another nine or ten months later. And so the regents, I think wisely, decided to suspend the search for the position that I occupied until a new president had been chosen, believing rightly that the new president ought to have something to say about who was in that position. So I wound up being in that position on an acting basis for—I don’t know—close to a year and a half. By this time, of course, Lowell had gone. Nobody had come in to replace that capability. So I was really like the proverbial one-armed paperhanger here on an interim basis. So there I was with President Saxon saying, “Well, I think you just need to call Gardner and get it from him.” So this was my first contact with him, in that context, calling him in Utah.

And once the news had broken, there was quite a little firestorm building up in the capitol. There were two legislators in particular, Assembly Member Steve Peace from San Diego, a really brilliant and volatile person, and another guy, Senator Larry Stirling, a Republican member from San Diego, not brilliant, but volatile. And they just went through the roof over this.

Lage: And the first man, Peace, was a Democrat?

Arditti: Peace was a Democrat, yes. And so among other things they introduced a joint legislative resolution condemning the regents for approving this compensation package, demanding that it be rescinded and so on, and were really getting up something of a head of steam. So it was in that context that I think I had my first conversation of that period with President-designate Gardner.

Lage: And how did that go?

Arditti: Well, it was clear to me that he felt that if the resolution passed and the budget
were cut the faculty and students might blame the budget cut on his compensation and that he couldn’t afford to have that. This caused me to worry that if I couldn’t stop that resolution he might not come as President.

08-00:09:03
Lage: Did you discuss the compensation package with him?

08-00:09:06
Arditti: Oh yes, in great detail. And he walked me through every detail of it, including the mortgage rates and the whole business, which I appreciated, because you don’t want to walk into something like this blind, you need facts.

08-00:09:24
Lage: Did you feel it was unusual? I guess it was, in the university’s history.

08-00:09:30
Arditti: Well, I think that this was probably the most significant increase over past practice that I was aware of. Now, in very modern history we’ve got another example of a very substantial increase, and as best I can tell there’s barely been a whimper, and it’s much larger in terms of order of magnitude, absolute dollars, proportionate increase and the rest. But times are what they are. So in any case it became clear to me that my mission at that point was to try to find a way to stop that resolution from passing. That’s not an easy thing to do, because first of all it’s an easy populist target. High salaries for public officials and so on. Secondly, these resolutions do not have the binding effect of law. They’re an expression of opinion of the legislature. And so members are inclined to just vote for all of them. It’s like a Mother’s Day card or something as they view it. It’s a cost free way to just vent. And so for both of those reasons, to stop a resolution like that did not look like an easy thing to do. In fact I wasn’t at all confident that we could do it.

But in any case, given what appeared to be the stakes, I just determined that we were going to have to do everything that we possibly could. And so we actually involved a couple members of the Board of Regents and we worked with the speaker’s office and in the end then Assembly Member Teresa Hughes, who was the chair at that time of the assembly either Education Committee or Higher Education Committee, but anyway the committee in the assembly to which this would go. Had a long conversation with her about this and she said, “Well, let me see what I can do.” And sure enough, when that resolution was assigned to that committee, it never moved beyond that committee. And I think she had a key role in that. I think the speaker helped.

08-00:11:42
Lage: The speaker at that time was?

08-00:11:43
Arditti: Was Willie Brown.

Arditti: Yes, yes. And so we stopped that resolution.

Lage: What regents would you call on, if you recall?

Arditti: Well, I’m trying to remember. You try to determine who it is that has a good relationship with whoever—

Lage: Maybe someone from San Diego?

Arditti: No, I think it was a couple of the Democratic members who had been appointed by Governor Brown, actually. And I don’t remember at this point. It could have been Stanley Sheinbaum, he could have been one. Sheldon Andelson might have been another. Those are two very interesting stories just by themselves, those people, by the way.

Lage: Don’t forget to tell me some of them. You mean just as regents, not in relation to this.

Arditti: Well, in general they’re very interesting people, both of them. And I don’t know. At some point it might be worth scanning—or this is for the tape here—but scanning just a list of all the people who’ve been regents and legislators, because that will then call up information that I’m not remembering.

Lage: Yeah, I would like to do that. I can bring that next time.

Arditti: That’d be extremely helpful. But in any case, so we did stop that resolution. And whether or not he would really have decided against coming had it passed will never be known. But he was quite categorical that he thought that that would poison his presidency from the beginning because it was clear that the budget was going to be very bad in that first year. There was just no way around that. And so in any case that had a happy outcome. He did come. And then of course—

Lage: Did you feel good about him with this initial conversation? Did you have a first impression? I know you’d known him a bit.

Arditti: I had known him a bit. I had very high regard for him. You’re always a little uncomfortable when you’re in this kind of a job with these high compensation
issues in the university, because they engender such negative reaction out in the public and in the legislature. So it’s never a welcome way to begin a day, to have to go out and deal with an issue like that. So I certainly didn’t welcome that. On the other hand, the regents had made a determination that this was the best possible candidate for the job. Everything that I knew confirmed that. And so it was just something you had to bite the bullet and deal with. And as I say, he was very thorough and forthcoming with me about every detail of the package and what its rationale was and so forth. So that at least was very helpful. But these are not comfortable kinds of issues to deal with. And that wasn’t the first and it certainly wasn’t the last.

08-00:14:51
Lage: It ends the same way. So we’ll get to that after all the triumphs in between.

08-00:14:57
Arditti: Yes. So in any case, then he came. And he organized the Office of the President and determined to take a lot of things that were dispersed and package them in broader ways. And in the external arena he put together federal and state governmental relations, budget, public affairs and communications, development, believing that all of the external functions had as one of their core purposes to support the resource acquisition of the university and therefore—and that the attitudes of the people have something to do with the attitudes and voting of the elected officials, and votes of the elected officials determine the budget, and therefore it was logical to integrate all these things together in a single organization, which is what he did.

08-00:16:07
Lage: Did that make sense to you?

08-00:16:07
Arditti: It did. This had been pioneered at UCLA actually some years before by Chancellor Young. And it was generally thought to be effective. And the thing about organizational arrangements is there’s not necessarily a single right way to do these things. The truth of the matter is you can organize a lot of things in several different ways. And if the right people are in place and they have the right attitudes about working together things will be fine. And if it’s the wrong people it doesn’t matter what you do structurally, it still isn’t going to work.

08-00:16:49
Lage: But you’d already been working with Larry Hershman and Bill Baker.

08-00:16:53
Arditti: We’d been working together closely for several years, in spite of both a personality situation and a structural situation which didn’t encourage that sort of thing. So I think that we probably would have continued to work well together however it had been arranged. And the truth of the matter is at a later point the budget was taken out of that organization and for a while put under the provost, and then later under the president directly. But Larry’s and my working relationship didn’t change an iota through any of those changes. We had both
lived with that situation where we had all this conflict and disjuncture. We knew how dysfunctional and unpleasant it was. And when we came into our respective jobs we did so at the same time pretty much. We just resolved that we were going to fix that. We weren’t going to have that anymore. And we did. And we didn’t have it anymore for the entire time that we worked together.

And I have mentioned to my successor, our successors, that history and expressed the hope that they will be able to work together in a good way. And the best I can tell, they are going to do that. They both want to.

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08-00:18:14
Lage: It seems essential.

08-00:18:16
Arditti: When you think about the purposes of these activities, it is just self-destructive on the part of the institution to do anything other than to field a unified team, because the challenges are very major. The stakes are high. You can do everything right and still do badly. But if you don’t do everything just right you’re certainly not going to do as well as you might otherwise have. So I always thought that was critical. Larry did as well. And it was just a wonderful partnership all through those years. We just almost never disagreed about anything.

08-00:18:55
Lage: And what was Bill Baker’s role in this partnership?

08-00:18:57
Arditti: Well, he was like the convener of all of the group, the overall leader of it. Bill, because of his previous work, knew a lot about Sacramento and had some good friends in town as well. So he was a good member of that team. He had started in the Office of the President, I think, handling the capital budget or something like that. So he’d been back and forth working with people on that, and then he took over the budget as a whole, was back and forth dealing with that. So he had a pretty good understanding. He hadn’t dealt with legislation. That was a portion of it that he didn’t really know.

08-00:19:41
Lage: You mean nonbudgetary types of legislation.

08-00:19:44
Arditti: Nonbudgetary types of legislation, yes. But certainly on the budget side and people who dealt with the budget, he’d had a lot of experience. So that made him a very valuable part of this team. It was really a great team between Bill and Larry and myself. And as I say we had been accustomed to working together already before this happened. This formalized that arrangement. I believe we would have worked well together whether or not that had happened. But in any case it had a rationale for it. It had been tested and pioneered at UCLA. And has since become the model really for the system, with the exception, though, of the budget operation. And that always has been a bit of a curious matter to me, because if I think about all the other units in the institution and ask what was the most
Important connection between the Governmental Relations Office and any other unit in terms of the core work that is to be done, the connection with the Budget Office is the most crucial. And yet while other things have been clustered together with governmental relations, the budget has more often than not been someplace else.

Lage: But I could see how people would think it’s also core to the academic planning or—

Arditti: Of course, yes, yes, it is, it is. And yet it hasn’t been part of the academic side very much. And well, you could think about this for a long time and never come up with the right answer. You have the building of the budget, which is certainly critical to the academic nature and functions of the enterprise. And then you have the selling of the budget, which is really not very academic, and then you have the allocation of the budget at the end when you see what you actually have, which then again gets to be much more academically oriented, except that in the meantime there may be actions in the budget process here that will require some adjustments in terms of what might have been desired in the first place. People here may be very interested in having research done on some topic that hadn’t been proposed by the university. They may not be receptive to other proposals that are made by the university. So it’s all a blend. And there are these three core pieces of it. And depending on which piece you focus on you can reach a different conclusion about whether it ought to go here or here or here.

All I can say is from the standpoint of budget acquisition, the connection between the Governmental Relations Office and the Budget Office is critical. And from the standpoint also of selling the budget, having somebody who also knows it from the ground up, builds it, allocates it, understands it, can make agreements, keep them and so forth, having somebody who is running the budget engaged in the negotiations and presentation of the budget here is really quite critical.

Larry was able to get up in front of a legislative committee with almost no notes and carry a hearing for an hour and a half. You don’t do that if you’re just somebody off on the side who gets briefed the night before, say, a legislative committee hearing or something like that. So everything depends on everything else. And there isn’t one right way. I think it has so much more to do with the individuals involved and what they’re like and how committed they are to working together. And I say that having lived with a variety of situations.

Lage: Right. Well, that’s interesting, just structurally. So that first budget, there are a number of stories about how the decision was made to put forth a larger goal to the Deukmejian administration. What is your take on it?

Arditti: Well, first of all when Deukmejian came in the state was in a very bad way
financially. There had been cuts made to the budget, and then he had to come in
and make some additional cuts. And he said in effect to the university, he and his
chief of staff, Steve Merksamer, who I want to talk about a little bit as well, said,
“Look, we’ve got a mess on our hands here. We’re going to have to do some
things we wish we didn’t have to do. But we’re confident that the economy is
going to turn around. Things will get better. And if you’ll just work with us we’ll
make it up to you.”

Lage: Now, who did they say this to and at what point?

Arditti: Oh, they said it to Gardner. They said it to Bill Baker. They said it to me. And just
to back up a step here, when Deukmejian was elected that was shortly before
Gardner had been selected. Most people, many people in the university were well
acquainted with Deukmejian’s opponent for governor, Mayor Bradley of Los
Angeles. He was as UCLA graduate. People knew him, liked him, felt
comfortable with him. Almost nobody knew George Deukmejian.

Lage: He hadn’t been active on education committees.

Arditti: He’d not been active on education at all or budget for that matter. And so if you
just looked at his record it was a total question mark as to what his attitudes were
going to be about education. You just couldn’t tell.

Lage: He didn’t come out of the UC system.

Arditti: No, he didn’t. He came out of private institutions in the east. And I had known
him, worked with him on things in the legislature, but they were not really
education policy things. He had legislation about nondiscrimination against aging
people and this had implications for us with faculty with tenure, questions about
whether you could have mandatory retirement or not and things of that kind. But
he was much more involved in law and order, criminal justice and things like that.
So there were no clues really as to—other than just what do you know about the
man as a person and his character, there were really no clues about what his
policies were going to be. So when he was first elected there was just a lot of
agitation and concern in the university. There was a Council of Chancellors
meeting right after the morning of the election. And when people went to bed at
night it was thought that Mayor Bradley was elected. It was only in the morning
that it was determined that Deukmejian was elected, and that was on the strength
of the absentee ballots. Deukmejian had had a very effective absentee ballot
campaign. But on the basis of the votes cast on election day actually, it was
Mayor Bradley who had won, and everybody thought that was the case.

And it was a very agitated session. Who is this guy? Who do we know who can
get to him? And here I’m sitting in the back corner there, and I just said, “Seems to me we ought to just seek a meeting for the president with the governor.”

Lage: And you didn’t have the president yet.

Arditti: Well, Saxon was still president. So in any case I think they did have a meeting. And it was okay.

Lage: Would you be a part of that meeting?

Arditti: I was not in that one. But the one that I was in had to do with a decision being made that Saxon as the outgoing president would introduce Gardner, the incoming president, to the incoming governor. And so I was involved in arranging that meeting. And the people present there were Governor Deukmejian, Steve Merksamer, his chief of staff. Steve I had known from earlier positions that he had held in Sacramento. He was a good friend, and a good friend to the university, even though he had never attended UC either, incidentally.

Lage: But you did know him as a good friend.

Arditti: I did, yes, very much so.

Lage: What had been his position?

Arditti: Well, he had worked for Houston Flournoy when he was in the legislature. He had worked for Lieutenant Governor Reinecke, I think. He was a Sacramento native who had gone to undergraduate at Claremont, and his family is very prominent here in Sacramento in the jewelry business and land and other things like that. Then went to law school at McGeorge Law School. Worked for the Attorney General’s Office. And became acquainted with Deukmejian there because Deukmejian had been attorney general. And so he rose very quickly in the Attorney General’s Office. He and Deukmejian became quite close. He was then Deukmejian’s campaign manager in running for governor and then his first chief of staff for the first term.

Lage: I just wondered how you developed such a close relationship.

Arditti: Well, working with him when he was in these other capacities.

Lage: With Reinecke and Flournoy.
Yes, yes, yes, yes. And he’s still a very good friend to this day. As a matter of fact we’ll be talking later this afternoon. He went on to found, along with a couple of partners, probably one of the largest law firms dealing with governmental and political and corporate issues in the state, Nielsen, Merksamer, Parrinello and somebody or other. Hugely successful firm. And he is today a very major figure in Republican politics, and one of the people that I have relied on over the years. When you do a job like this you’ve got to have a handful or so of people who are not necessarily governmental officials but people who are very wise about the ways that government works and who have connections and relationships of their own with people in key places to whom you can turn confidentially from time to time for advice and whom you can ask from time to time to pick up the phone and make a call and so on. Steve has been one of those people that I’ve just relied upon all through the years. Not just when he was in the Governor’s Office, but in his later capacity. He’s very wise, very highly respected, very well connected, and just one of those kinds of people.

But in any event, he was who he is back then as he is now. He’s a lot more mature, has done a lot more, but he was just a good kind of a person. And so I had a fair amount of confidence that he would be helpful to us. But in any case this meeting was set up and it was Governor Deukmejian, Steve Merksamer, President Saxon, myself and President-designate Gardner. And I guess they had just had to cut the budget some more not too long before that. And so the meeting began in a very perfunctory courtesy way. Hello, how are you, all that stuff, this is so-and-so. And then all of a sudden Saxon just flew off the handle and he looked at Deukmejian and he said, “I cooperated, and what did I get? I got my budget cut.” And Deukmejian is sitting there. You could see the hair going up on the back of his neck. And the rest of us were just sitting there looking down at the floor, buckling in our seats. Thinking to yourself, would someone open the trapdoor please now? It was just—oh, it was just awful. And I understand Saxon’s frustration. There he was having the budget cut once and again and then again, and he felt that unlike others who had already gone on the attack against the new governor he had cooperated, and that this was really undeserved.

And Gardner just didn’t say very much. There was nothing. Once a situation like that is ignited there’s really not much you can do. But certainly none of the rest of us joined in in that line of argument. So in any case it was just something that had to be gotten through. But I think it was clear to the governor and to Steve that this was Saxon speaking and this was not the view and approach of Gardner. And Gardner told me later and has written in his own book that he made an assessment that not only was the governor—any governor—critical to the welfare of the institution, but this was somebody of honor who could be trusted and could and should be worked with. And so unlike people in the other education sectors, including CSU, the community colleges and K-12, all of whom were not prepared
to take assurances that it’ll get better later—if it wouldn’t get better right now they decided to fight the governor and they did.

Lage: Fight him in the legislature.

Arditti: In the legislature and in the public. We made a different decision. We made the decision that look, the state is in a mess right now, you can’t deny that, and it would be wiser to work with the governor in hopes that that would lead to a better outcome eventually. And that turned out to be so true. There had been plans for a budget that would have been a fairly modest increase over the previous budgets. Anyway there had been plans developed in the Budget Office to ask for a modest increase in the budget over the previous year as things began to get better.

Gardner felt that things had gotten to be so bad that the place really needed a major infusion of both resources and morale. Faculty salaries were like 16 or 17 percent below the average of the comparison institutions across the country. Everything from research to libraries and everything else was in just a very desperate state. And so he decided to go for a very large increase. And that turned out to be a very wise strategy. Because working with the governor rather than fighting him and then going for a major boost. And the fact of the matter is over a two-year period the budget for the University of California increased by 51 percent in a two-year period, 51 percent. The faculty salary gap, we thought, well, if we could get that closed in two years or three years that might be a good thing, a major accomplishment. Deukmejian decided to wipe it out in a single year, which was hugely important both in terms of the actual compensation levels that could be paid and as a signal to faculty, both those who were already here and those who might be recruited, that this was again a place that was open for business and it was not going down the drain.

Lage: Were you in on any of the conversations either where Gardner decided to go for the big budget or where the Governor’s Office agreed?

Arditti: Yes. Not all of them, because remember I was based up here. And others who were based down there in Oakland, and physical proximity has a lot to do with who’s in what conversation and so forth. But yes, I was. And I agreed that this is what we needed to do. And as I say I had believed very strongly that the right thing to do was to work with the new governor and with his chief of staff and not follow the lead of many others who were going out on the warpath. And that I think really had a lot to do with the way things turned out.

Also I think Governor Deukmejian and Steve developed a huge respect for Gardner. They had a lot of confidence in him. They trusted him. And that made a big difference.
And he had some private meeting, didn’t he, with Deukmejian?

Yes, yes, yes. And for several years really—in fact this became in a way a problem later, because particularly the Democratic members of the legislature saw the university, this elitist institution, as the pet of this Republican governor, and it was perceived that we were being favorably treated at the expense of all these other institutions that served many more people, and people who were not necessarily viewed as being from elite backgrounds, as UC participants were and so forth. And we had a lot of problems over that. There was one year in which in the senate Budget Subcommittee—Senator Walter Stiern was the chairman of it, a Democrat from Bakersfield, a veterinarian, a wonderful man, and Senator Milton Marks from San Francisco, originally a Republican, and then changed parties to become a Democrat later, another story there. They became so agitated about the disparity, as they viewed it, between funding for UC and funding for the community colleges by the governor that they actually held up our budget in the senate trying to press us to persuade the governor to give more money to the community colleges. Well, I think you could make a case that the community colleges needed more money, should have it, they’re part of the master plan, they have an important role. But the notion that we somehow or other would have any capacity whatever to convince the governor that he ought to give more money to community colleges was just a myth.

Who did they suggest it to? Was it somebody testifying?

They did this publicly in a budget subcommittee. I guess Larry was there. I was there. I don’t remember who else would have been. May have been Bill Frazer, a vice president.

As if you pulled the strings.

As if we could pull the strings, as if we could go get the governor to do this. But that’s how strong that perception was about this link between UC and the governor. And I think it really missed the point here. We had persuaded the governor that the university was worth investing in and that we could be trusted. That was pretty evident if you just look at his actions. But to move from that to say now we could start influencing or determining what he does about things other than UC I think was really naive. But I just thought that was a little illustration of the perception that people had.

And the truth of the matter is for as long as he was governor K-12 and community colleges particularly complained constantly about being disproportionately treated and not being funded adequately. I don’t know what the facts would show. But they had that perception. And there was a great tension between them and the
governor. And that caused a lot of friction for us with members of the legislature who were concerned about those sectors.

Lage: So they saw you as in competition with these other levels.

Arditti: Oh, yes, they saw as getting preferential treatment at the expense of others.

Lage: And what about CSU?

Arditti: CSU was pretty much in the same—that is to say, they were viewed as doing not as well as we were. They did fine. Deukmejian had come from Long Beach, and Long Beach State and the headquarters of the CSU system are there. And my recollection is they were treated pretty well. But I think nobody perceived—few people perceived that they were treated as well as UC.

Lage: So if you do too well you’re in trouble as well as if you don’t do well.

Arditti: Oh yes you can be. In fact there are some who argue that the subsequent adoption of Proposition 98 was an outgrowth of this perception that the governor was not providing adequate support to K-14. And I don’t know whether that’s really true or not or whether anybody could prove that. But in a way each year, each cycle, you want to do as well as you possibly can. But in the long run here it’s possible—I didn’t mind having to put up with the verbal complaints about it. If it begins to have concrete consequences—

Lage: Well, did it? Did the legislature try to cut your budget at that time?

Arditti: Oh yes, they did. In fact one major example was at that time there were contributions needed by our retirement system from both the employer and from employees. That’s an issue that’s coming back around now. But in any event the state contribution at that time was something like $250 million a year, very sizable. And in the regular budget process they cut it out.

Lage: Did they feel it was well enough funded? Or you should find other sources?

Arditti: They didn’t care. They cut it out. I think they had some staff advice that it really wasn’t needed. But they were also just looking for ways to find money to do other things with that they felt were not being attended to. And so my first assignment, literally, when I came into this job on an indefinite basis—
Lage: When you were hired. We didn’t put that into the—as head of the Sacramento—

Arditti: Yes. Was to come back up here in the summer, when they typically do the budget in, say, July or something like that, a little later sometimes, and then go away for a recess and then come back for a month in August, and so this money had been cut out during the regular budget process. And so my first assignment was to get back up here in August when they came back and figure out a way to get this $250 million back. And how are you going to do that? The budget is already done. The governor though had vetoed out other money and said, “I’m holding this aside for legislation to restore this money.”

Lage: Vetoed out money from other budgets?

Arditti: From other budgets, not the university’s budget. Said, “I’m setting this money aside.” So here of course you’ve got all this hostility on the part of the Democrats in the legislature to Deukmejian in general because he’s a Republican, to this preferential relationship between UC and the governor. And we’re supposed to come back up here in August and get this money restored. Very uphill climb. And I didn’t really think we were going to be able to do this.

Lage: Well, tell how you went about it. I think this is a good one to illustrate how you work.

Arditti: Yeah, well, this was one. We talked to some regents about this and we told them we were going to need their help if we were going to have any chance at all to do this.

Lage: Again Democratic regents.

Arditti: Democratic regents mostly, yes. And they said, “Okay, fine, let me know what I can do.” So we concluded that for one thing we were going to have to have the support of the speaker. Otherwise there would be no hope whatever. And we were going to have to find a piece of legislation. It was too late to introduce a new piece of legislation. So we were going to have to find a piece of legislation that had been introduced earlier in the year that was pretty far along in the process, because there are various deadlines by which things have to be acted upon or they die, so you’ve got to find something that’s still a live vehicle, and it had to be germane under the rules. So in other words it had to relate to UC. So you start checking all these things. There aren’t that many around. It’s got to be something that somebody isn’t feeling really strongly about that would be jeopardized by this. Anyway it’s a long sorting process. There are not that many candidates.
So finally the best candidate that we could find was a piece of legislation by then assembly member, now member of Congress, Maxine Waters that had proposed to impose affirmative action quotas on university business contracting. And we had opposed that. We said that we were very open to goals and things like that but that quotas were something we absolutely would object to. And we had actually defeated that bill in the senate Finance Committee, which was like the last committee stop in the senate.

So the question was now having defeated that bill in the form in which the author wanted it could we figure out a way to get it amended to give us back this retirement money. It didn’t seem too likely. But this looked like our best shot here. So we commenced to have a long series of meetings with her.

08-00:46:51 Lage: Did you meet with her personally or with her staff?

08-00:46:52 Arditti: With her as well as with her staff. As a matter of fact once in a blue moon when I’m in Washington now I go visit her and she comes out and we get in the back room and we reminisce about all this and have a great time remembering it. It was a great story. But I was involved. And Celeste Rose I had recruited to join the office at that point. She had been in the Speaker’s Office. So she was working with me very closely.

08-00:47:19 Lage: So that’s a well-placed employee.

08-00:47:23 Arditti: Oh yes, yes, yes. And then Vice President for Business and Finance Ron Brady, he was responsible for the retirement system. And so we had this final night of negotiation in Maxine Waters’s office. It must have been on ‘til ten, eleven o’clock at night. And there were Maxine, her staff person, Brady, Celeste, myself, we might have had somebody else, I don’t know. Literally sprawled out on the floor in the middle of the office with code book sections here and there. Anyway we finally came up with an agreement here that we would revise her bill as it had been to not call for quotas but to call for goals and timetables and reports, something that we could agree with. And then she would also add in appropriating this money back. And we would all get behind that and try to get it through. Well, all right. In order to make that happen then—and of course along the way we had had members of the Board of Regents in meetings with the speaker, with her. We had one board member who was very close to her, still is, Stanley Sheinbaum in Los Angeles, who’s a wonderful man, wonderful stories about him. So in any event so we got that far. We got this worked out. By that time there were only a couple weeks left in the session.

And what had to be done at that point, the bill was in the committee. It had to be taken up again in that committee in its new form. It had to be approved on the floor in the senate and then had to return to the assembly for concurrence. Now
the move to cut this money had come in the assembly. So we knew that was going to be the hardest part. But in any case it was like probably ten or twelve times we lost it, revived it, lost it, revived it. It was very controversial. It was very unusual to do something like that.

08-00:49:25
Lage: Maybe both sides wondered about it. Maybe Republicans didn’t like the goals and—

08-00:49:31
Arditti: No, they didn’t like that. And one among the people who helped kill the appropriation was a Republican. That was Mr. Stirling again from San Diego. So there was like bipartisan opposition to this. And mind you, we had to get for this two-thirds of each house. It’s an appropriation. Two-thirds of each house in order to get this done. It was not a simple majority matter, which added to the challenge of it. But in any case we got it, eked it out of the senate committee, we got it off the senate floor. I think we had to try two or three times till we finally got it. Then it went back over to the assembly for concurrence. And it was the last night of the legislative session and you either had to get it that night or it was dead. And we reached the point where we were maybe thirty minutes from adjournment and Mr. Stirling from San Diego, who had been one of those instrumental in taking this money out, discovered that we had amended this bill and that it was in the assembly and just completely lost it. He came. He was six and a half feet tall, big guy. Came tearing out the back door of the assembly. Saw me standing there by the gate. And he looked at me. He yelled at me, said, “Why, you son of a bitch.” And this flying leap heading for me. Thank goodness there were about fifty people standing around who almost just instinctively all gathered together and stopped him from doing this. Because if they hadn’t I’d have been in the hospital and he’d have been in jail probably.

08-00:51:20
Lage: Is he the one you described as volatile?

08-00:51:23
Arditti: Yes, yes, yes, yes, yes. He was subsequently appointed to a judgeship in San Diego. I won’t speculate as to why that happened. But he was quite a character. So in any event—

08-00:51:36
Lage: So it was sub rosa. He didn’t know that you were doing this.

08-00:51:39
Arditti: I guess he didn’t. He didn’t. These things were all public matters that had been—bill had been reprinted, it had been shown in all the publications, it had been voted upon by the senate. Nothing secret about those things. I guess he hadn’t been aware of it. So that happened. That was unsettling. And then, even more unsettling, we’re getting to the point where maybe looks like fifteen or twenty minutes before they were going to shut down, and we were still like eighteen votes short. That’s a lot of votes.
And you’ve been going around to everybody’s office.

Oh, we’ve been going to everybody we could talk to. And we had regents making phone calls and everything we could think of. And there we were on the floor and on the floor it’s very hard to work votes, because we can’t go out on the floor. Only members can go out on the floor. And so at one point I saw then assemblyman Lou Papan walking from the floor to the Speaker’s Office or vice versa. I said, “Lou, Lou, need help.” Or I think—he said, “Send me a note.” So I wrote out a note on something and I gave it to a sergeant at arms. And you do that. You can’t ever be sure that the sergeant will actually find the member or give it to him, the member will read it, or anything. This was just very nerve-racking. So anyway, need A, B, whatever, need eighteen votes, so on. And then I just heard nothing for like ten, twelve minutes. And meanwhile they’re starting to wind down, lifting the calls. That means taking final votes on bills that had been short of votes earlier in the evening.

And then at one point Lou Papan walked out the door. I said, “Lou, Lou, did you get my note?” He says, “Yeah.” He says, “Don’t worry about it, babe, don’t worry about it.” And he brings over a crumpled piece of paper. It might have even been a napkin or something, I don’t know. And he shows me all these people who had been not voting or voting no who he has now listed in the yes column. And it was still about three or four short. He says, “That’s only three or four.” He said, “Don’t worry about it, babe.”

So he’d gone around and talked to these people?

He’d gone around, talked to these people. And then sure enough when it was like I think just close—if not the last, very near the last bill on which the final vote was taken before they shut down, and they started going through this. And I had written down all these names that he had as changing over. And sure enough one after another, they just followed that list, and we got I think the bare fifty-four votes to get this thing out to the governor. But Lou Papan was just a wonderful man. He passed away just within the last year. But he was at that time the chair of the Assembly Rules Committee, which is a very powerful position, and was widely regarded as the speaker’s enforcer. But the Rules Committee is a very powerful position. They allocate office space and staff and assign bills to committee and various things that are important to other members, which gives at least in those days the chair of that committee considerable ability to persuade other members.

And Lou himself had been a former FBI agent. He was a tough guy, besides the position carrying those things. And so he knew how to do these things. And he was just a wonderful friend. And he just did that.
Lage: Now was he a good supporter of the university overall?

Arditti: Oh yes, yeah, he was terrific.

Lage: Do you think this would have been something he checked with Willie Brown about to see if Willie was on board?

Arditti: Oh, I’m sure of it. We had had meetings with Willie Brown. We had had one or more regents involved talking with Willie Brown who were friends of his. Clearly if Willie Brown had not been in favor of this it couldn’t have happened. I don’t know that he was sufficiently in favor of it to push it through. But Maxine Waters was a very close ally of the speaker, as was Mr. Papan. And so I think that all just came together. But had he been against this it would have been hopeless.

Lage: Was some of your success here based on this personal relationship you’d developed over time with these people?

Arditti: Yes, yes. Certainly with Lou Papan. Obviously mostly he was friendly and supportive to UC. But he was a Greek American, a very visceral warm—well, some people thought of him as a tough guy, but he was somebody who reacted in a very human and personal way to people. If he liked you, there was nothing he wouldn’t do for you. One of those kinds of people. And we had become pretty good friends. And among other things he would often have constituent issues. And we’d spend a lot of time working on those. Oftentimes, there isn’t anything you can do, or at least you can’t do what they’d really like to have done, but you can find ways to try—

Lage: You mean things like we talked about last time, why is my kid or my neighbor’s kid not enrolled?

Arditti: Not enrolling. Or somebody needs health care or various things like that.

Lage: Health care at one of the medical centers.

Arditti: At one of the UC medical centers yes. His own son incidentally—he had terrible tragedies in his life in terms of his own family’s health situations. He had a son who died who had an obscure disease which I think was named Papan’s disease, actually, it was so rare, where the blood vessels are just abnormally small. And I think this young man, his son, lived to be twenty or twenty-one and then died, but had been hospitalized at UCSF and treated there. And there were times when he’d
leave here, Lou would, and go sleep on the floor in the hospital room with his son in periods of hospitalization. And then his wife Irene had cancer of multiple kinds and other disease problems, which she managed to survive for years and years and years and years and years, but also she was treated there. I think part of his support was related to the appreciation that he had for that. But he also had a lot of people contacting him. He was one of the small number of Greek members of the legislature.

Lage: That’s another community like the Armenian community with a lot of closeness.

Arditti: Exactly, exactly, exactly, very much so, very much so.

Lage: I would bet that your experience in your dad’s store again fit.

Arditti: Yes, very much so. The whole issue of customer service and just spare no effort to try and please the customer if you reasonably can.

Lage: But also being able to talk to lots of different types.

Arditti: Yes, yes, I think that really did help a lot. So he was a very good friend. But without him we couldn’t have got that—we couldn’t have got it done if Ms. Waters hadn’t agreed to amend her bill, but we sure couldn’t have gotten it done if he hadn’t been willing to give us that last push the last night.

Lage: Well, that’s a great illustration of the kind of work that you do.

Arditti: Yes. And considering that I was just like brand-new in this position and all that, it seemed like a tall order. But it was a very important issue, because the state even then only funded maybe a third or so of the university’s budget. And the other sources of funding, that is federal government for laboratory management and research contracts, self-support enterprises, hospitals, food and all that stuff, would only pay into the retirement system at the same rates that the state did. So this was really in the aggregate a much bigger issue than that, because the money lost to the retirement system would have been two or three times what the state’s share would have been. So that was a big deal.

But it also illustrates the importance of having opportunities for relationships to develop between members and the institution and between members and the people who represent the institution. I would find it very hard today to find somebody in the legislature who would on the last minute just go out there on the floor and work votes on something that wasn’t necessarily something that he or she had had an interest in or had as a priority, but just because well, it matters to
UC or it matters to Steve, I’ll give it my best shot.

Lage: So it illustrates the change in Sacramento. I have to shut us off here.

Audio File 9

Lage: Okay, we’re back on. Tape 9, continuing our interview on July 22nd with Steve Arditti. Steve, I asked you when we were off camera to talk a little bit about negotiating. How you handled legislative hearings and negotiating to get the budget passed, in this era in particular.

Arditti: Okay, well, during that period, and for that matter for all the time I was in that job, there was a real partnership between the Budget Office headed by Larry Hershman and the Governmental Relations Office. We talked on a regular basis about issues and strategy and personalities and goals and so forth. And Larry and his staff would carry the bulk of the negotiations with the Department of Finance leading to the determination of what would be the governor’s proposed budget. This would usually lead to a point where the president of the university would meet with the director of the Department of Finance to talk about issues that hadn’t been settled at other levels there. And in some years a meeting with the governor himself for the president. And so I’d be involved in those. And then of course the governor would propose his budget and then we’d have to go to the legislature to try and get them to approve it. Here again we would talk before each committee hearing. It would usually be a prebriefing in our office where Larry and Debbie Obley and his staff, before that Lindsay Desrochers, would come. There’d be other budget staff people. There would be whatever witnesses we had for these hearings. It could be the provost. It could be campus people, depending on what was at stake in that particular hearing.

And so we’d all talk through how we were going to handle this. Sometimes we would decide we wanted to meet with and talk with some members ahead of time. There always were extensive meetings with staff and with the Legislative Analyst’s Office and so on ahead of these hearings.

Lage: Anticipating particular problems or just in general?

Arditti: Both just to provide them with information and answering their endless questions, and also as a way of anticipating problems. Because if a staff person expresses reservations about something, there’s a fair chance that the member that person works for is also going to do that, or at least you know it’s going to be expressed to the member either privately or in testimony in a hearing. So it gives you a clue as to what you need to be ready for. It’s still possible to be surprised, but you had a better chance of knowing what’s going on if you talk to people beforehand.
So all that would happen, and then these hearings would go on and on. And then of course at some point the full budget committees would receive the recommendations of the subcommittees, usually adopting those in a pro forma way. And then that would go to the floor and that would usually be adopted in a pro forma way. But there would be differences between the houses, where sometimes there were things that we wanted that didn’t make it on either side. Then there would be this Joint House Conference Committee that in some years was a closed conference committee that could only resolve differences between the houses. But increasingly it’s become a so-called open conference where they can just do anything they want to. They can add things, take them out, doesn’t matter whether they were in or not on the other side.

So we had many, many battles in these conference committees. And that tended to be where I got more involved. A couple of examples. There was one year in which we had a $50 million item—I think it was for our hospitals—which had been deleted in the assembly and included in the senate.

09-00:04:18 Lage: Did it have political implications or just a money thing?

09-00:04:24 Arditti: Well, it was part a money thing, partly this perception that UC was being better treated than others. And if it hadn’t been that $50 million it would have been some other $50 million, I think. And in any case, this had been in on the senate side. The conference committee probably took it up and discussed it four, five, six times. And they just couldn’t resolve it.

09-00:04:53 Lage: And these are open meetings.

09-00:04:54 Arditti: These are open meetings, yes. Many years ago they were not open meetings. They used to do—even the budget subcommittees used to vote in private. And the conference committees met in private. And you would have no idea what was going on and just find out at the tail end what they had done. And it got to the point where that got a lot of bad publicity and the legislature felt obliged to change the rules. Doesn’t mean they make the actual decisions in public. But at least they have to take the actions in public. But in any case it became increasingly clear that the key to this was going to be Assembly Member Maxine Waters. She was one of the six members of the budget conference committee and it would line up such that we’d be like one vote short, and she would be abstaining. So we’d talk to her and talk to her. “I don’t know if I can help you.” So finally I talked with then Regent Stanley Sheinbaum, a wonderful man. He and she remain very close to this day. He’s now eighty-eight, and she’s in Congress.

09-00:06:03 Lage: Do you want to give a little background about him? Because you mentioned him before.
Yes, yes, yes, yes, yes. He’s an economist by training. Very prominent in liberal circles. Been very active in the ACLU and he publishes a magazine of his own, a very liberal take on foreign affairs and all that. A very, very liberal person.

Appointed by Jerry Brown. Married to Betty Warner Sheinbaum, who is one of the Warner Brothers’ daughters, Warner Brothers films. He is very independent and a major philanthropist for various causes. And among other things a supporter of liberal candidates for political office. And he and Maxine Waters were very, very close. And so as this was coming to the end I could see that we just really desperately needed her, and I just didn’t see how we were going to do it. She just wouldn’t commit. And so I tried to reach Stanley, ask him to call her. And his assistant said, “Oh, he’s in Milan,” or something like that. “The time zone is so many hours different” and all. I said, “Well, is there any chance we can get through to him? It’s just really crucial.” So she said, “Well, let me see if I can reach him for you.” I think that’s what happened.

And somehow or other he and I did connect. He was, I think, waiting to board a plane or something like that, because you could hear the airline noise in the background as he’s on the telephone. You could barely hear each other. I said, “It’s a desperate situation. That $50 million, we just desperately need Maxine. And she’s not voting. The time is running out.” “Well,” he said, “I don’t know whether I can do anything or not but I’ve got her phone number at her apartment. I’ll try to reach her. I’ll let you know.” “Okay, thank you very much.” So I don’t know, hours go by. I didn’t hear anything. And you never know in these situations are they even able to make contact, let alone have an effect or anything like that.

So then, I don’t know, hours later he called me back from some other city. Said, “Well, I talked to Maxine. We had a good talk. She listened. She didn’t commit herself. I don’t know what she’s going to do. But I did my best.” I said, “Well, God bless you. That’s all that can be asked. Thank you so much.” And so then finally about the last night of this conference committee, probably ten, eleven o’clock, midnight or something like that, they’ve closed out, I think, just every other issue except that one. And they called the roll one last time and the committee was sharply divided with the other assembly people not wanting to fund this, the senate people voting for it. But you got to get two votes on each side in order for something to be approved of this—

Two assembly votes as well.

There are six members altogether, three from the senate, three from the assembly, and you need two from the senate and two from the assembly in order to approve
something. And so finally the very last one, last roll call, about to gavel this thing
down. Waters aye. Waters aye. And she looks out in the audience, and she saw
myself and Celeste and Larry and Lindsay Desrochers, whoever at that time. She
said, “All right, UC people, you can now go home and be heroes and sheroes.” So
that was just one example of how the different parts of this work together.

Lage: Yes, and also the role of regents.

Arditti: And the role of regents, absolutely. If they’re willing and able they can be very
helpful, because they’re often very prominent citizens with relationships.

Lage: Would Stanley Sheinbaum have asked the specifics about this issue so he could
have argued based on the rationale? Or just “this is something we need”?

Arditti: No, he wanted to understand the topic. He wanted to understand the topic. I think
in his case who he was was more important than what he was saying. But I don’t
think anybody in that position is willing to go into a conversation overtly on that
basis. You want to be prepared to talk about the merits. And also he needs to
understand it well enough so that if she were to shoot back with some assertion or
question or something like that he wouldn’t have to go—and he could hold his
own in the—

Lage: And he’s probably relying on you to tell him about the possible objections.

Arditti: Oh absolutely, absolutely. You have to brief him verbally and wherever possible
get him a written sheet that outlines the issue, the basic information, arguments
that we’re making, arguments that we’re hearing against our point of view, what
the response is to that. Because these are very busy people. They’re not drowning
in this stuff all day long as we are or were. And so it’s really unproductive and
unfair to send somebody into one of those conversations without preparing them,
giving them the necessary information. And they often ask good questions after
you provide them with the information and so forth. But no, that’s quite critical
that when you ask people to do that you provide them with the information.
Whether it’s a single individual or a mass mobilization.

One other example that I’ll cite is a much more recent one just a couple years ago.
We had gotten the agreement of the Governor’s Office to increase—and this was
for both UC and CSU—the so-called marginal cost per student that we get from
the state for enrollment growth. It was a big change. It was from like maybe
$7,500 a year to $10,000 a year for each new student that we added to our
enrollment levels. And so over time this was a huge issue, especially for the
growing campuses where they’re growing in large increments. The amount per
student that you get is a big deal in terms—
Lage: Did you get this during good budget times of the early Gray Davis?

Arditti: No. This was in the Schwarzenegger administration. But in a year that was a fairly good year. But yet there was a technical disagreement between staff, between the Governor’s Office staff and some legislative staff, about how this should be calculated. And then there was other opposition to just doing it at all.

In any case, the legislative process and the regular committee process concluded and this was not in on either side. And here we were now heading for the conference committee. Usually if you’re going for something in the conference committee it’s in on at least one side. This was in on neither side.

Lage: So this was something in the governor’s budget but cut out of both houses.

Arditti: Cut out of both houses, but yet a very major matter. And so I pulled together a meeting with CSU. They were similarly situated here. So there was good reason to work together. The CSU governmental relations person, the CSU budget person, myself, somebody from our staff in this office, Larry [Hershman], and a member of his staff from the Budget Office, to talk about what are we going to do. And so finally we decided that even though it was a long shot—for a long period of time there I think someone in the Governor’s Office had been saying, “Oh, don’t worry about it, we’ll get it back in the final big-five negotiations between the legislative leaders and the governor.” But then we were starting to hear from them, “This is not looking so good. You guys better do something here. We need help.”

And of course, this was for the benefit of the institutions, so it was something we should be doing. And so we decided we really needed to go into action here. And so we launched a major mobilization. We started having conference calls with the campus governmental relations directors asking them to get their chancellors involved and just launched a huge number of contacts, both grassroots and more key contact type people, to get this turned around.

And we had extensive meetings with people and negotiated about the details of it. And this one was not looking promising. When you have it not in on either side, and it’s the tail end of the process, not looking very hopeful. But in any case we got it, we got it.

Lage: And how did you get it? What was the key?

Arditti: Well, first of all this mobilization that we did. I think we just had a lot of members who either hadn’t heard about this or weren’t sympathetic to it or didn’t understand it. All of a sudden they were hearing from their hometown college
president and from the members of the CSU trustees or the Board of Regents, other citizens in their communities, who we were able to mobilize. We put it on the radar screen.

Lage: So then they would get to that conference committee.

Arditti: Yes, yes. And there were one or two members of the committee who were sympathetic and wanted to help with it. And that was very helpful as well. But I think really had we not done that mobilization I think we probably couldn’t have done it. That was one of the key things that you always have to figure. You can’t overuse that. First of all, you can’t get your volunteers to go to bat every day. And secondly, if people here are hearing from your volunteers on every issue every day it just becomes blunted. So you’ve got to use some judgment about when to activate these kinds of efforts.

Lage: It sounds like that was a case where it was good to be in league with CSU.

Arditti: Oh absolutely. There are lots of situations where it’s really quite critical to work together. And the more of that the better. Unfortunately we’ve had some incidents where we’ve had to be on opposite sides. And people here hate that. For example, when CSU set out to get independent authority to offer the doctorate, and we had to oppose that. And the members just hated being put in the middle between those two institutions. They love it when the president of the university, the chancellor of CSU, and the chancellor of the community colleges all come arm in arm together asking for something for everybody at one time. They’re not squeezed in the middle, and it doesn’t make us look parochial and narrow and other things like that.

Lage: Well, let’s put that on the list to talk about. That came more recently?

Arditti: Yes that did.

Lage: It’s a longstanding thing, though.

Arditti: Yes, it is.

Lage: Okay. Well, I think you’ve given a good picture. I’m sure there are thousands more examples.

Arditti: Well, there are, but those illustrate some.
Lage: Yeah, and if something else particularly strong comes forth in your mind. Maybe this fits right in at this point: efforts to control the faculty teaching load. Did that come into play in these legislative hearings?

Arditti: Yes, and this has been an off-and-on issue probably for as long as there’s been a University of California or universities in general. But it’s a particular issue as relates to research universities because our faculty have really three jobs, teaching, research and public service. And in order to devote adequate attention to research and public service, they can’t spend as many hours teaching as would faculty at CSU or the community colleges that don’t have those missions, at least to that extent, or at least that’s our argument.

But to the outside party, when they look at what the cost is of education at UC and they see undergraduate students who may be in classes of 1,500 people and not even seeing a faculty member and see that a faculty member may be teaching as little as one course or two courses in a year—that’s not common, but it can happen—they say, “What the hell is going on here? We ought to get these people in the classroom.” So from time to time there are pressures to either reduce the number of faculty in relation to the number of students or to try to mandate minimum course teaching loads and that sort of thing.

Lage: Does that most often come from the legislature or from the Governor’s Office?

Arditti: More from the legislature, more from the legislature. And of course, we always fought those things. During the Gardner period, though, he did some very interesting things to try to address maybe the legitimate concerns without taking a meat-ax and doing something arbitrary and harmful. And that is he established a task force or whatever it was called on undergraduate education, chaired by Professor Neil Smelser, a highly distinguished member of the Berkeley faculty, a sociologist. And they took a top-to-bottom look at lower division education in the university, because that’s where most of the discontent was being expressed, and came out with a series of recommendations that included basically having more contact between senior faculty and lower division students, having more small seminars that freshmen and sophomores could participate in, having more opportunities for undergraduate students to participate in research with senior faculty and so on. But this focused—it did involve probably some increase in the quantitative teaching effort of faculty, but it focused more on the qualitative elements of the character of the educational experience rather than just some arbitrary, well, they’re going to teach two classes or three classes more or something like that. It had much more to do with the real content of the educational experience involving faculty and students.

And I think that has had a very salutary effect even to this day. And I think also helped blunt some of the pressure to increase the teaching load.
Lage: So you could bring this up when you were responding to questions in the hearings.

Arditti: Yes, yes, yes, yes, yes.

Lage: Do you sense that part of the reason for Gardner’s doing this was the political reason?

Arditti: Well, I think it was twofold. I think he recognized that there were some legitimate issues there. But I think also recognized that if the legitimate issues were not addressed we would then be a real big target for something very damaging. And that’s true of many situations in life. If you don’t recognize a legitimate concern and address it, then you just make yourself vulnerable to some kind of meat-ax reaction that could do a lot of damage.

Lage: Would you have an opportunity to inform Gardner, did he need this, about the kinds of things you were hearing in the legislature?

Arditti: Oh, we definitely kept him informed about these things. And we also had him in contact with members quite a bit. In fact a whole other issue here is we, in addition to getting him up here from time to time—or any president for that matter—to have individual meetings with members and occasionally to appear before a legislative committee, we started having dinners at our home for legislators and various university people, including dinners for the president and university people.

Lage: Tell about that a little bit.

Arditti: Okay. We did quite a lot of this, actually. One of the earliest was shortly after Gardner had become president. John Vasconcellos was then, as he had been for many years before and after, a hugely influential person in higher education matters in the legislature. A brilliant guy. Really volatile.

Lage: You use those two words a lot.

Arditti: The legislature tends to attract people like that, I think.

Lage: Brilliant and volatile.
Yes, yes. Well, anyway, yes, there just are a lot of people like that. But John, he didn’t practice much law, but I think he got the highest score on the state bar examination of anyone in history. I think that record may still stand. He’s really very smart. And with a lot of very strongly held opinions about education, I think. I don’t know what the explanation is. All I know is he appeared to have this love-hate relationship with the university. If the university was in real trouble elsewhere he would tend to come to bat and help. But if it wasn’t in desperate trouble somewhere else he would be a merciless critic. And he was just prone to these widely varying moods. One minute he could be calm. The next minute he’d just go off. And you couldn’t figure out why. We’ve become very good friends since. But that was a long evolutionary process.

I think you told about a particular problem you had with him early on.

But in any case one thing that we did was from time to time get him together for dinner at the house with the president, with President Gardner. There’s something about a home setting, informal and away from the rush of other people and events and so forth. Let people kick back and get to know each other.

And would it just be that small group?

Oftentimes, yes. We had some bigger groups, which I’ll talk about in a minute. But in this instance we periodically would get just those two together, because John was such a key person, and he was very interested and involved and sometimes doing things that we regarded as quite threatening. And we just felt that was a good way to get people together. The first time this happened, Gardner, of course, being a Mormon was not prone to—well, first of all John had had a heart attack and so was on a diet of no fat, no salt, anything like that. And my wife started to look through recipe books. Most of the things that don’t have those things in them call for a little wine, for example, for flavor. But of course Gardner being a Mormon wouldn’t drink wine. She must have had a stack of six books there trying to come up with something that would meet the dietary requirements of each of these people. And with John during that period of time if you were going to have him to dinner you’d get a call from his office like the day before wanting to be sure we were aware of his dietary requirements. We’ve been blessed to have him as a guest several times. We’re well aware of his dietary requirements. Thank you. But anyway so we got that together, and it would be just oftentimes John and the president and Melva, my wife, and myself. Sometimes Bill Baker. But just that small. And I think these were very salutary.

Would a particular issue be addressed or just—
Arditti: Just whatever came up, whatever came up. It would usually turn to current issues of the time, but often would turn to the other things that were—I think we may have talked earlier about the humanistic psychology library collection in the archives at UC Santa Barbara.

Lage: And that came up in one of these conversations.

Arditti: It came up in one of these conversations, yes.

Lage: How was Gardner in these informal setting—

Arditti: He was good. He was really good. He’s just very gifted in any kind of situation, whether public or private. But he could be viewed as being a little stiff and formal in a public setting. And so the private setting allowed for people to let their guard down and get to see each other a little bit more as human beings and not just as the stereotypical—the university president, the critical legislator and so forth.

Lage: And what about Melva? Here she is, the woman. Seems like she’s cooking. And then there are the guys. Did she take part in the social aspect?

Arditti: Yeah she did, she did. And for the larger occasions we had to get help with catering. So one thing when you’re cooking for three, four people, but we had events where we had like fifty-five people. That you’ve got to get help for. There were some of those that were really fun to think back on. I guess one was when Chancellor Carnesale had been selected at UCLA. He came in at the beginning of July and—

Lage: What year would this have been, or whose administration?

Arditti: That would have been about a dozen years ago. So when would that be? About ’96.

Lage: So maybe the early Atkinson.

Arditti: Either early Atkinson or late Peltason. I’m not sure which. But right around that time. And it was the same time that Chancellor Berdahl had been chosen at Berkeley. And the weather seemed to be unusually mild for Sacramento that particular season. So we thought why don’t we do these—let’s get each of these to town for one dinner event to introduce them to relevant legislators and others, and let’s do it outdoors. So we had all this wonderful—we had these nice round
tables with tablecloths and lights.

09-00:30:15
Lage: And you have that lovely lawn going down to the river.

09-00:30:17
Arditti: The lawn going down to the river. And it just all looked so nice. And we had a great turnout, something like fourteen members of the legislature, two or three members of the Board of Regents and some alumni leaders, student interns. It was really quite an assemblage of people. And so people are arriving. Everything is going very nicely. The cocktail hour. Until dusk. At which point millions of airborne piranhas arose from the grass. Mosquitoes. And started attacking people. And at this point there was nothing that could be done about it. There was no way to move this thing. All out there. No way to get that many people—and it was just dreadful. And we had had the yard sprayed that morning by the Mosquito Control District and we had the citronella candles and we had these cans of spray.

09-00:31:17
Lage: So you had planned.

09-00:31:17
Arditti: We had tried to do everything that could be done, but it wasn’t enough. At one point, a woman who had gone upstairs to use the restroom said to me, “Excuse me. Are you aware there’s a man with no pants in your dining room?” I said, “What?” And I ran up there. There was an eighty-two-year-old gentleman, who I guess had been bitten on his thigh and was developing a welt, so had removed his trousers and was putting a cold compress on it by the dining room table. It was just awful. The event itself, other than that, Mrs. Lincoln, how did you enjoy the play? The event was very—we had this wonderful turnout. Among other things, Ward Connerly and Antonio Villaraigosa struck up an acquaintanceship, which I think had something to do with the doubling of outreach funds coming to the university later on.

09-00:32:09
Lage: Can you say more about that?

09-00:32:11
Arditti: Yeah, we’d invited either all members of the Board of Regents or at least those that lived in the region. Probably those in the region. And Mr. Connerly lives in Sacramento. And so my wife was going around with a little camera just taking snapshots of people. And there were Connerly and Assembly Member Villaraigosa talking. So she was about to take a picture and Connerly spotted this and jumped, and moved aside. And Villaraigosa says, “Why are you doing that?” And Connerly said, “Well, since I came out with my proposal to abolish affirmative action, no Democrat has been willing to be photographed with me, and I just assumed that you would be the same.” And Villaraigosa says, “Hey,” he says, “Come back over here.” He says, “If we can’t talk to each other how are we ever going to work together to get anything done?” So somewhere in a drawer at home we’ve got this photograph of Connerly and Villaraigosa.
Lage: That’s a nice moment.

Arditti: It was a nice moment. Subsequently, of course, affirmative action, the regents did act to eliminate affirmative action in admissions or at least what was defined as racial or gender preferences.

Lage: We’ll talk more about that later.

Arditti: But working together I think Villaraigosa and Connerly were able to agree that if we were not going to be able to provide preferences to people then we needed to do more to level the playing field at an earlier level in people’s education so that more students could in fact become eligible and competitively eligible to go on to college, since there were not going to be any preferences anymore. And I think they were instrumental in working together in persuading then Governor Wilson to agree to a doubling of that budget. There were others. Regent John Davies, who was very close to Governor Wilson and was also the governor’s judicial appointments advisor, I think was absolutely central in that as well. He’s a wonderful person. But certainly a part of that chemistry was Villaraigosa and Connerly working together and working with the governor with John Davies’ really instrumental help there.

Lage: Which comes back to their making contact [at your party].

Arditti: Comes back to their making that, yeah. In fact Gardner in his book—I was just reviewing it last night—talks about these dinners at our home and says something like “and many a deal was struck there.” I thought there could have been deals struck or not struck that we wouldn’t know anything about. Because when you have a large gathering of people they’re all little groups talking. Who knows what they’re talking about? But our aim was to, first of all, build goodwill for the university. And secondly to encourage the informal contact between university folks and state government officials that would make it easier for them to work together and break down stereotypes and so forth. And so we did quite a series of these over time. And they were a lot of work, but we enjoyed doing them. We had one event where we had a Nobel Prize winner from Berkeley as part of the mix. We just had some wonderful gatherings over time. But as I say, they ranged from almost one-on-one, say with the president and a key member. And with Gardner we’d have Vasconcellos one time, maybe Maxine Waters another time, others like that.

Lage: Did you have Gardner and Brown at all, Willie Brown?

Arditti: No. The speaker, he’s got like ten events to do every night. To capture him for a
whole evening is just not something you’re going to do.

09-00:36:23  Lage:  Because you do hear stories; I think Gardner himself told about watching the Super Bowl with Willie Brown, things like that. But I wonder how that developed.

09-00:36:30  Arditti:  I think that was hosted by somebody in the Bay Area. Now we had some good meetings with Willie Brown, though. We’d go in and he’d give us like thirty, forty minutes. The relationship with Willie Brown began on a very rocky basis and then changed dramatically.

09-00:36:58  Lage:  Let’s stop for a minute. [Break]

Okay, we’re back on after a lunch break. We were going to start out with some discussion of President Gardner and his relationship with Willie Brown and his first meeting with the minority caucus of the legislature.

09-00:37:31  Arditti:  Yes. I think when many people heard that a Mormon had been appointed president they felt concerns, because they viewed Mormons as being unsympathetic to the needs of ethnic minorities, of women and so on. And so actually Celeste Rose, who at that time worked in the Speaker’s Office, was asked by the speaker and others to contact Gardner and ask him to come for an early meeting with the caucus.

09-00:38:08  Lage:  Would she contact him through you or directly?

09-00:38:11  Arditti:  I think she did start with me, yes. We worked on this together. And so this meeting did happen. And people came with whatever views they had and with a long statement delineating the changing demographics of the state and the economic disparities and all that. And Gardner really handled it quite well. He said, “Look.” He said, “You’re not telling me anything that I don’t already know. And I think that it’s unfair to—” He said, “I think the reason I’m here is because I’m a Mormon and you have concerns about that. But let me assure you if you just look at my record, instead of your perceptions, in Utah and so forth, you’ll see that I have sensitivity to these issues and intend to do the best that I—” and so on. Anyway so this started out as a fairly heated meeting, which ended in a much better way. And after it was over with one member of the caucus came up to me on the way out. She said, “I did have my opinions before we had this meeting and now that it’s over with I thought to myself I realize now that I had a problem.” She said, “It was bias.” So that was a good beginning. But of course that didn’t—

09-00:39:42  Lage:  Did anyone stay suspicious, do you think?
I think some people still wanted to wait and see. I don’t think you get—you don’t totally convert people in one encounter. Later on, he did really take account of prospects in this state for growth, increasing diversity of the population, and really made some strides in modifying admissions processes, as well as employment and other things, to expand opportunity and to make room for the growth of the population that was seen coming. And growth and diversity are really very much connected, because the scarcer places are in the university, the more conflict there is between groups as to who gets to go. And so I think he believed, and I think Willie Brown and others recognized, that if diversity was to be accommodated that couldn’t really be done successfully unless growth was also addressed. So let’s come back to that in a moment.

But in the meantime this issue of divestiture in South Africa arose and of course this became a huge issue around the world, around the country, in universities around the country. And there was growing pressure both within the university and here in Sacramento among other things for the university to divest its investments in companies that did business in South Africa. And here there was legislation that purported to prescribe that. That was carried by Assembly Member Maxine Waters with the speaker’s strong support.

Particularly for the university, because there were other entities that could have also—

Yes. The state California Public Employees’ Retirement System and the California Teachers’ Retirement System.

Did they focus on those too?

They focused on all of them, yes they did. But somehow or other we appeared to be more visible in this than the others, even though we’re not the biggest. The other two are much bigger investors than the University of California. But anyway this became quite heated. Gardner and, for a long while, the Board of Regents were steadfastly opposed to this. He argued that we could be more effective by staying in those companies and trying to influence their behavior in South Africa than by pulling out. The regents, I think, did not want to divest because they felt it could cost money to the portfolio, and of course they rightly recognized that they have a fiduciary responsibility to maximize the returns consistent with safety.

So there was not a desire to divest. Things got more and more heated here. Gardner felt very strongly that for the legislature to be prescribing any kind of requirement like this would be a political intervention in the governance of the university. And it was, on that basis alone, wrong. In addition to the fact that he
disagreed with the divestment point of view.

09-00:43:00
Lage: Did it violate the constitutional immunity? Was that brought up?

09-00:43:05
Arditti: It did. The legislation had to have a clause in it, which it did, that this would be applicable only if the regents by resolution adopted it. I think there’s no way that it could have been prescribed. There was pressure, though, in other ways, including on the budget. I remember at one point when there had been an encounter between Gardner and the speaker. I think the speaker had appointed a special committee to deal with issues of UC divestment, and he called a hearing of it, demanded that Gardner be present to testify. He was very emotional and very categorical about what you are doing is immoral and this reflects discrimination and you shouldn’t be doing this. And Gardner listened to a lot of that. The room was packed. There were a lot of legislators there, including I remember Tom Hayden and even his then wife Jane Fonda came to watch this and so forth.

09-00:44:07
Lage: With press?

09-00:44:07
Arditti: Press all over the place. And Brown was just increasingly getting more and more agitated and so on. And finally Gardner said, “Look, Mr. Speaker, you’re talking to me about discrimination.” He said, “The bones of my—the western part of the United States are littered with the bones of my ancestors.” And it was just like, kaboom. And I thought, oh boy.

09-00:44:38
Lage: Now when you say that you mean Gardner himself exploded, or the audience?

09-00:44:41
Arditti: Well, he erupted more. He’s a very controlled person but he was more emotional in a public setting in that instance than I think I ever remember seeing him either before or since. And then of course that just made Willie Brown and the other legislators even more angry, and the whole thing just ended in like a conflagration.

And then I think within a day or two, this was a point at which the budget was coming to a particular point in the process where the subcommittees are submitting their reports to the full budget committee for action. And as they were voting on the UC budget the speaker came in the door with a flourish and they were coming to the capital outlay budget. He said, “Zero. Zero. Zero it out.” And at that point they actually did zero out the entire capital outlay budget for the University of California. It came back subsequently. But there was just a very high level of hostility between the university and people here who favored divestment for some period of time.
So we got through that year and then during the fall Julius Krevans, who was the chancellor at UC San Francisco and was very close both to Gardner and to Willie Brown, because this was just getting out of hand, so he used his good offices to get them together for breakfast one morning. I don’t remember whether it was at a restaurant or at the chancellor’s residence. But that turned out to be a really important meeting because from being adversaries in the most vehement kind of way they came to respect and like each other in ways that were very valuable to the university over time.

Lage: I don’t see how this one breakfast could have accomplished that. Did you hear any stories about that?

Arditti: I don’t know exactly why. I don’t remember whether the regents by that time had acted to divest. You may recall that Governor Deukmejian, who had earlier not favored divestment, after the regents had considered this at some length made a decision to support divestment and in fact called Gardner, asked him to meet with him, said, “Look, I’ve changed my mind about this. I’m going to ask the board to do this. I know we disagree. Nothing personal, but this is something I’m going to do.” Governor Deukmejian, of course, being Armenian, came from a background of people who had been persecuted, so I think felt some sympathy based on that. But in any event he did change his mind and the board did act to divest. Once that happened, that relieved a lot of pressure just in itself, because it was no longer out there as a pending issue. And I don’t remember whether that breakfast came before or after the regents’ final action. It could well have been after. There in the meantime had been regents meetings with thousands of people and police and legislators showing up, protests and all that.

But in any event this breakfast took place and I don’t know exactly what the chemistry was. But I think—

Lage: They’re an unlikely pair.

Arditti: They’re an unlikely pair, and yet there are great similarities. First of all, they both come from very humble backgrounds. Both are extremely bright and talented. Each at the top of his or her respective field. Both people of intellect, of pride, of accomplishment, of power. And each was the equivalent of the other in their respective fields. And I think they may well have simply concluded that if either was going to be optimally effective they needed the other one. They came to respect one another. And that really paid rich dividends, because even though we had all these conflicts between the legislature and the governor and between the Democrats in the legislature and the Republicans dominating the Board of Regents, the speaker was really very helpful when the chips were down on matters related to the budget and on legislative actions that were not friendly to the university. And in fact he stuck with Gardner to the bitter end when the
Gardner retirement issue arose. He stood with him in a press conference at a board meeting and so on. So this was really a dramatic turnaround, and I think a very significant event, both for those two people and for the university and its relations here.

So that was really quite a turnaround. But after that we’d have the president in town and we’d have no trouble getting an appointment with the speaker and spending sometimes thirty, thirty-five, forty minutes, which is a lot of time with the speaker of the assembly, talking about a lot of different things. There would be points at which there’d be a budget impasse between the legislative leadership and the governor and Brown would ask Gardner to try to intercede with the governor, and the governor would ask him to try to intercede with the speaker.

Lage: On issues relating to UC or other issues?

Arditti: Well, at least UC, and even more on the budget and so forth. Obviously, the president of the university can’t get involved in issues beyond the budget, but people see that you have what looks like a good relationship with someone. They think that that’s applicable to everything and anything when in fact it practically isn’t. But in any event people sometimes have that perception.

Lage: That’s a very interesting dynamic. Gardner mentions that he also was quite—he would call up Steve Merksamer in a way that you suggested, and get his advice.

Arditti: Yes, yes. Well, Steve is a very wise person and he and the governor were very very close, and a lot of the contact with the administration really was through Steve. And even when you’d be negotiating, say, with the Department of Finance or others over there, either Steve was guiding it or he would be willing to intercede and guide it if it wasn’t going the right way. So he was very centrally important. Things got to be a little more difficult after he left, because his successors were not as friendly or as close to the governor. Fortunately, the governor himself was very supportive, and so that was something that did continue during the time of his service. There were times when these budget impasses would occur and there might finally be an agreement between, say, the governor and the legislative leadership that would require then two-thirds vote on each floor of the house, which they were not able to get, at least for a while. And we found it necessary and sometimes were asked to help get votes.

I remember one occasion the governor and the Democratic leadership had agreed on a budget plan that would have required about $1 billion of increased revenues and the Republican members were refusing to vote for that, even though the governor being a Republican had agreed to this. And so we recognized that if that was not adopted it would probably result in a fair size chunk coming out of the university’s budget. This was directly related to what we could expect to get for
the university in that year.

And so we had planned, oh, a couple months beforehand, an event at our house for a particular weekend where we had then Regent Roy Brophy, who had a forty-six-foot boat up at our house with his boat tied up at our dock, and also Ron Brady, who was the vice president for business and finance, who had a boat tied up at our house. And these boats were tied up like back-to-back at the dock there. And we’d invited, I don’t know, thirty, thirty-five other people. This was to be a weekend, I think a holiday weekend, maybe the 4th of July or something like that. Not realizing that the budget was still going to be being haggled out here in the capitol. And so I had these guests arriving at the house while I was down here at the capitol, and then I started to think about it. I said, “How am I more likely to get votes for this thing? By hanging around here knocking on doors or going back home and working with Mr. Brophy,” who at that time was a major figure in the Republican Party. Remind me to say something about his role in the affirmative action issue later. But Mr. Brophy, who at that time was a major figure in the Republican Party and very, very close to the governor.

So I decided that we could probably do more work from the house than we could do down here. So I went back out, and I took the roll call and explained the issue to Roy. And he just loved to be helpful wherever he could anyway. And so we started this going where he was in his boat with one of those handheld cell phones. It was about that big in those days. And so he’d be—we made a list of members who we thought he might be able to have some influence with. And so he’d be calling out from that phone. But then we’d leave as the return number a phone up in the house, because if you just use one phone line, you leave a message, they call back, the line is busy, you never get these connections made. So I’m running back and forth between his boat and the house with these handheld phones going back and forth.

09-00:55:06
Lage: This is your party.

09-00:55:06
Arditti: And people are arriving. Hi. Welcome. Excuse me. What’s going on here? What’s going on here?

09-00:55:10
Lage: Now was this a family party or a business party?

09-00:55:14
Arditti: No, no, no, social, business slash social. Some people—

09-00:55:21
Lage: But you had people.

09-00:55:21
Arditti: But these were not family members, these were good people, good friends and so forth. But some capitol people and some university people and so forth. And so
yeah, I’d be running back and forth. And it was a fairly long distance there. And people couldn’t figure out what was going on. I didn’t even have time to explain it. We were just really working. And I remember at one point he got ahold of one legislator from the Central Valley. And he said, “Hi. This is Roy Brophy calling. I’m chairman of the Board of Regents. And I’m out here at Steve Arditti’s house. And I understand you’re not voting for this budget package with the revenue in it.” “Oh, that’s right.” He says, “Now I understand you’re interested in having a new UC campus down your way. Is that right?” “Well, yes,” says this person. “Well, how do you reconcile that with not voting for this revenue package?” Baboom, baboom, baboom. So anyway we went through that for a couple hours, and it had been like five or six votes short. And I think we turned around five or six votes just in that afternoon from the house out there. Larry Hershman and a member of his staff were down here keeping an eye on things from the gallery in the assembly while we were working the phones from out there. And that’s how that happened.

09-00:56:39
Lage: And this was a vote on the total budget, the state budget.

09-00:56:44
Arditti: On the total state budget.

09-00:56:46
Lage: But you were a part of it.

09-00:56:47
Arditti: But we were a part of it and in order for all the things in it to be funded it required about $1 billion of additional revenue. And if that part fell out then of course $1 billion worth of expenditures would have fallen out.

09-00:57:03
Lage: Do you think this was the Wilson regime?

09-00:57:04
Arditti: No, this was Deukmejian, this was Deukmejian, this was Deukmejian, this was Deukmejian. And then Gardner was president at that time.

09-00:57:13
Lage: Well, that’s another good story.

09-00:57:15
Arditti: That was a good one. Then there were times Gardner would go away on vacation every summer to an island in Montana or something like that where he had a family cabin.

09-00:57:25
Lage: Idaho, I think.

09-00:57:27
Arditti: Idaho. Something like that. And you never can tell what’s going to be going on
here in the summertime because they have a published schedule but they often miss it. And so whether it would be the budget going over late or some really difficult piece of legislation there would be an occasional time when we think we really need the president to make a phone call or we need a decision from the president. And this was a very remote place, this island. It didn’t have a telephone on it. And so the only way to get him was on the shore across from this island there was, I don’t know what, a little store or something or other run by a Native American person, and so you’d have to telephone, reach that person on a pay phone, and convince that person to get in a canoe and go out to the island and bring Gardner back to the pay phone in order to be able to talk to him about these things. And we tried not to do that very often, but we did it a couple—

09-00:58:27
Lage: He must have known when he got that call it was—

09-00:58:29
Arditti: He knew if he got that call there was something he’d better do, because first of all he and his family needed and deserved that time alone, and it was just so darn hard logistically to get him. So we did that once in a while. But that was another thing. The president is not somebody who should be arguing every issue to every person all the time. It should be a very carefully selected situation when other alternatives have been exhausted and it really matters and you think there’s a good chance it can succeed that you need to call on the president. And we did that. And they’ve all been good sports about it, I must say. They all have been.

09-00:59:08
Lage: I’m going to stop here, because—

Audio File 10

10-00:00:00
Lage: Okay. This is now Tape 10 continuing the interview with Steve Arditti on July 22nd, ’08. Okay, Steve. I just wanted, as a quick follow-up, you mentioned that the university’s capital budget was eliminated in one fell swoop over the divestment issue, and I wondered how you got it back.

10-00:00:29
Arditti: What we did was we began, we asked the campuses, all the campuses that had projects in, and every one had at least one project, some more than one, to contact their local legislators and to get others in the community to contact those legislators to reinforce the case of how important those projects were to those campuses and to education and to those communities. And the capital budget is a little easier to get people working on, because it’s a very visible thing in each community, each campus, the new library, the new science building. And it’s something that’s clearly for that particular locality. And so it’s a lot easier to get people mobilized around that. And so when you have a capital plan that covers the nine areas of the state, now ten, you can get quite a few people contacting quite a few legislators and getting them to come to say to the leadership, “Look, I
agree with you on divestment, but this isn’t the way to do it. We really got to move, and we need these jobs in my community,” or something like that. So I think that’s what we did. We just made a huge push from the districts, and that’s what turned that one around.

And then you had mentioned when we were off camera that every couple years you have to gather enough support to have another bond issue.

Yes. General obligation bonds require a two-thirds vote of each house of the legislature and a vote of the people. And so no matter how large a given bond issue is it runs out of money at some point and so then another one has to be authorized. And so part of our job was each period of time, sometimes every two years, sometimes every four—where we could get them to last for four years of course we preferred that, mostly it was two years—we’d have to work on getting that together. And in recent years we would partner with not only other higher education institutions but also K-12 education to come together with one comprehensive bond issue for education. And of course there would be big issues to work out about how much for K-12 and how much for community colleges and how much for UC and CSU because UC and CSU have fewer students than say community colleges and K-12; on the other hand the types of facilities that are used tend to be much more costly. A lot of problems in working those things out. But I think we learned that it was very important in terms of getting voter approval to get all the education community together behind a common package.

There was at least one year in which higher education was on by itself and failed, and so I think we’ve all concluded that we’re better off working together than otherwise. And so you have to first work among the educational community to get agreement on a package, then work on the legislature and governor to get them to approve it at a sufficient level of funding, and then get it passed by the voters. And of course the law says that you cannot expend public funds on a ballot campaign. And so that part of it all had to be done by a separate private entity that was set up as a sort of a political action committee which had to be funded exclusively with private funds in order to run those campaigns. There’s Californians for Higher Education that handled the higher education part of it.

So who would those people be?

Well, it was mostly the campus foundations that raise money from private donors for the university and are asked to make contributions then. And it’s always difficult to get them to do that, but they’ve done it. Efforts have been made to raise other funds as well with varying degrees of success.

Do the regents ever help with things like that?
Some have. Some have. Either in making contributions or in helping to raise funds from other sources. But it’s always very hard to raise those funds, because it’s not like donors get anything back in return for it.

Although the campuses get their buildings.

Campuses get their buildings. But in terms of private donors, remember, you can’t use campus funds for this. You can’t use any state funds. You could get in big trouble legally if you are found to do that. And so it’s a matter of who can you get out in the private community to donate money to these campaigns. And people are donating a lot of money to the university these days, over $1 billion last year, but for the most part they want to donate for a particular building or for an endowed chair or for scholarships.

And have their name on it.

Have their name on it, something like that. To give it to a kind of a political action committee, even though that has the capacity to bring much more in terms of building funding than the private gifts, is still not something that’s been very successful. So all those things have to be done effectively to get those bond issues passed. And those are pretty essential to having capital programs at all for the educational institutions.

There is another type of bond called a lease-revenue bond which does not require voter approval. People are reluctant to use that because it is viewed as circumventing the right of the voters to approve debt. Interest rate is a little higher and it’s very complicated and cannot be used for as wide a range of types of projects as the GO [general obligation] bonds. But we have from time to time gotten lease-revenue bonds, especially for programs to help our hospitals meet seismic budget needs for example. One year we got $600 million in lease-revenue bonds for that purpose. So that can happen from time to time. But there’s not a lot of enthusiasm for using that.

Does that mean it’s paid back by the revenue from the hospital?

Well, it’s whatever people decide they want it to do. We want the state to pay it. The state would prefer that the hospitals pay it. And I think we had worked out an arrangement where in any year in which a hospital’s net income exceeded a certain figure the hospital would then make the payments. I don’t think the hospitals have had to make any payments on that. I think the state has pretty well covered that.
It’s a complicated world up here; it really is, the more you go into it. Let’s see. You may have a thought where to go next. I want to talk about admission issues, which cross into several administrations, and also about the impact of the executive compensation controversy. But what would be best? Or is there something else you want to do before that?

Arditti: Well, I think one maybe I’d like to talk about that’s an easy one, the senate fiscal retreat that we used to do. And we have a couple of elements of what we do. One, of course, is to make the direct case for things we need, whether it’s the budget we want passed and certain things we want in it, or bills that we want beaten or passed or changed somehow. But a lot of the other things that we try to do are intended to create a climate that makes people then receptive to our arguments about the needs of the university. And one thing that we did for years and years and years, which has unfortunately fallen away last few years, was something called the senate fiscal retreat. Then Senator Al Alquist, who was a wonderful person—he himself had never gone beyond high school and had a career working in the railroads and I think at the age of fifty-five was elected to public office for the first time, I think to the state assembly, and then on to the senate. But he over time developed a great appreciation for the university and the talent that was in the university, and he said, “We’ve got everybody around here who has a lot of opinions but not always that much information, and not really taking time out to think about the long term. I would like the university to put together a program where we get members of my committee and good thinkers from the university and elsewhere together once a year for a couple of days to get educated on key subjects and think about the future,” and so on, which was a very—

Lage: What was his committee?

Arditti: The Senate Finance Committee, yeah, yeah, which is a very powerful post. And so it was very interesting. This really did emanate from him. And for, I don’t know, fifteen, eighteen years, a long time, this happened every year. It started out just at the Berkeley campus, later on rotated to a couple of other campuses. But as long as he was there he pushed to have this done, and he pushed his members to show up.

Lage: And what were the topics?

Arditti: And the topics would be whatever people would decide they wanted at any given time. There would be a joint process between people from the university and people from his committee staff thinking about what are the most pressing issues that the state is confronting and going to have to confront in the coming year and so on. And so it would only deal with topics that the legislative people were interested in. And then the university would help pull together experts that could
help with that.

10-00:10:28
Lage: From their own professoriat?

10-00:10:29
Arditti: Yes, yes, and it would also involve bringing people sometimes from out of the state altogether if they happened to be leading experts in that particular topic. And it was a lot of good discussion, and it was also social. It would start with a very nice dinner on a Thursday night and then seminar type activity all day on Friday, and then another dinner on Friday night. Typically one of those dinners would be at the chancellor’s residence, the other would be at a nice restaurant. And then concluding with a Saturday morning session and finishing with lunch.

And at its peak sometimes as many as sixteen, eighteen, twenty legislators would show up for that. Later they expanded it to invite others beyond just the Senate Finance Committee.

10-00:11:21
Lage: And did they take part in a substantial way, really get involved?

10-00:11:24
Arditti: Oh yes, yes, yes, yes, they did. And I remember one year one of those dinners took place at the Behring Museum. I don’t know if you’re familiar with the Behring Museum or not.

10-00:11:38
Lage: Yes.

10-00:11:38
Arditti: But Mr. Kenneth Behring is, I guess, a billionaire. He’s been in the wholesale car business and owns athletic teams and just all kinds of things. And he established, he had this magnificent collection of classic automobiles, many with really storied pasts, belonging to Clark Gable and Adolf Hitler, just really an incredible collection of cars. And restored them just to perfection. And so anyway he built this museum up in a place called Blackhawk in Contra Costa County, which is really something to behold. And then worked out an arrangement with the Berkeley campus to set up a foundation to run this museum and to have the university begin to have some seats on the board with provision that over time the university would gain more and more seats on this board until ultimately the university would control fully this property, this collection, the board and so forth. But it was a gradual transitional kind of thing.

And so in any event one night this dinner took place at the Behring Museum, and it was a magnificent event. The place itself is just stunning, and the floral arrangements and the white tablecloths. And we had dinner and a speaker and so forth, and everybody just loved this. And in the course of this, I think it was Mr. Behring mentioned to one or more of the legislators that he was thinking about stopping the growth of this project and maybe not going to donate any more of his
cars, because the state was wanting to charge him sales tax, and he said, “Why the hell should I have to pay sales tax on something I’m giving away?”

Lage: Sales tax on his donation?

Arditti: Sales tax on his donations. And the reason, technically there’s an explanation for it, but it didn’t make a lot of sense to me, is that since he had a car dealership license he was able to acquire these cars without paying sales tax, under the theory that the tax would be collected when the cars were ultimately resold. And so he was buying these cars for probably not very much money, because they were run-down, and then spending a huge fortune restoring them, and then being asked to pay the sales tax on the enhanced value of the vehicle, even though he was donating it. And he just said doggone it, he probably wasn’t going to do that anymore. So we got back here the following week and one of the senators introduced legislation. I think it was Senator Bill Campbell from southern California said, “That’s outrageous. I don’t see why that should happen.” So he introduced legislation to exempt these transfers from the sales tax.

Lage: These particular ones.

Arditti: These particular—well, it was generic language, but narrowly crafted. And so anyway it went through the state senate fairly easily. All these senators had been there for the dinner and had been exposed to this and so on, and I think now Lieutenant Governor John Garamendi was chairman of the Revenue and Tax Committee, and a loyal Berkeley graduate and so forth. So he was very helpful in helping us move this through the senate. The chancellor at Berkeley, Mike Heyman, was very anxious that we get this done, because he felt that we really needed to demonstrate to large donors that we were prepared to support them and work with them in a partnership fashion on these gifts. And of course private gifts are ever more important to the university in a whole host of ways. So he was urging us to really get this done.

So anyway we got it through the senate fairly easily and without much publicity. In the assembly, when it got over there, I guess a couple of news reporters picked up on this and started writing about this as though this was the latter-day successor to the Teapot Dome Scandal or something like that, this tax giveaway to this greedy billionaire for fancy cars, and what’s the university doing with fancy cars anyway, and all this. In addition to being a car museum, by the way, with great historic value, it also is being used I think as a center for university extension and other kinds of UC activities. It isn’t just the car museum, but that’s the most visible part of it.

And so this became a really—it was looking like a scandal in the newspapers. And we got to the Assembly Revenue and Taxation Committee, and they killed it,
and we got it reconsidered and they killed it again and we got it reconsidered and we got it out. Finally we got to the last committee in the assembly, the Ways and Means Committee. John Vasconcellos was the chairman. He wanted more than anything to kill this bill. And so we had it taken up and it was defeated. And we got it reconsidered and it was defeated. And that was to be the last meeting of the committee for the legislative session, so it really looked like this was dead. It turned out around that same time the university student affirmative action programs were holding their annual conference at the Davis campus and had invited then Speaker Willie Brown to be their speaker. And so they asked me if I’d come out there and just help host him, which I was delighted to do.

And so anyway I went out to the curb to meet him at his car as he was dropped off. And he said, “Well, how’s our car bill doing?” I said, “Well, I’m afraid it’s broken down.” He said, “Well, what do you mean?” I said, “Well, the Ways and Means Committee met for the last time yesterday and defeated it.” “Well,” he said, “then the Ways and Means Committee will just have to meet again.”

So sure enough the next day we look at the daily notice of hearings and there’s another meeting of the Ways and Means Committee and it’s got this bill on it, and I don’t know, four, five others. So anyway they get to this one again, it’s presented again, the votes are going pretty much like they have before. It gets up to the point where the roll is called three, four times. It’s like one vote short. And John Vasconcellos is about to slam the gavel and close the committee, defeat the bill. At which point Maxine Waters, who’d been quietly abstaining all along, says in a barely audible voice, “Waters, aye.” And there was this gasp that ran through the entire—because this is a very visible thing, it’s a big room full of people, there’s this gasp that just overtakes the room. And buzz buzz buzz buzz buzz. So it’s over with and everything’s breaking up and the reporters all crowd around Maxine Waters. “Tell us, Ms. Waters, what made you decide to vote for this bill.” And she flashed a wry little smile. She said, “I made a deal about affirmative action with David Gardner.”

How funny.

And that was the end of that. So there we got it. But anyway I guess the—

But what was the deal with David Gardner?

Oh, there wasn’t anything, that was—
10-00:18:55  Lage: That was a joke?

10-00:18:55  Arditti: Of course.

10-00:18:56  Lage: Now did you have a part in getting that legislation written and into the hopper?

10-00:19:03  Arditti: I think the legislator in question called me and said, “I learned about this, I’d like
to do something about it.” And I said, “All right, we’ll be delighted to help.”

10-00:19:17  Lage: Because Behring, he was a big donor. Maybe he was a big donor to some of these
legislators too?

10-00:19:22  Arditti: Possibly; I don’t know. And in any event they all got taken with the whole scene I
think, being up there. But yes, I’m sure that Behring probably is a donor to
legislators as well as to the university.

10-00:19:39  Lage: Well, I do remember a media at least brouhaha around Blackhawk itself, the role
of some Berkeley campus people in Blackhawk and houses at Blackhawk and this
museum.

10-00:19:49  Arditti: Yes. Okay, well, I wasn’t involved with the houses part of it, but I certainly was
involved with the museum part of it. But you could argue about whether Mr.
Behring was being fair in saying he wouldn’t donate any more cars if he had to
pay sales tax. But the truth of the matter is he owned the cars, and he alone could
decide whether he was going to donate them. And these cars are like gold in the
ground. I hope the campus doesn’t ever decide to sell them, because it’s a
magnificent collection. But it’s hugely valuable, hugely valuable. And so all these
arguments about well, he’s not being fair, or he’s being greedy, or that’s not—hey
[sharp whee] wait a minute, who owns them, he does, he alone will decide
whether he’s going to donate them. So only choice we’ve got is determine
whether his conditions are reasonable or unreasonable. If they’re reasonable, meet
them, if not say all right, don’t do it anymore. But it just seemed to me to tax
somebody—I understand the technical rationale for wanting to tax this, but as a
practical matter if somebody wants to donate something to a public entity, to then
tax them for it really goes contrary to the objective of trying to get people to be
generous with public institutions, or private institutions for that matter. So
anyway that was that story.

Mainly, I want to talk about the senate fiscal retreat, because I think for a number
of years that was something that the university did that really did serve policy
makers in a substantive way and also helped build goodwill that helped in other
respects. And so that was really the main point of that, but I just—
Lage: And also the good friend to the university that Al Alquist was.

Arditti: And then Al Alquist. This is such a remarkable story. People always tend to want to equate attendance at the university with support for the university. And the truth of the matter is there’ve been people who’ve attended the university who haven’t been all that supportive, and here was somebody who not only didn’t attend our university, didn’t attend any university, and turned out to be maybe the greatest supporter that the university has ever had in the legislature. He really was very powerful for many years and he really used that power to help UC through thick and thin in the worst controversies and all that. He was there standing at our side.

Lage: And would he pretty well follow what the university wanted? Or did he play a role like Willie Brown of trying to mold the direction?

Arditti: He was much more willing to follow the university’s advice as to—not always. Nobody’s on your side 100 percent of the time. They’ll all argue that they’re really friends at heart, but. But he was much more prone to be willing to take the university’s view as to what was good for the university and be as supportive as he could be, most of the time. Nobody is all the time, but most of the time.

But when you were in the most desperate trouble, he would be the place you’d go for, like the place-of-last-resort senator. Really in a hole here, can you help us? And he’d usually say, “What can I do? Tell me what I can do.” He was just wonderful, wonderful.

His second wife, Elaine Alquist, is now still serving in the senate.

Lage: Oh, she is?

Arditti: Yes, yes.

Lage: Look at your list. I’m thinking we might go to the executive compensation. First came budget problems, and then on top of it the executive compensation. And then maybe when we get into the Peltason years we can reach back on the admissions question.

Arditti: Okay. Well, Gardner paid a lot of attention to admissions. He saw both the growth and the diversity coming in the state, and I think believed very much that not only did all sectors of the state need and deserve an opportunity to get an education, but that over time if the university was not serving all sectors of the state it would not be supported by the state. And so I think he had really a strategic view here,
not only of the interest of the population but of the interest of the institution. In that I think he was absolutely right.

And so during his period in office there was in fact an expansion of admissions program aimed at increasing diversity, which surprised a lot of people who expected something other than that given what they viewed as his background and so on. But it was during that period of time that the programs were instituted which really did increase the numbers of underrepresented students, not just in the system but at the high-demand campuses, Berkeley and UCLA and so on. And there were also correlative programs aimed at faculty and staff and so on. All this was then dismantled basically when the regents adopted SP-1 later. But during that period of time these things really were making a difference.

Lage: And he apparently also had to deal with some unhappiness about affirmative action goals. Asian Americans were unhappy.

Arditti: Oh, of course, of course. Well, on any given campus, even if you as a system stand with a position that you’re going to make a place somewhere in the system for every eligible applicant, on any given campus that’s impacted, which is most of them, it’s a zero-sum game. If you increase the numbers coming from one category, you’re going to be somehow or other decreasing the numbers coming from another category. And the Asian American community felt very strongly that their numbers were being artificially restricted at Berkeley. And this became a huge controversy at Berkeley. Chancellor Mike Heyman wound up rendering a public apology to the Asian American community. And the next chancellor selected at the Berkeley campus when Heyman retired was the first Asian American chancellor, I think, in the history of the university, Chang-Lin Tien. So this was a huge issue. I never understood the details of it too well, because there were still huge numbers of Asian Americans being admitted at Berkeley. It’s not like nobody was being admitted. But I think there was a feeling on the part of the community that there were some elements of admissions policy that were nevertheless restricting it below that—

Almost like a quota system?

Well, it wasn’t a quota system really. But again a lot of this is just words. To the extent you are increasing—when you have a limited number of places, to the extent you are increasing the numbers that come from one category, you will necessarily be decreasing numbers that come from another.

And that was Mike Heyman’s goal, was to really expand the diversity of the underrepresented minorities.
Absolutely. It was his goal. It was Chuck Young’s goal at UCLA. It was the president’s goal. And I think the hope was that as long as you kept the system as a whole open such that everybody who’s eligible can find a place somewhere, you can have some variation within a given campus. But of course there are a lot of people for whom Berkeley is Berkeley, and they won’t want to hear anything about Riverside or Merced or Irvine or some other place. And so for a lot of people the fact that the system offers a place to everybody isn’t good enough. They’re interested in Berkeley or UCLA or some particular spot.

Now how did this impact you? How did you in your office hear about these things or have to deal with them?

Well, it would be an everyday topic here, because we’d have, on the one hand, legislators who were concerned about opportunities for underrepresented communities, particularly Latino and African American, pressing for what they would argue would be a democratization of the admissions process so that more opportunity could be created for those folks, because the numbers were just pitifully small. And at the same time, you’d hear from legislators with predominantly Caucasian constituencies and some with Asian constituencies complaining that this had gone too far and that deserving people were being denied admission. And in any given campus that’s oversubscribed there is no answer. If you increase over here you’re going to be decreasing over there. Just that simple.

But I think at that time the feeling was that certain groups were so underrepresented that something had to be done to get those numbers up, consistent with people being qualified. It’s interesting to note, by the way, that even as the numbers of underrepresented students coming in rose, so also did the average test scores and grades of the students coming in. So it’s not as though people were being recruited who weren’t qualified. But how different is a 3.89 from a 3.92 or a 975 from a 1010 or something like that on these tests? Particularly if you take into account the totality of somebody’s life and circumstances and accomplishments and all that.

But it got to a point where everybody would say, “Oh wait a minute now, my daughter got turned down, and there’s that person who’s African American got in, got two points lower on the test score, how can you justify that?”

And did you have legislators coming to your office with that kind of—

Oh, all the time, all the time, all the time.

That must have been really difficult.
And they’d be real live cases. Somebody’d show up at the door and say, “Look, my neighbor’s kid got turned down and she had three friends who were Mexicans who got in and their grades were lower than hers. How can you justify that?” Well, half the time they were just wrong on the facts. But in any case it was possible for that to happen. And the policy was we’re going to have a place somewhere in the system for everybody so that nobody can really say they’ve been turned away from the University of California. But that we are going to open the doors at these impacted campuses to people who haven’t historically come.

And for some of those kids, if they lived in the Bay Area or they lived in Los Angeles, to tell them to go away to school was a very tough sell. You could say well, there’s financial aid and this and that, but for a lot of families, whether it be for financial or cultural reasons, it’s pretty hard to send somebody away. And the truth of the matter is the big urban centers were where the big urban impacted campuses were.

Yeah. It’s one thing to say you can go to Riverside, it’s another thing to be able to afford to go to Riverside.

Yes, yes, yes. So anyway those were very tough times. But what is it that Gardner used to say? Those who think they have the answer—those who believe they understand the question do not have the answer, those who have the answer do not understand the question. I don’t have that exactly right, but the more you think about it, the less clear it is that there’s any kind of real answer. It’s just more a matter of your philosophical or policy view about how the assets of the university as an educational institution should be divided among different kinds of people, individuals or groups. And there’ll never be a perfect answer to that. Obviously, now we have a state constitutional policy that prohibits taking ethnicity or gender into account, so that for the time being anyway has resolved that in a particular way. It’s made it much harder to diversify the student body and the workforce.

But in a way takes the pressure off from the legislature.

It takes it off the legislature and I don’t know whether it takes it off the—people still feel that the university has got enough brains that it can figure out how to do it, whatever the law says. Just you guys claim to be so smart, you figure it out.

So you still get that from the legislators.

Oh yes, yeah, yeah. I think not as much so as at one point. But you look at the way the Latino population is growing in this state, it one day will be the majority population in the state. And people are not going to be content not to be able to
have their kids educated at the university. And fortunately progress is being made even in spite of Proposition 209 and the restrictions on considerations. So that’s I think perhaps a tribute to—I’m not sure what. I think maybe the academic preparation outreach programs are having an effect, and maybe other things as well.

10-00:34:37 Lage: It seems very tied to K-12. If you don’t educate them in K-12, how can they manage at the university?

10-00:34:43 Arditti: Well, of course. And the latest data that just came out showed something like a quarter of students in the state don’t graduate from high school. And then you start breaking that down by subcategories, the numbers get to be close to 50 percent in some categories. So obviously if they’re not even graduating from high school, they’re not going to be ready to come to UC.

10-00:35:10 Lage: It’s a complicated deal.

10-00:35:10 Arditti: Big, big, complicated problem for the state.

10-00:35:12 Lage: Well, I want to talk more about SP-1 and 2. But maybe let’s put that in its setting, do you think, later?

10-00:35:20 Arditti: Okay. That came during the Peltason period.

10-00:35:24 Lage: Right. And was a feature of his presidency. But are you doing okay? Let me just turn it off for a moment. [Break.] Okay. We’re winding down here, but we have one more topic for today.

10-00:35:41 Arditti: Yeah. We’ve talked a little bit before about the controversial nature of the use of animals in research and various efforts to restrict that. There was one conjunction of issues that really put that question pretty squarely. As the AIDS epidemic began to be visible, Speaker Willie Brown and a member of his staff embarked on an effort to expand the amount of funding for AIDS research and worked directly with a number of researchers, many of them at UCSF, to put together a package of proposals, and then came to us and said, “Look, we need the university to be doing more research on AIDS.” We said, “Yes, we’ll be happy to do that if the funding can be identified.” And so proceeded to add money to the budget, but also then presented us with a book of specific research proposals from specific faculty members and then said, “These are the ones you will fund.” And we said, “Wait a minute, research has to be determined through a peer review process. We’re not going to be taking anything that’s just handed to us like this.” So that was a huge controversy.
And this was you say Willie Brown’s staff that presented this?

Willie Brown’s staff, yeah, yeah. And so we were being berated in various quarters for not doing enough research on AIDS at the same time we were being berated and pressured about the use of animals in research. And there was actually one day in which we had a hearing in the morning on an animal research bill in which we were being attacked for the use of animals in research and then another hearing in the afternoon in which we were being attacked by the same people for not making enough progress in AIDS research—when the truth of the matter is a lot of the research having to do with AIDS required the use of animals. And I actually did corner one of the legislators who was most vocal on both of these things, and I said, “Excuse me, Senator. Has it occurred to you that if we’re going to do more AIDS research one thing that’s going to have to be done is that we’re going to have to use animals?” And he just said, “Oh.” He said, “Look.” He said, “I’ve got a bunch of constituents and supporters here. I just had to make a show here. I know you have to do that.” And then he may have—yes. So people don’t always see the—either don’t see the inconsistency of views they hold or see it and just put it aside. But there was a clear conflict here between these two values of eliminating animals in research on the one hand and getting adequate research on what was a dire public health epidemic.

Were you ever able to get this all under one umbrella?

The research program?

Well, the limitations on animals and continuing the AIDS research.

Yeah, we just kept beating back the efforts to restrict the use of animals in research. Nothing here ever really passed that would have succeeded in interfering with the use of animals in research. I think as I may have mentioned earlier some reforms were initiated by the university in the way animals are cared for and the work supervised. Which was I think important in itself and also important in defusing some of the pressure coming to just block research altogether. But we never lost one of those in terms of any ultimate restrictions that were passed. The buildings that were nearly lost we got. And the bills that nearly passed we beat. So that hasn’t happened, at least so far.

Now what about the understanding about how to handle the AIDS research?

We just flatly refused to accept advance specification of how that money would be spent. And that put others in a position where they had to decide whether they wanted to try to find somebody else to do the work, which they couldn’t, because
all the talent, most of the talent, was at UC. Or relent, and let us use it in the way that we handle all research funds, that is allocating it according to established policy objective through a peer-reviewed grant process.

Lage: Now did your office ever get back to those campuses? I would think that the faculty who had been lobbying the legislature—

Arditti: Yeah, we talked to the chancellors of those campuses. There was primarily UC San Francisco and Berkeley. And some of those faculty I think were innocent and others weren’t. But there are just certain lines you have to draw. I certainly believe you have to evaluate every situation to determine where accommodation is necessary or acceptable. But there’re some things you just have to draw the line. If you start having research investigators handpicked by politicians, you may as well just padlock the place and go home. And that was one where we just had to draw that line. It was very tough, because it was very heavy pressure coming from the speaker. He was at the peak of his power. And on many other matters was a friend that we were relying upon. And yet we really had to draw this line in the sand on this issue.

Lage: Did he get it?

Arditti: Oh, eventually, eventually. Then Vice President Cornelius Hopper, who was vice president for health affairs, was really very instrumental in all this too, because he had responsibility for this, and he got in the middle of this personally, as well.


Arditti: Yes. And it was a very tense time, very tense time.

Lage: When you talk about these hearings, one in the morning, one in the afternoon, are you testifying at the hearings? Or are you arranging for faculty or people?

Arditti: It depends on the circumstances. Sometimes you bring in expert witnesses of one sort or another. At other times you just do it yourself. And it’s a case-by-case evaluation of what it takes to maximize the likelihood of success. On animal research, there was one point at which we were having just—one of several points we were having very serious problems. And the opponents were getting a lot of mileage by showing photographs of allegedly abused animals that were very sad to look at, getting a lot of emotional strength up with that. And we decided that just making the intellectual argument was not really doing this for us. We needed to do something to get into people’s hearts as well as their minds. And so we started to bring some patients up here who’d been helped by things that had
resulted from animal research.

And for example, working closely with Stanford University, where heart transplants were pioneered, we got some heart transplant patients up here, both appearing in front of committees as witnesses and walking the halls with us going door-to-door to offices, saying, in effect, “Look, Senator, I would be dead today had it not been for research that was done on pound animals that led to this heart that’s been transplanted into me.” And I remember we had a bill that was awaiting hearing in a particular assembly committee, and we’d been unable to get the chairman of that committee to even meet with us. And that’s usually not a good sign. If they’re on your side, they’re always happy to talk. If they’re ducking you, there’s usually a reason for that.

And so anyway one of these hospital patients—we had about a group of four who just basically came up here and lived with us for a week. And we went all over together. And we went to dinner one night. And one of these patients was a beautiful twenty-six-year-old woman who had had some kind of virus that had gotten into her heart muscle and her heart was just gradually atrophying, and she was going to die if she hadn’t had this heart transplant. And so she was now devoting herself to promoting further research in transplantation and all that. And so we walked into Frank Fat’s Restaurant for dinner and lo and behold there’s this committee chairman that we’d been trying to see unsuccessfully. And I guess he’d arranged for his entire committee to have dinner in the second floor room that exists in this restaurant. But they hadn’t all gone up yet. And so we walk in the door with this patient, and he gets a sight of her and starts giving her the eye from head to toe. And without hesitating for a minute she walked right up to him, got him pinned against the wall, and he’s saying, “Oh, boy.” She says, “And my name is” so-and-so “and let me tell you my history and why I’m here.” And she’s just giving him the business in ways that way exceeded anything that I could have done personally.

She had a knack for this stuff.

Oh, she really did. Well, when your life has been saved, that certainly is a source of passion. And so she really gave it to him. And he finally went with us. I don’t know what he would have done without that. So there are times and places for all sorts of approaches. On a lot of routine things it’s just as effective to just do it yourself. They only give you a couple of minutes’ time anyway. But you have to evaluate every situation to try to figure out what’s the best approach.

Now just the last question. This sounds like almost about a twenty-hour-a-day job that you had. Is that—

Yes. Yes. Yeah.
Lage: Tremendous amount of time.

Arditti: Yeah, it is. If you had the physical energy for it you could spend twenty-four hours a day on it, because there’s always something more to do, always.

Lage: You’re entertaining at home, you’re arranging legislative hearings, you’re analyzing bills, or having your staff analyze.

Arditti: Yeah. And often the hearings and floor sessions run late into the night or even into the early morning. But yes, it is an all-consuming job.

Lage: And then you also have your relationships with the campuses and the President’s Office.

Arditti: Yes, yes, yes, and so you really have to try and stretch. And you never do enough of anything. And the more you put in here, the less time you have for the campuses and the President’s Office. And yet if you don’t have good lines of communication and relationships with those groups then you can’t really be effective here. So it is really an all-consuming thing. On just an average day you’d be here all day, get home till maybe seven o’clock, have dinner for an hour, hour and a half, pull out the briefcase and spend an hour and a half or two hours on that. And that was on a day when there wasn’t a night hearing, a night floor session, a night event out somewhere or a night event at the house. So yeah, really it takes about all you’ve got.

Lage: I’ll say. Well, that’s a good place to end for today and give you a rest here.

Arditti: Okay, thank you.
Okay, we're back on with Steve Arditti and this is our fourth interview. I'm Ann Lage from the Regional Oral History Office and today is August 20, 2008. Okay, Steve, and this is tape number eleven. That's how much we've talked.

Maybe I'd better be more concise.

No, no. I don't think so. Last time, we pretty well covered the Gardner presidency, at least through the good times, but there was one thing you mentioned before we go on—the California Council on Science and Technology.

Yes, yes. The California Council on Science and Technology is a group that was formed by UC and the state's other research universities, including Stanford, USC, CalTech, and also has included now the California State University, as well. And its purpose is to advise the state and the governing boards of institutions on science and technology policy. And the group has just celebrated its twentieth anniversary. Its origin, however, was kind of interesting because there were a number of people in the legislature—this would have been when Governor Deukmejian was governor and then Senator John Garamendi was in the senate and now Congressman Sam Farr was in the assembly, and these were people who, on the one hand, were very strong supporters of research and its role in the formation of public policy, but felt that the university was really not being sufficiently attentive to the policy needs of decision-makers in terms of determining research priorities. And so there were various legislative proposals to try to have the state taking a stronger role in determining the university's research priorities.

Like telling professors what research they should concentrate in?

Pretty much, yes. Maybe, you know, directing research dollars only to subject areas that people here thought were important. There had been a point earlier when then Assembly Member John Vasconcellos had tried to slice off a part of the university's organized research budget and put it into a separate line item for policy-related research. That had been much earlier. Out of that grew the university's decision to establish what became the California Policy Research Center. That was much earlier. But this was sort of the same issue again, in a slightly different format. But in any event, as you might imagine, we were extremely concerned about the prospect of the state trying to
determine research priorities for the university. And so, after struggling with this for some time, we came up with an idea to instead form this group that would, in effect, have the institutions gathering together and then bringing in people from high tech industry to talk about the state's needs in technology and the science and technology policy, and provide advice to the state government, as well as to the institutions. So we kind of turned it around.

And we worked for a long time, just internally, developing the idea before even breathing a word of it to anybody across the street. Then we reached out to the other research universities to see if they were interested in joining in. Once we had the idea somewhat cooked, or at least, so we thought, and had the agreement of the other research institutions, we went back and took that to the legislatures who had been pursuing these other ideas that we didn't like. And fortunately, they liked the idea, and so then—

And who would they have been?

Those would have been, primarily, Lieutenant Governor, then State Senator John Garamendi, now a member of Congress, and Assemblyman Sam Farr, also now a member of Congress.

And so, out of that, Assemblyman Farr offered a resolution, which I think we had some role in drafting, which called upon the research institutions to form this group and said quite a bit about how it should be structured and what its role should be. And so it was established. We made a specific decision not to seek funding from the state, because we felt that if we did that, they were immediately going to be trying to dictate exactly how it operated, and we felt we needed some elbow room here for the institutions to form this and get it established. And so it was established and it's now twenty years old. And this past—

Does it include industry?

Yes, there's—

So they're members?

Oh, yes. Very much. Well, there was a board of directors, or something like that, that has primarily the educational institution. Then there's the council and the council has a broad array of really very distinguished people from
industry. Various high tech industries. It's a stellar group. I mean, people who are very prominent scientists, as well as the business leaders in the private sector. And so it really does kind of bring the universities and the private sector business community, and the government together to talk about science and technology issues confronting the state, and then issue various reports and recommendations. Funds are solicited and accepted to fund specific projects, but not for the core operations of the council. That's paid by the institutions. And just this past spring, the twentieth anniversary was commemorated at one of the periodic dinners held by the council that are held in conjunction with its periodic meetings.

Lage: Now, what type of people from the university take part in it?

Arditti: Well, there are just a whole array of different people. I mean, on the board of directors, which is sort of the operational arm of it, you have one or two vice-presidents of the university, say the provost and the vice-president who handles external relations, something like that. But, you know, from Stanford, you might have a dean of one of the colleges of science or something like that. CSU, might be one of their vice chancellors. It's a pretty high level group. I forget how many board members each institution has, but I think Karl Pister, who is a former—so many different things, head of the Academic Senate, and chancellor in Santa Cruz and vice-pres—

Lage: Dean of engineering.


Lage: Yes, he is.

Arditti: But he's just a marvelous, wonderful person. But in any case, he's been on that board for some time. Whoever the provost is has been—you know, Jud King earlier and more recently, Rory Hume, and now it'll be someone else. So it's a very high level group of people who serve on that from all of the institutions.

Lage: Not so much the working faculty scientists?

Arditti: Well, they get involved more in the specific research projects and—

Lage: So does he—
—and as members of the council as opposed to the board. The board is the kind of administrative arm. You know, runs the budget and hires the staff, and things like that. But the council, which has faculty members and people from industry, is where the work is done in terms of the science policy issues.

What is the outcome of this?

Well, they issue reports on various topics, making policy recommendations, and then they—

To the state.

To the state. And/or to the research institutions, too. And then they do more than just write the reports. I mean, they usually then, you know, schedule meetings with various policy makers to present the findings of these reports, pretty actively circulating that information in the hopes that it’ll be helpful with the policy. And some of these reports are commissioned by government agencies who have problems that they want advice about. You know, to the extent that political people pay attention to science and technology, it's been, I think, a positive element here in at least providing them good, solid scientific advice, which they sometimes take and sometimes don't. But it seems to me it's a much better use of the scientific talent of the state to kind of come together from these different sectors, focus on these problems, and provide policy advice, rather than to have the state coming in and trying to tell the university what its research priorities ought to be.

Now, how did the idea germinate? Did it come out of your office?

Yes, along with Belle Cole in the Academic Vice-President’s office.

And then when you say you worked it out—

Well, there was a working group that we put together, really.

You foresaw this problem?

Well, we'd been struggling with this problem for a long time. It was not a new problem. I mean, it was an old problem, really, that had gone on for a long time. We just hadn't been able to quite come up with a solution that seemed like a good idea intrinsically and that would sort of end this tension that was
going on. And so the hope here was to devise something that would be substantively meritorious, that could actually help the state and work, and that would also at least mitigate, if not end, this tension that existed over who ought to decide what the university’s research priorities should be.

And so we actually had a little working group that included myself and another person in the office and two or three people from the president's office in Oakland, including Belle Cole, who had been in the academic vice-president's office. Very talented policy person. And we went back. You know, someone would originate a draft, and it would go out to all of us, and we'd all look at it and think about it, and critique it, and then we would meet. I don't know how many times we met, because some of us were here and some of us were in the Bay Area. We took to meeting in some little divey restaurant halfway between here and Vacaville or someplace like that, until we finally had a document that we thought made good sense and might hopefully be salable. And then that's when we began talking to the other educational institutions, and then finally we took it back over to the people across the street. But it seemed to me important that we try to do our own best thinking in collaboration with our fellow institutions before beginning to talk to people across the street. You know, just not a good idea to take things that are half cooked and not really very well thought through. And, of course, sometimes you think it's well thought through and fully cooked, and then you find out it's full of holes anyway. But it seemed that our obligation and strategy here was to do the best we could to craft something that was really solid before beginning to discuss it with others, and so that's the way we handled that.

Would this group have taken a role in the stem cell initiative at all? That's another industry/university/government partnership.

Well, the difference there, though, is the stem cell entity, which was created by an initiative, is a funding agency for research grants. The Council on Science and Technology does not fund research.

But did they take any role in advising legislators about the stem cell initiative or anything?

I don't think so, because it was not a legislative initiative. It was a voter initiative and the legislature had no role in it. As a matter of fact, there's an ongoing tension between, now, that body and many in the legislature because those who crafted it deliberately minimized the role and authority of the legislature in the operation of that whole program. And so many people in the legislature don't like that. But it reflected the desire on the people who put it together to be able to control it and reflected, I think, a certain distrust for the legislature and for what it might do if it got involved. I'm not about to try to
pass judgment on the merits of this. It's very complicated. But, you know, it was an unusual thing in that it borrowed money to fund operational activities. And, as you know in your own personal life, it's one thing to borrow money to buy your house. It's another thing to start borrowing just to pay the month—the weekly food bills and other things like that. Get into a lot of trouble if you do that very much. But in any case, that is the nature of these voter initiatives. People can craft anything they want exactly the way they want it, put it on the ballot, and if they can get the votes, it's done.

Lage: But I would guess that an awful lot of university people were very happy with that because it meant research money.

Arditti: I think a lot of the people who do research in that field were very happy with that. I think those who are responsible for operating the university were less enthusiastic, frankly, but felt really kind of in a bind here because you have the prospect of all this new money for research and—

Lage: And buildings.

Arditti: —and buildings and all of that. A faculty who favored it. And some of our faculty had been actively engaged in crafting it and all that. But on the other hand, you had just the general policy issue of using borrowed money to fund operations and the fact that this would, however meritorious, in some way come back to compete with the university's core budget.

Lage: Oh, I see.

Arditti: I mean, there's just so much money the state has, and if you've paid any notice at all to the current budget fight, it's a lot less than is thought to be needed. And the university is never able to be adequately funded in terms of what we know the needs are, and so every time you put another big bite on the general fund, that puts more pressure on the core budget for the university. And so from the standpoint of somebody who is responsible for the overall governance and management of the institution, do you want a big bite that comes out of this limited pie that will fund just one piece of the place, or would you rather get it in the university's general budget and have a greater opportunity to determine the priorities and allocate it within the university? I mean, I'm probably giving away my view on this.

So there was that kind of tension that people had to sort of wrestle with in terms of deciding how they might feel about it. But whatever it is, the voters made their decision, and it is operating and it is allocating funds. And, you know, I just hope that one day the federal government steps up to the plate and
makes it less necessary for this state and others to fund things in this way, because with a state that's already broke to be spend—this was a three billion dollar initiative with interest was—

011-00:16:43
Lage: Six billion.

011-00:16:44
Arditti: Excuse me, six billion by the time it's all finished. You know, six billion is about the size of the hole they'd have to fill with cuts, even if they raised taxes, in terms of the current budget. That's a big chunk. That's like twice the annual budget for UC, just for that one purpose. So, as with so many things, there were pros and cons from the university's part of view. But—

011-00:17:10
Lage: But the university didn't take a stand at all?

011-00:17:11
Arditti: The university did not—no. But there was debate about it. There was debate about it. Oh, yes. Because I mean, a lot of—

011-00:17:17
Lage: Well, tell me about that.

011-00:17:18
Arditti: Well, I mean, particularly a lot of the faculty people who had been involved in helping to develop this wanted the university to support it. And there was a lot of debate and the decision was finally made not to support it, but not to oppose it either. To remain neutral. But—

011-00:17:38
Lage: It wouldn't be the kind of thing the university would oppose, would it?

011-00:17:41
Arditti: Well, if I'd have had my way, we would have.

011-00:17:44
Lage: Oh, you would have? You tried to get them to do—

011-00:17:46
Arditti: I'm a private citizen now. I can say these things. I think it's bad public policy to be funding operations out of borrowing. And the university's general core budget is so strapped as it is that they have another big chunk there that will just compete against it and shrink it even further. I didn't think it was good for the university's overall health, even though it was a big boon to people who do research in that particular area. Look. Stem cell research looks like a vital new area of work and for political and ideological reasons, the federal government refuses to fund it. It needs to get done. And maybe someday we'll all be glad this happened, you know, because there is a lot of very valuable work going forward. It's not too often in life you come up against something that's 100
percent good or 100 percent bad. There are always kind of pros and cons and complexities, and you need to kind of line up the pros and the cons, and then judgment has to be exercised. And the voters exercised their judgment and they enacted it. But people tend to think that every time there is a prospect for more state money to be spent on topic A, that that's a free good, that that's just above and apart from what—

Lage: Well, it is from bond issues, not out of the budget.

Arditti: Well, no. Look, the bond issues have to get paid back out of the general fund. In every budget, I don't care how much revenue they've got, the first priority has necessarily got to be bond repayments.

That's what people forget.

That's what people forget. Just like in your household budget. You know, you can spend more. You can take an equity loan to fix up your house, but then maybe you won't be buying that new car or you'll be eating cereal instead of meat or something. I mean, you know, there's just so much there. I mean, unless you're a billionaire or something like that. But, I mean, there's just so much there. And unless new ideas generate the revenue to pay for themselves, all these expenditures compete with each other.

I think an honest way to propose new expenditures, through any process, but especially on the ballot, is to propose a revenue source to pay for it. Then, at least, it's not stealing money from something else. It really is a net add on. Some things are very legitimate to borrow for. You know, when you're building buildings that are going to last for fifty years or something like that, it's perfectly logical to say that generations over time should share in the repayment of that. So borrowing has its place, and financial experts have their views about what proportion of operating revenues, whether it's a household budget, or a state budget, or a national budget, can responsibly consist of borrowed funds and repayment. And they talk about maybe six, seven percent of general fund revenues as bond repayment being a responsible debt load.

So I'm certainly not suggesting there shouldn't be borrowing, and I've spent a lot of my time fighting for bond issues that are borrowing. But those bond issues were for buildings that would last for a long time, where there are many good arguments that some subsequent generations who are going to benefit should participate in the repayment. To do it all at once would be prohibitively expensive, so there is good and sufficient reason to do that. The other thing, is, too, construction costs keep going up, and so if you know you're going to need something, you may still be better off financially building it and paying the interest. I mean, there are some very conservative people who argue that we
shouldn't be borrowing even for buildings. It ought to be "pay as you go." But if you did that, I think you'd build a lot less. A lot of these buildings you either would never have or they'd cost a whole lot more anyway. And there's not necessarily a good reason why the present generation should pay the entire cost of these long-term assets. But operating activities, I think, arguably is a different case.

Lage: Let me just ask you to go back to the stem cell. At what level did the discussion go on about whether the university should support it? I'm pretty sure—

Arditti: I don't know that there was ever a formal mechanism. But, I mean, I think certainly—

Lage: It didn't go to the regents?

Arditti: It never went to the board. I think there was talk at one point—one or more board members had talked about the possibility of putting it on the agenda, actually. But I don't believe it ever actually got to the agenda. And I think there had been some conversation among the chancellors and some of the vice-presidents and others.

Lage: Mostly pro or mostly con?

Arditti: I think kind of torn. I mean, the fact that the decision was to be neutral, I think, kind of reflects that, you know, because it's a great cause. A lot of our own faculty were involved in it and were pressing for the university to support it. So that's not so easy to just say no.

Lage: And the prominent faculty, probably.

Arditti: And prominent. Some very prominent—

Lage: UCSF people?

Arditti: Well, UCSF, UC San Diego, and people who, in some instances, were close associates and good friends of top-level decision makers, even. There was, I think, one very prominent faculty member at UC San Diego who had been very close to President Atkinson, for example. So that was all there. But I think what people like that either don't recognize or don't care about is that it's
not a free good. If you got more over here, there is a very good chance that you're going to get less over there.

Lage:

And do you get called in on all these discussions to give the view—

Arditti:

I was involved in that, yes. But, I mean, this is an issue that reoccurs all the time, because, you know, the way the university has operated, there is a single university-wide budget that's prepared each year and adopted by the regents, reflecting the priorities of those who run the university, which then we take to the governor and the legislature. And then you have the issue periodically of either well-intentioned legislators, or people out there, the university faculty members or others, wanting to go freelance and seek funding for something that they want to do. They say, "Oh, and I don't intend for this to come out of the budget of the university." Well, what they intend and what may happen may not be the same thing, because at a cer—

Lage:

They're thinking they'll get an add-on.

Arditti:

They think they'll get an add-on. But at a certain point, there's only so much they're going to spend on the university, and so the question is going to be more what will it be spent for rather than will this be an additional expenditure. And so I've always felt—and, I mean, I got in trouble with a lot of people a lot of times over this—that once the internal process had developed the budget priorities for the university for the coming year, that's what we all needed to get together and support and defend and try to fight through, and that we should not, by and large, in the absence of emergencies or very special circumstances, be supporting these other things that would come in from other places.

Lage:

So were you viewed as an obstructionist by some of the faculty?

Arditti:

Yes. Oh, yes. Well, yes, occasionally. Obstructionist, gatekeeper, pick your term. But, you know, my direction was quite clear. We had a budget here that was not just developed by the faculty. Not just by the chancellors. They were involved. Not just by the president. He was involved. But approved by the regents. All those. And that was the expenditure plan that reflected the priorities of the institution. And I always felt, and I think correctly, that my job and Larry Hershman's job, then, was not to determine what was in that budget—well, Larry's was, because was the budget director. And certainly I felt that I could provide advice as to what ought to go into it. But once the people who have that responsibility had made that decision, that's our job, to get that through. And if you have other things coming in from the side that threaten to compete with that, that's not consistent with that.
Lage: Now, how would you handle those situations? Is there an example?

Arditti: Oh, there—

Lage: Because you're not in any kind of line authority over these people.

Arditti: No, no, it's difficult. Well, I mean, at one point, we had a situation. We had three or four of these things going on at once, and we talked to the president and he was very unhappy about it and made clear to a couple of chancellors that they needed to just call off the dogs in terms of a couple of efforts like that. But by and large, the chancellors have been very good about this because they've participated in developing these budgets. But, you know, they're under stress all the time because there's never enough money to fund everything that people on the campuses want and it's hard for a chancellor to look at a faculty member or somebody on the campus and say, "No, you can't seek that money." It's not something they really welcome the opportunity to do, nor did I welcome the opportunity to deal with this.

But, you know, sometimes I would spend time talking with an individual faculty member or a campus person who was trying to do something like this to try and talk them out of it. Sometimes I would talk with people here in Sacramento to try to discourage them from doing it. Sometimes we would turn to the campus in question, either to the chancellor or to the executive vice chancellor and say, "Look, this is coming from your campus. This is not consistent with our budget. We need your help in reigning this back in." And for the most part, you could work things out. It was an unpleasant part of the work because, for the most part, none of these things people were seeking support for was evil, really. I mean, they all had good arguments in favor of them. It's just that the place to put those arguments is inside the university when the budget's being formed, not after it's formed and brought here.

Now, you know, you never want to be dogmatic about these things. I mean, emergencies happen, for example. AIDS was discovered to be an epidemic at a point where the budget for that cycle had already been—and so we had a big effort here. It originated really outside the university, but with participation by a number of university faculty members to get a bunch of additional state money for AIDS research. And I think there we all concluded that this was now shaping up to be a public health epidemic of such magnitude that this had to be considered an emergency and we all needed to get together and work on that, even if it meant some risk to the budget. I don't think we lost anything else in the budget over that.

Lage: So you think maybe it did become an add-on?
I think that one did, yes, because there was just such a sudden and growing recognition of the dire nature of that problem. So, you know, you never want to say never. But I just argue that as a general principle, the budget ought to be formed thoughtfully internally and ought to be brought as a consolidated budget, and then everybody in the university ought to get behind that. And that's the way you maximize both the amount of money and the ability of the university, itself, to determine the priorities and the operation of the institution. I mean, those are, to me, high values. Maximizing the resources and maximizing the university's independence in determining how it's going to use its resources. That, I thought, was my job. But, as I say, there's nothing scientific about this process here, and so there are always things that come up that you either can't control or that reflect some exceptional situation where you just need to make an exception to what otherwise would be a general rule. And I think you have to be open to that. But I just think it should be a fairly high bar before you accede to something like that.

Yes, yes. That's interesting because I think it's something not well understood, maybe.

Oh, I don't think it's understood, at all. And you get a lot of confusion as between the federal government and the state government. Because in the federal government, we don't get direct appropriations for the university, at all. There is no single federal budget plan that would—

No. It's individual research—

It's individual researchers going around to agencies and seeking grants and earmarks and all that stuff. And for a lot of these people who have that kind of experience at the federal level, they don't realize or understand why there's any difference between the federal and the state. They're just doing what they've learned to do, you know.

I should be clear on this, having interviewed Larry Hershman, but it appeared to me that most of the state budget came as a—you know, based on the enrollment per student.

Yes.

Now, on top of that, is there a research budget?

Oh, yes. There's an organized research item, which is—
Lage: Oh, that's separate from that.

Arditti: Separate from that.

Lage: And that's what we're talking about here.

Arditti: Well, that's one thing that we're talking about here. There's a public service budget that funds things like cooperative agricultural extension and things like that. Organized research budget that funds a lot of research. Agricultural research is the largest chunk of that, but it funds a whole bunch of different things.

Lage: That's a process that the campuses go through? What organized research units will be approved?

Arditti: Exactly, exactly.

Lage: And then they get state funding.

Arditti: Exactly. But remember, most of the state budget has come in a single line item. And so at a certain point, they can raise that or lower it, and sometimes neither they nor we know what specific intentions were—just smaller or bigger or something like that. And then the university has to cope with it at the end when it makes budget allocations. So, I mean, these things, if they are offsets against the budget, can be done in such a way that nobody can really say what the intended effect is. It's just that it's less and then somebody has to figure out what to do about that. You know, do you take it out of faculty salaries? Do you take it out of libraries? Do you take it out of enrollment funding? Do you take it out of organized research? Take it out of public service? I mean, we've had countless times during budget crises, for example, where there are just across the board cuts. Sixty million, unallocated, cut.

Lage: And the university allocates it.

Arditti: And then the university has to figure out how to allocate it. So it isn't that they necessarily here will say, "We want to do this and we're going to not do that." I mean, they can do that and they have, but it's not as often the way these things happen. So that’s why I think you need to be careful.
I mean, there're some things that go on that take big gobs of state cash that we just can't do anything about. The prisons, for example. I mean, you know, that's up to ten billion a year. It's the same size as the—actually, no, it's the equivalent of UC, CSU, and state funding for the community colleges combined that go into the prisons, and now the courts are saying that another I think it's either six or eight billion has to be found to build new medical facilities because of what's been found to be unconstitutional levels of healthcare for people in the prisons. I mean, there is not a thing in the world that the university can do about that, but you just have to know that part of the reason that funding for the university has been inadequate is because so much is being drained off in that direction. On the other hand, where we have things emanating from our own community for things that are closely related to what the university does, those are very likely to be offset against other university priorities, and arguably, there are things we can do something about if we choose to.

Lage: Okay. Now, I think we should move back to our—

Arditti: Okay.

Lage: I took us way off with these questions, but I think you gave a very good understanding of this issue.

Arditti: Well, that's something I've spent a lot of time talking about, and some people understand it.

Lage: Yes, yes. Good. Okay, to finish up the Gardner era, we pretty well talked about the great years.

Arditti: Yes.

Lage: But now we should talk about the bad budget years, and specifically about the impact of the executive compensation brouhaha, shall we call it, that came right at the end. So start with—

Arditti: Well, it was just so very difficult, you know. I mean, Gardner had been such a talented president, and I think but for this controversy, he would have gone down in history as one of the great presidents in the history of the university. He still may. Should, really, based upon everything up to this point. But it may be that, in part, that was what made this so hard, because it was in such contrast to what everyone perceived and felt about him and his presidency up
to that point. So it was very painful, and it was not just a one-shot, one-day issue. I mean, there was the issue of his retirement.

Lage: You mean, retiring before it had been anticipated?

Arditti: No, no. The regents had voted to give him a lump-sum retirement allowance. It was about a million and a half dollars. And, you know, arguably this encompassed things that he had appropriately earned, deferred compensation and all that. I've read two, or three, or four, multiple times, a description of what the basis for that was, and frankly, I don't understand it. But in any case—

Lage: And you didn't at the time, it sounds like.

Arditti: And I didn't at the time, either.

Lage: So this was a lump sum?

Arditti: It was a lump sum, in addition to the retirement. And I think the essential argument is there are things that he had earned pursuant to contractual agreements with the board that were the foundation and basis for this. That was the argument. But to a lot of the critics, including some people on the board itself, and to a number of people here in Sacramento, this was regarded as an outrageous golden parachute. And, you know, “How can you, when you're cutting budgets and raising student fees, dare even consider”—

Lage: Right. We should mention that the budget situation had changed in the last couple of years.

Arditti: The bottom had just fallen out of the budget. It was just terrible, and as happens with these things—budgets are being cut across the system. Student fees are being increased, and then the contrast between that and what is regarded as lavish executive compensation packages are always at risk for criticism.

Lage: And a lot of media attention, usually.

Arditti: And a lot of media attention. It started with just the revelation about the lump-sum retirement issue. But then every other day some other little thing would come out. It was almost like the drip method of torture or something like that.
And just like every other day, it was something else. And so each time a new thing would come out, the press would report that, and then they'd go back and recap all the other stuff they had already reported. It just wouldn't go away. And this went on for months and months and months. And there was a legislative resolution introduced, I think it was by Senators Hayden and Kopp maybe, condemning the regents and demanding that they rescind this action. And as I say, it just went on and on, and it was—

Lage: Did you hear directly from a lot of legislators?


Lage: From friend and foe?

Arditti: Yes. Yes, yes, yes. Yes.

Lage: And how did you handle it?

Arditti: With great difficulty, really. You know, what we'd tried to do, in addition to trying to provide accurate information, which was not easy to do, because it's not like somebody said, "All right, we're going to get the whole story together at once and put it out." Things would just keep leaking out from here and there.

Lage: So there wasn't an effort at the top to explain the whole thing?

Arditti: No. I mean, there would be explanations of things that would be revealed, but there wasn't really a comprehensive look. After this went on for a while, A. Alan Post, the former legislative analyst, was asked to review all the executive compensation policies and make recommendations, which he did. But for the longest time, there was not any comprehensive complete statement about this. These things would just keep kind of coming out. And, you know, what happens, I think, in time of crisis like that is people just get scared and almost paralyzed in terms of the ability to move decisively and quickly. And I think that happened again more recently in the events of the last three, four years. People just are not in a position really to think coherently and clearly and logically and be decisive. It's like a bunker mentality that sets in.

And so there were all these attacks and all these revelations, and the perception, at least, that the university was not really listening and was not really acting to reform this situation or be responsive. And so it was very difficult to deal with that issue by itself. I mean, what we tried to do, mainly,
was to keep reminding people about the rest of the university and trying to be sure that they understand that if they took retaliatory action of some kind because of their unhappiness about these things, it was going to have an impact on students, and faculty, and others, and probably not impact the people that they were mad at.

Lage: Did that argument work?

Arditti: It almost did, but then one night—this is when they got another—they were finishing up the budget and—

Lage: Now, when you say 'they'?

Arditti: The legislature, sorry. They were finishing up the budget. The budgets that had been approved by each house at a certain level; they had gone through the conference committee process, and then the top legislative leadership was meeting into the late night to do a final budget deal.

Lage: For the entire state?

Arditti: Yes, for the entire state. And fifty million dollars was suddenly transferred from the University of California budget to the state university budget. The CSU people claimed innocence in this. I don't have evidence one way or another.

Lage: How do you see that it's transferred? Are you—

Arditti: Well, it's just—

Lage: Is this behind closed doors?

Arditti: Yes, it's all going on behind closed doors, but you could see that there was a budget adopted in each house and by the budget conference committee that had a certain level of funding for UC and another certain level of funding for CSU, and then boom, the next morning, there is minus fifty million over here and plus fifty million over there. And, you know, there were various arguments made that CSU had not been as well treated in the budget in general, and that they had less recourse to supplemental sources of funding than UC and all that sort of thing. And, you know, there's no scientific way to figure out exactly what happened or why it happened, but I think a lot of us
felt that this was—it was a combination of the enormous budget deficit that
was being tackled and the impressions that had been given with regard to
these compensation practices. I can't tell you for sure that that was the reason,
but it all seemed to just kind of cook together in that way.

And that was the one time that I can think of in these various compensation
controversies where there appears to be a big, major impact of the
combination of compensation controversy and budget crisis. Now, you know,
maybe it would have happened just because of the budget crisis without the
compensation controversy. It could have, because people do feel that the
university somehow has a better ability to weather these problems than some
other functions. I mean, the truth—

Because CSU had probably been cut, as well.

Well, they'd been cut, as well, and most of their budget comes from the state,
whereas the state accounts for a much smaller proportion of the UC budget.
And there's just no question that—whether it's flexibility in raising student
fees or private fundraising or federal research grants and contracts, and so
on—that the university does have access to other funding sources to a greater
extent than CSU or most other state functions. On the other hand, those
funding sources cannot be transferred readily to replace state funding. I mean,
the state funds pay the salary of the faculty, and what it takes to keep the
doors of the library open, and all those core kinds of things. Private gifts come
in one at a time. You can't, generally speaking, hire a tenured faculty member
on private funds. And donors tend to specify what these funds are used for,
which is wonderful that they're willing to do this, but it's not a substitute for
the English professor that may have to be let go when the state cuts the
money, if somebody wants to fund a building and have his name on it over in
the arts field or something like that. So while private funds are more available,
I think, have been, they don't really replace the state funds.

Many of these other things, research grants and contracts from the federal
government, for example, those are contracts. They're contracts. I mean,
they're for specified work. You can't shift that money over to the core
educational program. You have the auxiliary enterprises, hospitals, parking,
food, all that stuff. It's big chunks of revenue, but that's basically self-
supporting activity. You can't take parking revenues and hire faculty with it.
So while the fact that the university has all these other sources of revenue
creates an impression that we better able to handle cuts than other entities,
when you really get down into it, there's not that much money that you can
move around for that purpose.

Were you able to get it restored at all or was that—that just came out of the
budget?
Arditti: No, that was gone and went.

Lage: Did you suspect your counterpart at CSU in having something to do with it?

Arditti: Yes. But, you know, they never admitted to it and I couldn't prove—

Lage: Would you have confronted him?

Arditti: Oh, we had conversations about it. I mean, whatever happened involved the highest levels at CSU at the time. And a lot of us in the university were very suspicious. But they never admitted to it and—

Lage: Who was head at that point?

Arditti: Well, Barry Munitz was the chancellor, and then—

Lage: Who seemed to be a good friend of David Gardner.

Arditti: Good friend of David Gardner—good friend of mine, too, by the way, and somebody I still am very fond of. But then they had an executive vice-chancellor by the name of Molly Broad, who has since gone to, I think, North Carolina and been very successful heading an institution there. Was it North Carolina or South Carolina? I'm not sure which. I think a lot of us kind of thought maybe she might have had a role in it. But again, there's no way to prove any of this. And they may have been completely innocent, but it just didn't look that way.

Lage: Well, when you look back over the Gardner years, aside from this executive compensation, it seems like there was a building resentment at the success, in contrast to CSU. I mean, that comes up over and over.

Arditti: Well, there's no question, particularly during Governor Deukmejian's period that there was a strong view that the university had been favored very substantially as compared with—

Lage: By this Republican.

Arditti: Yes.
Lage: So maybe this was sort of getting even.

Arditti: Look, again, I have no scientific way to document any of this, but I think that's a good point you make. I think it was probably just a mix of things, and there they were in the middle of the night thinking, "How are we going to balance this budget? And where are the most desperate needs? And where are the poorest students? And who can weather this a little better and who can't? And who are we mad at?" This is not like a court of law, right, where they've got to have a public session and everything has to be documented and so forth. I mean, you know, they can do whatever they want to.

Lage: Now, David Gardner seemed to think some people were out to get him, and he mentions the CALPIRG. He said that—

Arditti: Oh, CALPIRG, oh my goodness, yes.

Lage: But you did talk about some in that earlier interview, but I wonder, did you think that was as important as he thought? Maybe we should tell what it is. Tell—

Arditti: Well, just to back up. California Public Interest Research Group is a kind of a political reform group that's associated with Ralph Nader and had gained much of its support on college campuses, and principally through a mechanism called negative checkoff. They would get arrangements on college campuses, including several of ours—not all of ours—wherein the university would collect a fee from every student for CALPIRG, and the only way a student could avoid having to pay that would be to go through some elaborate process to ask for it back. And, you know, it was only a couple of bucks. I don't know, it wasn't a lot of money per student. But it doesn't have to be a lot of money per student when you've got tens of thousands of students to generate—

Lage: It really seems kind of extraordinary that that ever would have been put in place.

Arditti: Well, but this was a private entity. I mean, forget about what you think about it. This was not a university operation at all. This was a non-profit private entity.

Lage: With a very political agenda.
Arditti: Exactly, exactly.

Lage: It's kind of extraordinary that it got started, it seems to me.

Arditti: How it ever got that far in the first place is the more curious question to me. But in any event, one or more members of the regents, and President Gardner, determined that this was wrong. That if there was going to be money collected for a group of that kind, it should be only via a positive checkoff system, whereas students would have to check a box to say, "Yes, I want to give three dollars," and then add it to their check. Well, CALPIRG recognized very quickly that if they had to move to a positive checkoff, their revenues would fall off dramatically, and so this became a huge battle and Democrats in the legislature sided heavily with CALPIRG, and some of our dearest, closest friends were among the most vehement.

Lage: Like who?

Arditti: Well, like Senator Nick Petris, who was really a patron—

Lage: Oh, really?

Arditti: —one of the greatest patrons maybe there has ever been. Or one of the greatest patrons the university's ever had in the legislature. And you talk to him about how it doesn't make any sense to have this negative checkoff, because people are going to pay even though they don't want to. He says, "This is like the Book-of-the-Month Club. What's the worst thing that happens? So you get a book." When Bob Campbell, who was chairing the assembly—Senator Petris chaired the senate budget subcommittee. Assemblyman Campbell chaired the assembly budget subcommittee. And they were both pressing very, very hard on this, and they put in budget language and all kinds of things.

Lage: Did CALPIRG give money to their campaigns or—?

Arditti: I have no way of knowing that. I'm not aware of any evidence of that. I'm not sure that CALPIRG would have been legally able to do that, because I think it was a 501(c)(3) nonprofit organization. So I certainly am not aware of evidence to that effect. I mean, certainly the vehemence with which people took up the cause would cause you to wonder. But I'm not at all sure that CALPIRG would be able to do that. I just don't know whether there were allied groups that were or something. I don't know. I think it was more a
philosophical thing and a feeling that CALPIRG had a lot of bright, young kids who wanted to do good and improve the environment and all that, and how could the university not want to support that? At least some of the people who were very vehement about that were very honorable people and people who were very good friends of the university. So I have to presume the best. But it made it all the tougher. It's one thing if people who are adversaries most of the time anyway are after you on something. That's a little easier to deal with. But when people who are your best friends are leaning really hard, publicly and privately—

Lage: Would this have been something that Gardner would have consulted with you before he made that decision? “What do you think the implications are?” Do you remember?

Arditti: I don't recall that. No, I think it started with a member of the board of regents, Dean Watkins, who had received a complaint from a student on campus and wrote a letter to the president saying, "I think this is terrible. I think we ought to do something about this." And the president thought about it and concluded that it was wrong, and that something should be done about it. And he was quite resolute about this. I mean, it was not a casual matter at all. I mean, he really was quite resolute. And there was a time that Gardner recounts in his own book, where Ralph Nader actually personally came to meet with him about it, and his interpretation of that is that he was threatened by Nader and that that may have had something to do with subsequent events. I know of no way to know that.

Lage: You don't have any inside information that would support—

Arditti: None. There's no way to know. I mean, you know, I think what probably is the case is that, with regard to some of these things that became controversial, they had not been done in a public way or announced to the public, and so somebody out there was becoming aware of this information, finding it, and disclosing it.

Lage: Now, what are we talking about? The compensation?

Arditti: Well, all the compensation-related things. And so the question was were these people who were associated with Nader who were involved in doing detective work to find these things and revealing—

Lage: Oh, I see. And maybe feeding the journalists.
I have no evidence that that happened. But somebody was feeding information to the journalists. There's no question about that because—

But you also had some unhappy regents who perhaps were feeding information.

Well, there were unhappy regents. There can be unhappy staff people. I mean, one thing I learned a long time ago doing all these issues about what can be done in closed versus open sessions of the regents and what's confidential and public—in this kind of an institution, ultimately, nothing is private. You can call it that. It can be legally permissible to have it be that way. It can be legally required to have it that way. But you can never be absolutely assured that anything is going to be kept confidential because, first of all, accidents happen. You hear about all these computer glitches now that put out people's personal information and health records and social security. Or you had at UCLA some employees who'd been snooping in the medical records of celebrities and famous people, including the governor. Every document, every piece of information has got to be filed someplace, whether it's in the computer or on a piece of paper, and all it takes is one clerk who is disgruntled about something, they have nothing whatever to do with that subject, "I'm going to fix those people. I'll leak this to the press." You just have to assume that anything that is done could become public. Not necessarily that it will, but that it could.

And there's just so many examples of things which people had thought to be confidential and nonpublic that then went on and became public that you just have to take that view. But I think people sometimes take the laws and policies a little too literally about what's nonpublic and what's public. And particularly where you have budgets being cut, people being laid off, fees going up, high-level executives being compensated in ways that people at other levels are not. I mean, that's certainly a ripe environment for people to be unhappy and from time to time to say, "I don't know. Fix those." And so somehow or other that information was revealed. Somehow it was. And since—

There were some people who thought Gardner would or should give some of the money back. Make a donation to the university or whatever it was.

He actually considered that at one point. And he talks about it in his book. And I forget what reason he gave for changing his mind, but then also he indicated that he has made gifts to university campuses subsequently. I don't know why. I don't remember what he said in the book, why he changed his
mind about that. That it would look like he was just caving in to pressure and probably wouldn't buy any peace—

Lage: 011-00:58:29
Or making an admission of wrong—

Arditti: 011-00:58:32
Making admission of wrongdoing or something like that. But he indicates in his book that subsequently he has continued to make gifts to one or more UC campuses. But at one point he considered specifically making a gift and decided against that, according to his account.

Lage: 011-00:58:53
Was that discussed among your people? I know Bill Baker was very unhappy.

Arditti: 011-00:58:59
Yes. Yes, yes.

Lage: 011-00:59:02
You were still under his—

Arditti: 011-00:59:06
That's correct. Yes. Yes, yes. Well, it was a very difficult time, you know. But had it been a president that hadn't been so highly regarded and so well liked, it might have been easier to just say, "Well, this guy's just"—but, I mean, you know, this was another one of those complicated things in life. It was not like this is a bad person, you know, serves him right. And yet you look at some of those things. And I don't know, you know, whether the decisions about what to disclose and what not to disclose were made by the regents, or were a function of policies in place at the time, or whether the president had anything to do with that. All I know is the appearance of all these various things, and not just this retirement package, but deferred compensation arrangements and allowances for various things, and the status of the spouses of the president and chancellors and all that, the appearance was that a lot of these things were done very quietly and looked like they were excessive to some observers. Now, you know, you can argue that if you roll up the value of all this together and compare it with what top executives in much less complex institutions are earning, that people may not have been overcompensated.

But on the other hand, the manner in which there's all these little separate things, and not all disclosed at once and so on made it look a lot worse. And the truth of the matter is the reforms that were supposed to have been adopted after this and have now been put in place following the last round of criticism and controversy are now quite explicit about what all needs to be disclosed, how it needs to be approved, voted upon in public session by the board and all that, and just that alone seems to have reduced somewhat the criticism. I mean, the salary that's being paid now to the new president, for example, is like twice the salary of his predecessor, and there may have been a little
grumbling about it but I'm not aware of anything resembling some of the criticism that had been leveled earlier.

I have to cut you off. The tape is running out.

Okay, okay.

Okay, we're starting up again with tape twelve, continuing this fourth session with Steve Arditti on August twentieth. Okay, Steve, we pretty well talked about the Gardner, but you wanted to add one sort of final—

Well, I just think a couple of observations here. After the regents had acted initially in closed session, as was appropriate, frankly, on the retirement issue for the president, then the controversy had erupted. Decision was made to reconvene the board in a special meeting to vote in public on that so as to eliminate—or at least the hope was that it would eliminate the criticism that revolved around the allegation that this had been sneaked through privately and so on. And so it was a very tense meeting. I think it took place in San Francisco. But what I thought was interesting is that even in the wake of all of this controversy, two of the key elected officials who served as regents, both Governor Wilson and Speaker Willie Brown showed up vocally to defend the president and this retirement arrangement. Stood shoulder-to-shoulder with him at a press conference and voted in favor of reaffirming the action. I thought it was interesting.

Did it surprise you?

Not to a great extent, because they had both evidenced a high regard for him and his leadership as president. He and Willie Brown had had an earlier history that was not quite so congenial, but had really developed a very deep respect for each other. I don't know. I may not have expected that it would have been quite as explicit and public as it was, but they had really refrained from expressing criticism and helped us really kind of manage others who were expressing criticism. So it didn't shock me. The other thing is that of all the controversies that we've had about compensation, I think that was the only occasion that I know about where you could see a concrete consequence to the university's budget.

The fifty million.
Arditti: The fifty million. And again, I can't even prove that, but it just seemed like a mix of things that were going on kind of included that. But through this more recent set of things that we've experienced, a lot of anger, a lot of hostility and other things like that. But I'm not aware that there is one thing that could be documented in terms of either a change to the budget or adverse legislative action and legislation that would reflect that this controversy ever happened. There were a couple of things that were adopted. One was some budget language calling for extensive reports by the university to the state annually on various things, and the university was actively engaged in drafting and negotiating that language and did not object to it. And they passed a bill which was heavily negotiated with us to revise a little bit the ground rules about what executive compensation issues needed to be voted upon in public by the regents as opposed to privately.

Lage: Now, would that be something the legislature really—it's in their bailiwick to say, or is it the regents’ bailiwick?

Arditti: Oh, no. It's the legislature. That's another interesting story that goes back a long way. Originally, as the constitution was drafted, the legislature had no authority to prescribe open meeting rules. And then in, let's see, the very early seventies, the legislature put a constitutional amendment on the ballot which was approved by the voters which said basically meetings of the regents shall be open and public. Open and—

Lage: In the seventies?

Arditti: Open and public with only such exceptions as the legislature may approve. So in other words, if you—

Lage: And it only applied to the regents?

Arditti: Yes. Well, see, all other public agencies were already subject to these laws, including local government and state agencies. The university was exempt because of article nine, section nine of the constitution, which gives exclusive governance authority to the board and so the university was kind of like a little island sitting out there. And I guess there was a feeling that the board was not being sufficiently willing to open up meetings and actions, and so it was then Assembly Member Bill Bagley, who went on to become a member of the regents himself and had to live with all this stuff, who successfully authored, with the support of the California newspaper publishers association, this amendment to the constitution. So in the absence of legislation, all discussions and meetings of the board would have to be open and public.
Lage: Did the university take a stand on that ballot measure or do you remember a discussion about that?

Arditti: You know, I was so new then and that was like my first year in the office.

Lage: Oh, I see, way back.

Arditti: And I just remember a lot of activity going on. But I wasn't involved in that much so I don't remember what the—

Lage: So this is right in the midst of all the campus turmoil.

Arditti: Yes, yes, yes.

Lage: And regents sort of interfering with some of the campus activities.

Arditti: Well, yes. It was being perceived that way. This reflected more than the campus turmoil. I think it was the fact that there had been this broad movement to require open meetings, at least in specified circumstances, for all public agencies and the university was the only remaining exception. And the only way it could be reached was via amendment of the constitution.

Lage: I see.

Arditti: And I think it was more the fact that it was an emerging public view that these things should be done openly and in public, decision-making, and also the vigorous advocacy of the newspaper publishers association. I mean, that's a strong group even today, but it was a lot stronger then. I mean, the newspapers were a much more influential force at that time even than they are today. And so you put those two things together and that probably would have been enough to do this. Now, you know, had the regents adopted some very strict rules of their own, maybe it could have been headed off. I don't know.

Lage: So then did the legislature exempt issues like the executive compensation?

Arditti: Oh, yes. Yes, yes. Then there was legislation that was adopted right around that time and then has been modified a number of times that prescribes the areas for exemption. And they're pretty extensive. You know, personnel issues and national security issues and various things like that. Real estate
transactions and collective bargaining discussions and a whole host of things. It's actually a pretty generous set of things that can be done in closed session. But what people have to remember is those come by virtue of legislative action and could be erased at any time.

Okay, that's interesting. So some were erased as a result of the more recent executive compensation issues.

Yes. It was a very minor thing. The regents had already adopted a policy pursuant, I think, to earlier legislation that Senator Hayden had had in the early nineties that required for the top twenty or so UC officers, compensation issues needed to be voted upon by the full board. But it did not address what had to be done at the committee level. The regents subsequently had amended their own procedures to require not discussion, but voting in public at the committee level on these things. And so this statute basically codified what the regents had already done, said that the vote needed to be done publicly in the committee as well as the full board. And it began trying to require that the discussion of compensation take place in open session. Both the full board and the committee, we fought that and finally got that eliminated and so it now basically had to do with the question of the vote on compensation. So that happened.

So there was the reporting language that was added to the budget, annual reporting language of policies and so forth in this area, and that change in the statute, that were the two concrete actions that came out of this whole thing. And that's it. As best I can tell, there wasn't any impact on the budget otherwise and there wasn't any other legislation. I mean, there were proposals but nothing was adopted and, I mean, last year, the state's budget increased by one percent. The UC budget increased by six and a half percent. And there was not one bill of the many that were dealt with where we felt a need to ask the governor to veto them.

We'll go into this in more depth when we get up to the Dynes presidency. Is that okay to kind of hold off on?

Sure. Yes. Sure.

Because I think it's better to treat it as a whole.

Yes. Yes, yes, yes.

Okay, then. Do you want to stop just for a second here and see where we are?
Okay. We're back on after a short break and we finished more or less with the Gardner years, although we don't have to be rigid about chronology. But let's talk about Jack Peltason's presidency and what changes that brought to your office, and then, in general, his presidency and Sacramento.

Okay. Well, in terms of changes to the office, there really weren't any changes as a result of his becoming president. There was one change in organization that affected the office, but I think, in the end, not in a material way. That was the transfer of the budget office from the same vice-president to which this office reported to the provost. And at the time, I think those of us involved were not happy about that because we had worked so hard to forge a good working relationship, which I think was really critical, between the governmental relations office and the budget office, and feared that perhaps transferring the budget office to another place could somehow or other jeopardize that. And there was a good argument to be made for keeping those together.

But in any event, he was determined to make that change, and fortunately, I think, because of the working relationships that had been developed between us all—between myself and Larry Hershman and between the other people in his office and the people in this office—we really didn't skip a beat. So that turned out to be fine. I think it kind of illustrates that there are many different ways in which organizations can be arranged and usually there's more than one way that can work.

Especially if the personal relationship—

Well, the personal relationships are so much more crucial than the organizational ones, I think. But that was an organizational change. But except for that, he was very supportive of the office. In fact, I remember one day during the awful budget messes that we were dealing with, we came back from across the street, and I was depressed and looking down at the floor. And I said, "Oh, I'm so worried about all of this." I said, "You know, we've got all these good people in the office here," and I said, "I'm concerned that this could have some impact on the office." And he said, "Let me tell you something. No matter how bad the budget gets," he said, "the last thing to be closed will be the English Department and the next to the last thing will be your office." "Well, okay, Mr. President. Thank you."

Being a political scientist and having dealt with the state governments in both California and Illinois, as well as with the federal government for so many
years, you know, as he headed the American Council on Education, I think he had a little better perspective on government and how it functions than, perhaps, some others. And he also observed that, you know, when they've got money, they'll give it to us, but they won't vote to raise taxes to give us more. And that's proved to be a pretty accurate characterization of how this state government has behaved. So he was very supportive and very appreciative and so really the office was well supported by him when he was president.

Lage: How was he as a lobbyist, shall we say?

Arditti: Oh, he was a—

Lage: Given his political science background?

Arditti: I thought he was great. I mean, there were a couple of members who would just never give him a chance because they felt that he didn't come in and make the sweeping reforms that they thought were needed in the executive compensation area. But for the most part, you know, he's a very down to earth, no pretensions, good sense of humor. And really, I think, was liked by many people. As I say, there were the critics that I just thought—including people who were good friends of mine—who I thought just went way too far in attacking him.

Lage: Talk more about that. Attacking him for not dealing with executive compensat—

Arditti: He said, when he first came in, he said, "My job is to clean up the mess, get the money back, go home." Which is pretty much what he did.

Lage: Because he was older.

Arditti: He had already retired or was about to retire and had not been talked of as a prime candidate. He was sixty-nine years old, I think, when he was chosen to be president. In fact, I remember one of the reporters at the initial news conference asked him if he was concerned about a generation gap because of his age. He said, "Well, of course not." He said, "I get along just great with the old folks." But he had that way about him of being able to be very down to earth, no pretension, sense of humor, a ways of capturing ideas and thoughts in very brief and humorous statements that were really very endearing to people. And I think most people thought he was genuinely trying to do a good job for the university, with some exceptions.
And again, I think he had been very close in Illinois to Ron Brady, who was the business and finance vice-president who had been very close to Gardner and was viewed as having a lot of responsibility in these compensation areas. And he told us and made it very clear that Brady, in his own words, was his friend and ally and was going to continue to be a key part of his administration. And with regard to a lot of these issues, I mean, there were certainly changes and reforms made, but there was not a perception that he picked up every rock and looked in every corner.

12-00:16:48
Lage: I see.

12:00:16:50
Arditti: Checked every little cookie jar to find everything and make sweeping changes of the kind that some people claimed they thought ought to be made. So—

12-00:17:01
Lage: I hadn't realized that. I thought he was given credit for kind of cleaning up the mess.

12:00:17:06
Arditti: Well, I mean, he did, and he was, but he was not—

12-00:17:11
Lage: But you heard grumbles.

12:00:17:11
Arditti: Oh, there was more than grumbles. I mean, there was kind of—

12-00:17:14
Lage: Now, tell me about that. Like who was grumbling and about what.

12:00:17:16
Arditti: Well, particularly Senators Kopp and Hayden. Really were quite vocal. And Senator Kopp, as I recall, wouldn't even meet with him. Wouldn't even talk with him. And I tried. Just wouldn't. There were two or three like that, who were just convinced that he was not taking the bull by the horns and making—

12-00:17:40
Lage: But those two tended to be critics, strong critics of the university in general.

12:00:17:47
Arditti: Yes, yes. They were.

12-00:17:49
Lage: Did you have people who were staunch supporters who—

12:00:17:53
Arditti: Oh, yes. I think if you were to talk to people like Nick Petris and Bob Campbell, and Senator Al Alquist, and people like that, even Vasconcellos he got along fine with. He was great. Unfortunately, though, in this business, all
it takes is one to really make your life miserable. And so unfortunately, he had
he had those couple that were really pretty tough. But—

12:00:18:21
Lage:

And there continued to be a lot of media attention and uncovering of further—

12:00:18:26
Arditti:

Well, on and on and on. I mean, there are those who have a lot of experience
with media problem type issues. Many of them argue that what you need to do
is find every last shred that you can find, put it out there all at once, and it's a
big story for that day, and then it goes away. But if you don't do that, then you
have all these little things that keep kind of dripping out over time, and then
that dredges up the whole thing and really drags it out. And I think there's
something to that.

12:00:19:01
Lage:

Now, you worked under the external relations?

12:00:19:06
Arditti:

Correct.

12:00:19:07
Lage:

That wasn't your responsibility, I'm assuming.

12:00:19:13
Arditti:

No, it really wasn't. I mean, this was an issue of compensation practices and
what would be disclosed and what wouldn't. Was really handled a lot more by
Vice-President Brady in the business and finance area, as well as by the
regents. And, you know, I think those of us who were dealing with it on the
firing line were wishing that it would all go away and be over, and I think
would have favored finding everything that there was, getting it all out at
once, and then having an explicit policy governing things, which is pretty
much where we've now finally come. But we didn't get that far then.

12:00:19:56
Lage:

And Brady was not the most open sort, I understand.

12:00:19:59
Arditti:

No, if you may understake it. He was a brilliant guy and did a lot of very big
things, but no, openness was not one of his characteristics. It was interesting
because I felt we needed to be more open about these things. But on the other
hand, what are “these things,” you know, and where is the line drawn between
something that's properly the public's business versus privacy of individuals
and what needs to be kept confidential for purposes of being able to negotiate
and recruit people. There are areas where judgment is involved, and different
people can come to different judgments.

12:00:20:47
Lage:

Well, Brady himself, he did leave very soon thereafter.
Arditti: Well, he stayed quite a while with Peltason. I think he left a little bit before Peltason left.

Lage: No, I don't think so. I think Wayne Kennedy came in early on.

Arditti: Well, Peltason brought in Wayne Kennedy.

Lage: Yes, but—

Arditti: But there was a period of time there where Brady was stay—

Lage: And then he had his own scandal about administrative leave when he left.

Arditti: Oh, yes, yes, yes.

Lage: That Gardner had granted him and Peltason honored that.

Arditti: Well, that's been a practice, though, for as long as I can remember. And it's very controversial, but it's like all these top people are given an administrative leave for a year at their administrative salary, even if they're going back to the faculty ranks. And just this last time around, we had some controversy about that. Some people argued that if somebody's a faculty member, he can see justifying basically a sabbatical year at the faculty salary level. But if someone had been president or vice-president or something like that, that shouldn't encompass pay at the administrative level. But that's been a common practice, and yes, it's always been controversial. But it's been done for a long time on a pretty uniform basis. But yes, there was controversy about that. And, I mean, Brady is widely seen as kind of the architect of a lot of these policies that were controversial. But, you know, he argues that he knew the national marketplace for people at this level, and this is what it took to be competitive, and he was very adept at developing these plans and getting them approved by the board and so forth.

It's funny, because Brady and Bill Baker didn't get along well at all, but we became very friendly with the Bradys at a personal level, because they had a boat and we had a dock on the Sacramento River. So they used to come up in the summertime and spend a few days and all that. This was—

Lage: Docked it. Living on their boat and docked.
Yes, and sometimes they'd be up with three or four others, and then we'd have parties and invite people and so forth. Have I already talked about the time we had a budget crisis down here and we had all those people—

With Roy Brophy.

With Roy Brophy. Yes.

You did. You told that last time. That was good.

Yes. That sort of grew out of really the Bradys and their boat and coming up and so forth. So in any case, he was a very interesting person but, yes, controversial, to be sure.

And you must have had to try to explain all of that to your legislators.

Yes, yes. And there are just some things that people here were just not going to accept. But there were some people who are friends of the university, who are friends of some of us personally, who would say, "You know, I don't agree with a number of these things, but I am still a supporter of the university, so I'm just not going to dwell on it. I don't like it, but I'm not going to dwell on it." It was a relatively small number that really were quite vehement about their views on these things. But there were some who were just wonderful people, like Senator Al Alquist and Senator Petris and others. Senator Diane Watson, Senator Ken Maddy, Senator Bob Beverly, people of both parties, who through the worst of it all would just say, "Look, you know, it's a great university. We may not like some of these things. We're not going to damage it and penalize the students and faculty for some things that we don't agree with maybe that the regents have done in connection with some of these things." And thank goodness for those people.

Yes, okay. Specifically, an interesting little brouhaha during the Peltason administration was that bugging of the chancellor's meeting.

Oh, yes.

And that had some ramifications on the—

Oh, boy, did it ever.
Tell me about how you saw that.

Well, first of all, I think it began with the rejection of Lester Lee, who had been appointed to the regents by the governor and was—

By Governor Wilson?

By Governor Wilson and was denied confirmation by the state senate.

Shall we talk about that first, then, and then we'll—

Yes, because these things really do go together. And I think he—

And the regents serve for about a year before they're confirmed?

Well, the constitution provides that they may serve up to one year prior to being confirmed. If they're not confirmed after a year, they're off. Or if they are explicitly denied confirmation, they would have to get off sooner than that. He served pretty much the year and the vote on his confirmation, therefore, came pretty close to the end of his year, so something had to happen. And he was a very nice man. He was an immigrant, I think, from Taiwan and had gotten a doctorate in this country and had founded a hugely successful high tech company and was a very nice man. But in the midst of all of the controversy that was going on, budgets and fees and all kinds of things that people were very—

Student fees.

Student fees and other things like that. Was very quiet on the board. Oh, administrative pay, things, and all of that. And he was accused of being too subservient to the administration and—

Of the university.

Of the university, and not sufficiently independent or active as a board member.

Now, who led that charge?
Well, that was really the Rules Committee of the senate. The way the confirmation process works, you know, people have to first of all go before the Senate Rules Committee. That's five senators. And then that committee votes to either recommend confirmation or nonconfirmation. And so that's really where a lot of that originated. And Senator Lockyer was the president pro tem at the time. And the pro tem really controls this confirmation process, pretty much. It's very difficult for an appointee to the board during that year, because while the constitution does contemplate the ability of regents to act independently and be insulated, during that period of time, their appointment can either be withdrawn by the governor or they can be refused confirmation by the senate. So what does one do in a situation like that? Because every word you speak, every vote you cast, is out there as a possible basis for somebody to take action to get you off the board.

I'm surprised it doesn't happen more often.

Yes. There were some subsequent cases where several people were denied confirmation, by the way. This was either the first or the first in a hundred years or something like that for this to happen. Maybe we'll talk about the others in a minute.

Yes.

But in any case, for those reasons, and maybe just because of general anger at the university and the fact that he seemed to kind of symbolize what was regarded as a board rubber-stamping the administration, doing the things that they were unhappy about, the general budget malaise, student fees going up—whatever it was, it all kind of came out on this individual and he was refused confirmation. And this happened like the day before the periodic meeting of the Council of Chancellors.

Now, let's just leave that for a minute, because I want to talk a little bit more about—I think Ward Connerly was approved at that same time, so it wasn't just a Republican/Democrat thing.

Oh, it was not just a Republican/Democrat thing, at all. The senate's been controlled by the Democrats for thirty years or more, and yet we've had Republican governors in most of those years. So it was not strictly a Republican/Democrat—

Somewhere I read it was over the student fee issue. That Connerly voted against raising student fees and Lee voted in favor. I don't know.
Arditti: Well, it's possible. I mean, Lee voted both for increasing student fees and for various executive compensation actions.

Lage: I see.

Arditti: I mean, those were the two things that people were connecting together. And I'm trying to remember whether Connerly was up at that same exact time. I think he and Velma Montoya came at the same time. And whether Lester Lee was at that same— It could be, if you've seen that.

Lage: It may have been something that's in the Peltason oral history. That's probably where I remember it from.

Arditti: It may be. It may be. I just don't remember if they came at the same time or not. Those two were fairly uneventful, so I'm not remembering them as vividly as Lester Lee.

Lage: You mentioned to me that one of your jobs is to prepare regents designate for these hearings.

Arditti: Yes. Yes.

Lage: Do you want to talk specifically about this, or maybe in general about preparing them.

Arditti: Yes. There's nothing written about this, but I've always felt that when somebody's appointed to the board, we have a responsibility to try to help prepare them, both with written briefing materials, with verbal briefings, and with assistance in becoming acquainted with senators, scheduling meetings for them and things like that.

Lage: Beforehand.

Arditti: Beforehand and so forth. And in many cases, this is just kind of pro forma because there isn't much real controversy surrounding the individual. But nevertheless, you never know what could happen, and so they want to be well prepared.

Lage: And what kind of things do you prep them on?
Well, it's a lot of stuff, usually. More than they really need in the end, but you don't know what might arise, and so, you know, we would provide a briefing book that would have everything from the master plan for higher education to article nine, section nine of the constitution, and then, you know, major topics of interest, administrations, outreach and early academic preparation, research, labor relations. I mean, all the big chunky areas. Hospitals and healthcare. All the big—

You're helping them prepare to be a regent, too, it sounds like.

Exactly right, yes. Because at the beginning, there's an awful lot they've got to do that they haven't been exposed to, for the most part. So we'd get all that material together, and then, you know, we would talk to staff and members over there, try to figure out what it is people were interested in, concerned about, likely to question them about, and help them develop questions and answers, and then in recent years, the Rules Committee has been sending a letter to each appointee saying, "Here are sixteen questions we want your written answer to before your Rules Committee hearing," and so on, and we would provide them information to assist them in responding.

But not respond yourself. You didn't write it for them?

Well, no, technically. What we have done is to provide sort of like draft responses, and then encourage people—urge them, frankly, to write something in their own words, just using that as background information. Sometimes people have done that. Sometimes they haven't. And a couple of instances, both with appointees to the regents, and also to the CSU trustees and other commissions, people have been spanked a little bit for apparently just taking wholesale answers provided to them and submitting them. Well, we had one instance not too long ago where we had two board members who we provided the same information to, and they both pretty much just took it lock, stock, and barrel. So it showed up over there. It was fairly apparent.

Well, maybe the committee got what they deserved by giving these stock questions.

Yes. Well, I mean, it's one thing to ask somebody what are your values about academic freedom or diversity or the quality of undergrad, it's quite another to ask all these detailed—"What is the university's policy on contracting with the DOE labs when it comes to security and nuclear?" I mean, these are factual questions that could well be asked of somebody who's been in charge for a
long time, but they really don't make a lot of sense to ask of somebody who's brand new. And so somebody has got to help provide that kind of information.

I don't know why they ask all these questions about history and what the university's policy is. The real question in front of them is this the type of individual to whom we wish to entrust this responsibility. And that, you would think, would involve more questions about that individual and his or her experience, talent, values, and so forth.

Lage: That individual, right.

Arditti: But in any event, it's kind of a mish-mash. But it would be very difficult for anybody, on his or her own, to answer all those questions. It's not that they're not smart enough, it's just that they are brand new and a lot of this is just factual stuff. It has to be dug up.

Lage: In the case of Lester Lee, did they give him the hard time at the hearing?

Arditti: Well, they did, and I don't remember whether the committee voted against recommending—I know that he was defeated on the floor. I'm pretty sure.

Lage: And would you have been lobbying for his approval or is that not part of your role?

Arditti: Well, it's just a kind of fine line here between helping people prepare and lobbying for their approval. And I don't know quite how you would define this. I mean, it's not like you go door-to-door begging people to vote for somebody. On the other hand, you do give them your best advice. You do provide them with the information. You do schedule meetings for them with members so that they can make their case and became known and so forth. So in that sense, we're helping people. There have been a couple, which I'll talk about later, where we've worked especially hard. Which I'll mention.

But in any event, I think in this case we did what we could, but there were these overriding issues of this appearance that he had been rubber stamping the administration on these controversial issues, primarily fees and administrative pay, and had been very quiet on the board in terms of expressing views, asking questions, being active. And as I say, it is difficult when you're brand new and not confirmed to know how much to say or not say or what to do or not to do. But in any case, they voted, I think on the floor, finally, to refuse confirmation. And this was like the day before a meeting of the Council of Chancellors. And there was just kind of an emotional reaction to this, you know.
Well, we should say that the issue of student fees was in support of the president.

Yes. Oh, yes. I mean, the president—

So he was being punished for voting in line with the president.

Arguably. But I think part of what some of the people here were arguing is that the board should not be rubber-stamping the president's recommendations on these things. I mean, this whole issue of student fees—we could talk some more about that. But, you know, when people here reduce the budget, then they leave the president and the board in the position of not having much choice as to whether to increase student fees, but yet, it's okay to cut the budget on the one hand, and then scapegoat the people who are left to put the piece together and have to make those kinds of tough decisions. But that's another matter.

Anyway, let's go back to the Council of Chancellors.

But anyway, there was an eruption of criticism about how the Democrats had acted for political motivations and how this was a political intervention in the operations of the university. It was really kind of an emotional—

At the chancellors meeting.

At the chancellors meeting. Venting. Well, unbeknown to anybody there, someone had bugged the meeting.

It was a video conference, we should point out.

Yes, yes. And someone had found a way to bug it. I don't know what they did. I don't know. An investigation was conducted. I don't know if it ever concluded anything about how this happened. But in any event, what did happen was a complete verbatim transcript of this was given to the San Francisco Chronicle.

As you say, nothing is secret.
Nothing is secret. I mean, I say that over and over again. It's something that's been learned. I learned it myself the hard way in a couple of other instances. There are all these things that you just assume. All the files in your office, well, that's just internal office stuff, right? Until a newspaper reporter shows up with a public records act demanding to see everything in the place. But in any case, that was certainly not secret. That was the full transcript. And so then all these senators became outraged at this reaction. And it was really very sad, because, for example, Senator Henry Mello, whom Karl Pister had been working with very closely in the Santa Cruz area, had been a good friend and all that, just became vehemently hostile to Karl Pister.

Had Karl said something about him?

Yes. Well, not about him, necessarily, but about the senate Democrats, because that was the group that was responsible for doing this. And there was just a lot of bitterness that lasted for a long time after that.

And Bill Lockyer got a particular strong—

Oh, yes. Well, he was the president pro tem, and so he was really the architect of this action, you know, to refuse confirmation. And so he was an object of criticism at this chancellor's meeting, and it was all there by name. I mean, you could tell which chancellor or the president or whatever said what. So this became a source of real bitterness for quite some time, that affected President Peltason and Chancellor Pister and other chancellors, and it's just like who would have imagined that that particular meeting would be recorded and leaked to the press. And it's a good example of why some things ought to be able to be done confidentially. I think people just need somehow to be able to brainstorm and vent once in a while, but how you can never assume that's going to be the case.

Well, you must have had a role in trying to smooth things over. How did you handle it?

Oh, boy. Yes.

This can't be one of your favorite memories.

No, this was not. Was it prudent to make those remarks? No. But were they somewhat warranted? Yes. You know, this guy, Mr. Lee, I mean, didn't do anything wrong, really. I mean, he was doing the best that he could. You
know, he was not an aggressive personality. He was a first generation immigrant to this country, and this was his first time in any kind of public office type of situation, and so I think he didn't have any real foundation in terms of how you function. You know, had he had a chance, he probably would have learned. But it was a combination of not having had any of that kind of experience, probably being cautious because of the fact that he had not been confirmed and figuring almost anything you do can and likely would be held against you in one fashion or another. And either believing that the leadership should be followed or being persuaded on those issues. I don't know.

But in any case, he became the object of people's resentment about these things, which then triggered this reaction on the part of the university's leadership, which was directed then at the state senate, and more particularly, the Democratic members of the state senate, which then enraged the members of the state senate. And, you know, there are a lot of things you say in passing that you just have no idea are going to be showing up verbatim.

12:00:42:25 Lage: In writing.
12:00:42:25 Arditti: In writing.
12:00:42:26 Lage: It's even worse in writing.
12:00:42:26 Arditti: And it's always worse that way, you know, and on the front pages of the paper and all that. So that really did create some bitterness that lasted for a long time. I mean, I think Chancellor Pister and Senator Mello finally did reconcile, but it wasn't days later, it wasn't weeks later. Months, maybe even years before they finally totally buried that hatchet. And I know that it haunted people like Karl Pister and others, and Jack Peltason and others who were just really good, decent people who just felt that something wrong had been done, and it happened just before they were all getting together to meet.

12:00:43:14 Lage: Did Lockyer hold it against them as much?
12:00:43:16 Arditti: Yes. Yes, yes. Yes. A number of the senate Democrats did because they felt that they were being attacked as a group for doing their jobs as they saw it. So it was a very unfortunate episode, I thought.

12:00:43:37 Lage: Did it have budgetary consequences or any others that you saw?
I don't think so. I don't think so. When the state's broke and budgets are being cut, you never can be absolutely sure how much of it is related to the fact there's no money and how much of it is related to the fact that people might be mad about something. But I couldn't detect any evidence that there was any anything that was explicit. I mean, for example, there was nothing done to our budget that wasn't also done to the CSU budget, and they were not implicated in this incident at all. So I infer from that that whatever damage there was was owing to the fact that the state was in a bad condition financially.

But there have been other cases where we've had people appointed to the board where they really appear to be outstanding people and whose confirmation could go either way. Where we have worked very hard to help see them through. I'm thinking particularly of Jerry Parsky and Peter Preuss. These were two people appointed by Governor Wilson, not in his last year, but towards the latter stages of his governorship. Two really superbly outstanding people. And talk was beginning to emerge in the senate about, "Well, we think maybe the next governor will be a Democrat. Maybe we ought to just not confirm these people, hold these seats for a Democratic governor to fill and so on." But these were two exceptionally outstanding people.

Who was the second one?

Peter Preuss. Very interesting man. He came as a foreign student from Germany to UC San Diego when it had only 360 students or so. Went all the way to the doctorate, I think, except for maybe the dissertation, in mathematics. I think it was math. In any event, developed some sort of software innovation that led him to start a company that wound up employing five hundred people or something. Hugely successful. Along the way, he and his wife had a son who developed a brain tumor, at which point Peter sold his business and devoted his attention to getting his son medical treatment. His son's fine today, by the way. But he also formed a brain tumor research foundation that brings together leading researchers all over the world on a periodic basis to share information about research in this area to help advance knowledge and understanding about how to treat that, and also became very active in UC San Diego alumni affairs, and came on the regents originally as an alumni member of the board, did an excellent job. Subsequent to that, was appointed by Governor Wilson to an appointed seat on the board.

Jerry Parsky, who was another very outstanding person, was appointed at that same time. And these two had been appointed at that same time, had to be dealt with within that same year, and were really exceptional additions to the board. But they might have been in jeopardy.
Now, Preuss was a known quantity, because he'd been an alumni and had that close—

Correct, correct.

But what about Parsky? How—

Parsky had not had much association with the University of California, but had been on the board of Princeton University for ten years or something like that, so there was a lot of data about his qualities to serve on the board of a top ranked university.

Does the governor ever ask for advice from the university about appointing regents or the—

They will either accept or solicit it, but they exercise a lot of independence in the decisions that they make.

But are names fed to them?

Provided.

Provided, a better word.

Yes. And, you know, sometimes they'll say, you know, "Give us three, four names and we'll consider whether we are interested in any of those." But, I mean—

And who will come up with those people, usually? The president?

Well, ultimately the president, and he may ask people around him for ideas, chancellors, and so forth. And sometimes these people may be appointed and sometimes not. You just often don't know how it is. Now, sometimes there may be someone appointed who's been very close to the governor and you know how that is. I mean, you know, Bonnie Reiss, who's a terrific new appointment by Governor Schwarzenegger, has been very close to him and to his wife for like thirty years and served as senior advisor to the governor during his first term and so forth, and she's just been appointed to the board of regents. I mean, that was not because somebody else suggested to him that he
appoint Bonnie Reiss. I mean, they've been integrally connected for a generation or more. So you understand that.

Or Paul Wachter, who was his first appointee to the regents, who has been his close friend and personal financial manager for twenty-five or thirty years. He manages all the governor's private investments and all that stuff. I mean, that was not because somebody in San Diego said, "Oh, gee, Governor, have you ever thought about Paul Wachter?"

I mean, one time I visited the governor's office in Santa Monica, which is a fascinating place. It's like a museum, with larger than life replicas of Conan the Barbarian, and an alligator under the table and all o this memorabilia from his films and all of that. It's just a fascinating place. But we were having a meeting in the conference room, and the governor's office is on that side, and then on that side, there's another door and the door opened and Regent Wachter walked out in shirtsleeves because they shared the same office building.

12:00:49:34
Lage: Oh, my.

12:00:49:35
Arditti: So you didn't have to do a lot of speculating to figure out how that happened. On the other hand, sometimes people are appointed who the governor never even knew before, so obviously that resulted from some recommendation from somebody that was ultimately adopted.

12:00:49:52
Lage: And the governor appoints them all, or just the—

12:00:49:59
Arditti: There are eighteen members who are appointed by the governor and confirmed by the senate and serve twelve-year terms. Then there is another group of ex officio board members who serve—

12:00:50:10
Lage: Right. But nobody appointed by the state legislature.

12:00:50:12
Arditti: No. The legislature does not have any appointments at all.

12:00:50:14
Lage: Were these two, do you think, suggested by the president?

12:00:50:20
Arditti: They could have been. I know he was very high on both of them. Knew both of them quite well. They're both with San Diego roots, where the president came from. Jerry Parsky lives in San Diego, although his office is in Los Angeles. So it's possible that the president had some role in those recommendations.
Anyway, you really were telling about the process of getting that.

But anyway, that was a case where here were two outstanding people who could have gone either way. And that seemed like it was worth some extra effort, and those are probably the two that I can remember working the hardest on.

And how did you work on it?

Well, in addition to briefing them and so forth, we had them up here for days and days of meetings that we would schedule with members of the legislature and members of the senate to get people to know them and understand them, and did a lot of briefing of them on issues and personalities before getting them here. We worked with other people who are friends of theirs who also had friends in the legislature to have them involved, as well, in talking to legislatures about their qualities and so forth. These began to be talked about in the press from time to time, and there'd be a quote from Lockyer. "Oh, those two don't stand a chance. We're just going to wait until we have a Democratic governor." Oh, panic, what are we going to do. But in any event, we persisted and they both ultimately were confirmed. Now, subsequent to that, the governor had appointed some others in his last year, and I don't know if we're ready to move to this, because we're jumping ahead a little bit of the—

Well, that's okay. I think stay on the topic of the—

Well, all right. We can do that. There was a—

So this, again, is Wilson's last year?

This is the end of Wilson's time.

Ninety-nine, or something.

And this is a time in which President Atkinson had proposed that domestic partner benefits be extended to university employees.

Oh, yes.
This was even more controversial at that time than it might be today. Not to say that these things aren’t controversial even now. But in any case, the president was advocating that very strongly. The faculty was very much in support of it, but Governor Wilson was vehemently opposed to it. And so there had been some vacancies accumulating on the regents and the governor appointed three members like almost the night before the critical vote on this action. And even with that, the action passed by one vote, because of the abstention of one member of the board, Velma Montoya, who had been a Wilson appointee to the board. I think he was quite angry about that. Also, interestingly, that was a point at which Ward Connerly did not vote with the governor on that. Just kind of interesting commentary on him. You can have your view about what he's advocating and doing, which I don't agree with, but I think really it can be said of him, he's a strict libertarian.

I think that really is at the root of his view about racial and ethnic matters, preferences, as he views them. And in this instance, this matter of domestic partnership benefits were for employees, he just felt that individuals ought to be able to live their lives as they choose, and government should not be discriminating among people on that basis. And that was kind of interesting. So there were these three people, however, who were appointed like the night before the vote.

They all voted with the governor, but to no avail in the end on the issue. But then the senate refused to confirm all of them when that happened.

Because they voted with the governor?

Yes.

Now, did you make an effort with them?

Well, we did, but it was pretty clear where that was going.

That's amazing. It seems amazing to me, but does that happen frequently? Or did it in the past, before?
Arditti: It's unusual for that to happen. There was one other instance that I think I may have mentioned earlier, when Governor Brown was unenthusiastic about renewing the university's contracts to run the Department of Energy's laboratories. And he had let a bunch of vacancies accumulate and had appointed several people just shortly before the vote. But they didn't all vote with him and it failed. I remember one of the strongest opponents of his view on that was then Regent Jack Henning, who was the secretary treasurer of the California Labor Federation. A great man. Great individual. But he was just as vocal as could be, and it was like a week or two after having been appointed by the governor. So those were about the only two instances that I can think of where a controversial issue was brewing and people were appointed just beforehand with possibly some intent to affect the outcome on the issue.

Lage: Really, you know, domestic partner health benefit, not a core educational issue by any means.

Arditti: No, no. Not at all. I think there are many who argued, however, that from a faculty recruitment point of view, this is important, because there are quite a number of people who are very talented faculty members who would be affected by that, and this could be an important—I mean, part of the argument was there were many talented people who would be affected by this, that many other top universities had adopted this policy, and that in order to be competitive for some of the top faculty, the university needed to do this. That was part of the argument for it, quite aside from individual philosophical views about what was the right thing. I think the faculty was quite strongly in support of this for that reason, actually, so—

Lage: Oh, that's interesting.

Arditti: There are a couple other instances where the confirmations have been close, but I don't remember any others where they were turned down. When Sheldon Andelson was appointed by Governor Brown, he was the first openly gay appointee to the regents, and I think—it takes twenty-one votes, and it took hours and hours the day this was taken up on the floor to get up to twenty-one votes. It might have finally gone to twenty-two or something like that. And nobody would say a word about why they were not voting, those who were not voting for him. But it was pretty apparent that it was for that reason. He was a marvelous man. No longer alive. Died of AIDS. But a lawyer and a restaurateur and a raconteur and just a very fascinating person.

Lage: And he was appointed by Jerry Brown?
12:00:57:58 
Arditti: Correct. Yes, yes.

12:00:58:01 
Lage: So the legislature just couldn't handle that at that time?

12:00:58:05 
Arditti: I mean, they finally did confirm him, but if it required a two-thirds vote, as most other boards and commissions do, I don't know whether he would have made it.

12:00:58:14 
Lage: Okay. I think this is a good time to take a break. We're about to run out of tape, as well.

12:00:58:18 
Arditti: Okay. Yes, okay.

Audio File 13

13:00:00:00 
Lage: Okay. We're back on after lunch with our fourth session with Steve Arditti, and this is tape thirteen and it still is August 20, 2008. Okay, Steve, we are still with the Peltason presidency and we have a few things we need to talk about. We're dealing with budget woes, and you had a little anecdote about Peltason you want to put on here. But also I would like your view or your participation in making that four-year compact [on the budget] with the governor. Why don't we look at that.

13:00:00:48 
Arditti: Okay. Well, it was a grim time. The budget was going down and down. The state was in a bad way. That statement could be made about a number of times in history.

13:00:01:01 
Lage: Yes. It was considered the worst since the Depression.

13:00:00:58 
Arditti: It was. And now we're in a period that people are describing in the same way. And partly, I think, it's a function of economic cycles and partly it's a function of various actions that California has taken that really complicate the effect of these economic cycles. But in any case, it was a very bad situation. The budget was being cut very badly. I remember one day President Peltason came up here for some meetings on the budget and other matters, and he said, "You know, coming up here from the Bay Area, you get this point where the sign says, 'Sacramento this way, Reno that way.' It's getting so I think I get more money for the university going to Reno than I can going to Sacramento." It was one of many of his observations that were amusing and yet also very meaningful in terms of a point that was being made.
But in any case, we were fortunate at that point to have in the governor's office, at the Department of Finance, Russ Gould, who now serves as a member of the board of regents, incidentally. But he was very concerned about the state's overall situation and what this meant for the university, and he was really quite instrumental in working with Bill Baker and Larry Hershman, and to a lesser extent with me, and forging what was the first formal so-called compact with the state, in which the state committed itself—not in a binding kind of a way, but in sort of a handshake agreement—to certain levels of funding based upon enrollment and other factors, in return for some assurances from the university about accountability and with respect to admitting eligible students, getting them through on time, a whole list of measures of that kind.

Lage: So the accountability part was new? The university hadn’t really—

Arditti: Well, we'd never had an agreement really with the state. I mean, the actions of Governor Deukmejian were really incredible. But, I mean, there was not a formal agreement there. That was a much less formal arrangement, you know. When he had first come in, he said, "Look, I'm facing a very difficult time. I support the university. Please work with me until we get through this. I'll make it up to you when times get better." It was sort of at that level. But there was not a formal agreement with Governor Deukmejian.

Lage: Over a period of years.

Arditti: Over a period of years. It was like, you know, "I'll do the best I can." And boy, did he. So this agreement with Governor Wilson was the first of these more formalized agreements that encompassed the very specific commitments about what the state would do in return for certain things that the university would do.

Lage: Were there things that they wanted the university to do—things that either the governor's office or the legislature had been feeling the university maybe hadn't come up to speed on?

Arditti: Well, first of all, by the way, and this is one of the controversial aspects of these agreements. These were agreements with the governor. Now, obviously, they had to be agreed to by the legislature in the course of the annual votes on the budget act. But the agreements themselves were negotiated with the governor.

Lage: Right.
And they were things that were thought important. They were not necessarily things that people had been critical about, but things that people thought we could be more specific about and have some more quantitative measures in terms of getting people through school on a timely fashion, having the courses available that they need, offering admission to all eligible applicants who applied on time, things of that kind. Just kind of basic things. There was nothing radical about it. I mean, it takes a lot of negotiation to get down to the final provisions. But, I mean, there was not really anything in there that would be noticeable to people who weren't directly involved in this process as changing much about the way the university operated. I mean, fortunately, despite all of the travails—the externally imposed travails and the occasional internal missteps—the University of California, by most accounts, is still one of the few elements of public entities in this state that really works. And so, I mean, it was possible to agree to reasonable accountability measures without really changing much about the way the place actually worked because it's been doing these things, you know.

Yes. They weren't something new being imposed.

They were not like radical new things being imposed. It was sort of a codification, really, of many things that had been done as a matter of either formal or informal policy in the institution. But it worked a lot better from the state's point of view to be able to say, "Look, we're making commitments to certain levels of funding, but we're getting something back here in terms of accountability for accomplishing the state's goals." And that is a very reasonable way to do business and made a lot of sense. But anyway, that was the first one in the Wilson administration. These were all, by the way, as I said, kind of informal understandings. They were committed to paper, but there's no legal binding—

No. And the budget situation can always change.

Can always change and has. With the one with Governor Wilson, I think then Speaker Cruz Bustamante actually carried legislation to try to codify this compact as a statutory arrangement and Governor Wilson vetoed it. It was very clear that they wanted this to be an informal sort of a thing, and they didn't feel that they ought to be bound by anything, because I think people were feeling the effects of Proposition 98, which is sort of binding with regard to K-12, and feeling that too much of the budget was all locked up already and not really wishing to—

But Bustamante—what was his motivation, do you think?
Well, I have to be very careful talking about people's motivations, because you never really know what's inside someone's mind, right. But, you know, what is certainly evident is that he was eager to get a campus in the valley, and was, I think, aware that there was a lot of concern in the university that if a new campus were opened, this would drain resources away from the existing campuses. And I think his feeling was that if he could demonstrate that the state would provide adequately for the university, including a new campus, there would be a better chance to get the university onboard to build the new campus. And actually, there was something to that. I think prior to that there was a lot of reluctance to go to another campus because of that resource issue, and I think that those efforts did go some way in making people feel a little bit more assured that the new one would not come at the expense of the existing ones. That said, I don't think we'll ever know whether it did or not, because, you know, how would you ever prove anything like that.

Well, a couple of times, wasn't extra money allocated to get Merced under way?

Yes, yes. There was an extra fifty million, one time, I think, and then there had been additional sums along the way. Not only the very large capital amounts that are required to launch a new campus, but also operating funds, because I don't know how many students you have to have before it's a so-called economically efficient operation that can go at the standard per student funding formulas. But it's a lot more than 800 or 1,600 or 2,000, and so in the early stages of any new campus, or probably any new enterprise of any kind, the per-unit costs are much higher at the early formative stages then they become later on. And so the state has agreed to put in that extra money to make up the difference between what it actually takes and what the formulas would allow. And the state has been pretty good about that, so that's been very important.

But that said, I mean, if you look at everything that's been spent on Merced and everything that the university doesn't have for any campus, you could argue for a long time about whether it has had an effect on the rest of the budget. My personal view is that the university is much better off in the long run serving every region of the state and being perceived that way, because then you have support from a broader area of the state in terms of the population, and the elected officials for support for the institution overall.

Did you make that argument?

I did, yes. I mean, you know, I think there are probably still one or more of the older campuses who think that if we could only shut down the other seven or
eight campuses, somehow or other all that money would flow to that one campus. I'm not one who believes that. I think the reason that we et as much as we do, or part of it is that we are all over the state and that people from every region have some localized motivation to support the university. And if we're not seen as serving the state, then there's going to be less motivation for people from different parts of the state to support the university. So, I mean, I went back and forth in my own mind about whether it would be harmful to the other campuses to start the new one or not, and what I think really doesn't matter anyway.

But in any case, I became convinced that in the long run, at least, we would be better off if we were in the valley—because the valley is like the fastest growing area of the state. Dramatically underserved. You know, the top 12½ percent of the high school graduating class is eligible to come to UC. On average, about seven or eight percent actually come. That's statewide. For the valley, it's been something like three and a half percent actually come here. In other words, half the rate of the rest of the state, as a whole, on average. And I used to think, well, they don't come to UC because we're not down there, but they go to some other four-year place, you know, Cal State Fresno, or Stanislaus, or a private school. Truth of the matter is most of those kids don't go anywhere in terms of four-year education. Scarcely more than one in ten valley high school graduates end up at any four-year institution of any kind. So there was an enormous void to be filled there in the valley. And it's hard to argue that an institution such as ours, that has a distinctive mission under the state's master plan, does not have a responsibility to serve that population.

13-00:12:06
Lage: Did you have an opinion, then, about the siting of the campus? I know that was controversial during the Peltason administration.

13:00:12:11
Arditti: Well, yes. Well, of course, first had to decide where to put the campus, because originally there was a search on for three campuses simultaneously, and that turned out to be very impractical. And at one point, there's a story about that. That was abandoned. And the determination was made that the valley should be the highest priority for a new campus and that should be the only one that should be sought. And then there was this site selection process to choose among—well, it was kind of like a bidding process. People were invited to submit proposals. And I think it started out with over eighty sites being proposed, and criteria were developed and a committee was appointed and a search was done and so forth. And it finally was reduced from eighty to something like three. And two of them were very close to Fresno and then there was this other site in Merced. And I frankly thought that since there's so much more population in Fresno, that would be a better place to put it. Just seemed kind of self-evident. But boy, at that board meeting, when I saw the presentations being made—I think later Cruz Bustamante observed it was ours to lose and we lost it fair and square, or something like that.
I think a lot of people in Fresno realized they just never were able to get their act together to make a cogent proposal. I mean, there was one proposal which was one of the two finalists, I guess, along with Merced, and it was presented by a county supervisor from, I think, Madera County, which is right next door to Fresno. And somebody asked her, "Well, if we were to choose the site you are proposing, what can you tell us about the availability of the land?" She said, "Well, we haven't had those discussions with all the landowners yet." "Oh, I see. And if the parcels should become available, what can you tell us about the cost?" "Well, we haven't had those discussions with the landowners." And then somebody said, "If we were to take that site, what can you tell us about the availability of water?" "Well, there's a guy with an orchard on the south side that's got the water rights, so we're not—" I mean, it was just, you wanted to put your head in your hands and cry.

And on the other hand, these Merced people, I mean, they came in with this really slick presentation. They were going to have the donated land and scholarships for residents of the area and unlimited water supply. I mean, they had anticipated every question. Now, what nobody knew at that time, or maybe somebody knew, but nobody who made a decision really was aware of at that time, was the subsequent environmental issues that would arise having to do with the vernal pools and what that would add to the enormous cost of this free land and so forth. But in any case, my own initial thought was that Fresno would make more sense, just because that's where the largest population concentration is. And it probably would have, but there was just not really a coherent proposal that came from Fresno, and this one from Merced just seemed to be too good to be true.

He's from Fresno, yes. But in any case, once the decision did get made, most legislators from the valley sort of regrouped and got behind the campus at Merced. I mean, some of them were a little slow and grudging about it. But for the most part, they realized that by that time, it was going to be Merced or it wasn't going to be in the valley and having it in Merced was better than not having it. So most of them really became quite strong supporters. As I said, it took a while for some of them to get there. Also, Carol Tomlinson-Keasey, who had been appointed as the founding chancellor and was really kind of the chancellor before there was even a trailer to put a chair in down there, did a terrific job of developing what she called a distributed education model for the
campus such that it would have satellite facilities in various different places in the valley, Fresno and Bakersfield and Modesto and so on, where students could take some lower division work and other things like that. And so that—

13-00:16:40
Lage: So is that still in operation?

13:00:16:42
Arditti: It is, yes. And that went a long way toward building support from some of those areas that initially thought—for example, Senator Florez from Bakersfield said, "Look, I can drive to UCLA in less time than I can drive to Merced from my district, but now there's a nice satellite facility right there in downtown Bakersfield, which brings it all home a little bit more to people who live there." So I think those activities went a long way, also, to building a little more support in the valley from the other areas.

And in any case, if you look at the history of some other campuses, it's funny. The chancellor, in making presentations, used to put like five pictures on a wall all looking identical. You know, flat, vacant strips of pieces of land and she's saying, "Now, who can tell me which—" the truth of the matter is you couldn't tell Berkeley from Merced. I mean, when they started, they were all in remote places, unbuilt land and so forth, and look where they have come today.

13-00:17:42
Lage: UCLA was a bean field.

13:00:17:44
Arditti: UCLA was a bean field, exactly. You know, the Janss Development Corporation donated the land, and of course, wisely so, because the first thing the city had to do was extend Wilshire Boulevard out to this land so the campus could open, which then made it a very appealing place to develop homes and businesses and other things, which greatly increased the value of that land. But, I mean, I think everybody would say, "Well, that was probably a pretty good outcome for the state of California." So, you know, it's right now kind of distant from where the main population is, but the valley's growing so fast, and particularly if we ever get that high-speed rail system, that'll just be a huge boon to that campus.

13-00:18:27
Lage: Oh, that's right.

13:00:18:29
Arditti: I don't know if it'll be in my lifetime, but that would be really spectacular for that campus if that ever were to come about. But even so, I think their enrollments are doing very well so far, and so we'll see how it goes for the future. But it's going to be a great campus. It is already.
Lage: That's good.

Arditti: It is already.

Lage: Yes, that's a positive spin on that. I do think there's resentment at some of the older campuses.

Arditti: Oh, I'm sure. There was a lot more than there is now.

Lage: Well, they also resented Santa Cruz and all the others—Irvine.

Arditti: They did. Yes, yes. But, I mean, does Berkeley really believe that if UCLA had never started, all the money that goes to UCLA would be going to Berkeley? Or does UCLA believe that if San Diego had not been started, all the money going to San Diego would go to UCLA? I mean, the truth of the matter is it's a state going on forty million people now, sprawled over a huge geographic area, and support is needed by the university from all these regions if it's going to be funded. And if it had only one campus in one neighborhood, where is the motivation on the part of people all over the rest of the state to support the institution. So, you know, this is not something that can ever be proven one way or another. But I just think whether you look at it in terms of obligation to serve the population—I mean, could you accommodate every Californian in the top 12½ percent at one campus or do you scale it back and only take the top one percent? And who in the world is going to support a campus that takes only from the top one percent. So I don't know. As I say, I wrestled with this for a long time, and I've reached my conclusion. I could be wrong, but I think very unwise to keep the university too small.

Lage: And as you point out, and as Gardner always said, "Diversity is intimately connected with growth."

Arditti: Connected with capacity, because, you know, the conflict among people for scarce places is quite palpable, certainly on individual campuses. But if you are then turning eligible people away from the entire system, you would probably greatly distort and magnify the diversity differences and given the way the state's changing, first question is where will deserving young people be educated? I think that's where you have to begin. But then right after that—and who will support the existence of the institution if it isn't perceived as providing those services to the people.
Well, that leads us into the affirmative action wars during the Petason era, and then, of course, they continue in different ways after. Really, it's about admissions as much as—

Yes, it is.

How did you see that buildup to SP-1 and 2, both in the regents, but also the legislative reaction?

Well, yes. I mean, there were a few legislators who were pressing for that kind of policy. In fact, there was a proposed constitutional amendment in the legislature that would have done the same thing that SP-1 did.

Just relating to the university, not the 209 initiative?

This was pre-209. This was pre-SP-1, although I think it was happening while SP-1 was being proposed.

I see. And who were the legislators?

I think Assemblyman Bernie Richter, who is no longer alive and who was very conservative and very close to Regent Connerly. At that point, of course, the university's policy was not the policy of SP-1 or of that proposed constitutional amendment. And I remember because we had to decide what position to take on this since it was aimed directly at the university and would reverse the existing university policy at that time. And I felt that we needed to take a position that was consistent with our policy at the time, whatever might happen in the future. And we talked about this with the president and others. And I remember calling Ward Connerly and saying, you know, "Look, I'm sure you're aware of this proposed constitutional amendment, which mirrors your proposal coming before the board. But," I said, "my sense of this is that the current policy of the university is what it is. This is a legislative proposal that would contravene that policy, and therefore, my proper marching orders are to oppose this until such time as the regents act to change their policy." And he said, "I agree with you." And we did oppose it. It failed, not just because we opposed it, but I mean, like all the Democrats were against it, and I'm not sure most of the Republicans were for it. But in any case, that effort was made in the legislature.

But then the next step was SP-1 from the regents. And I had no idea how that would turn out. I mean, the fact that the governor was pressing it very hard is always a sign that something significant could happen, and yet we had lived
with the pre-existing policy for so long and had just taken it as sort of an article of faith, that it seemed hard to imagine how the board would vote to overturn that.

13:00:24:22
Lage:

And the board had shown so little objection previous to Ward Connerly.

13:00:24:27
Arditti:

Yes. Prior to Ward Connerly and the governor getting involved, absent those two, I don't think the board ever would have done this. And I think there were some people who voted for it because of their loyalties to the governor or something like that, who never would have chosen to bring this up or might have voted differently. But in any event, the situation was what it was. Every group in the university opposed the action. You know, the president, the chancellors, the Academic Senate, the alumni, everybody. The students. And it was a really, really tense day. Boy, I remember that very vividly. A lot of student protesters and a lot of police, and the room had to be vacated one or more times. And it was a very emotional day. But in the end, the governor and Mr. Connerly were able to carry the day and get that done.

13:00:25:31
Lage:

Now, Roy Brophy, who was a Wilson appointee, I believe, was not in favor.

13:00:25:36
Arditti:

He had been a Deukmejian appointee.

13:00:25:39
Lage:

Oh, Deukmejian.

13:00:25:40
Arditti:

But had been very close to Governor Wilson. In fact, I think he had been something like his northern California finance chairman when he ran for governor and all that. Nobody knew how Roy was going to vote. He was a very close friend of mine, so I had a keen interest in how he voted, I mean, both because of the nature of the issue and just our personal friendship.

13:00:26:03
Lage:

But did you discuss it with him beforehand?

13:00:26:05
Arditti:

No. Yes, I'm sorry, I did. And he gave me no indication what he was going to do. Until he raised his hand to speak, I don't think anybody had a clue what he was going to do. He was being very closely watched, and nobody knew what he was going to do. And he wound up coming out against it very forcefully. Very forcefully. Said why it's wrong in every respect. It is a violation of shared governance. This did not come up with the faculty and the chancellors and the president, as these things should. And it's wrong in terms of opportunities that need to be presented to our students. I mean, the whole room was stunned when he spoke.
Lage: Very heartfelt, from what I—

Arditti: Very heartfelt, very passionate. And he paid a big price for it, because he lost, you know, a large chunk of his friends. And he and—

Lage: Really? Was it that strong an issue?

Arditti: Yes. And he and Ward Connerly became really bitter enemies. I mean, later—or maybe I'll get to this now when we talk about the presidential selection process for the next president. The Brophys had a—well, I don't know whether to do this one now or later because I'm skipping three or four steps here.

Lage: That's okay. If we're talking about Brophy, so—

Arditti: Well, okay. So fast forward. Roy was the chair of the selection committee for the next president and at that point, he and his wife had a large boat up in the San Juan Islands in Canada and at a point by which they had thought that the presidential search would be long since over, they invited my wife and me to come up and spend a few days with them on this boat, which we were looking forward to doing. Then the presidential search fell apart. They had a proposed appointment of someone. The press release went out and everything, and then the person didn't come.

Lage: Mr. Gee?

Arditti: Mr. Gordon G-E-E.

Lage: Gordon.

Arditti: Whether it's Gee or Gee, I've never been quite sure. But whether it was because of further information that came out about him, or whether his place where he was lured him to stay, or some kind of combination, all I know is it was about the quickest presidential tenure in history, I think. And so that then forced the whole search to be reopened. And so at that point, I called Roy and I said, "We've been looking forward to coming up there with you, but I assume you assumed this was all going to be over." I said, "You're not going to want us around while you're doing this." "No, no," he says. "I want you to come." So we arrived up there. He said, "Raise your right hands." He says, "Do you solemnly swear never to say anything to anybody about anything
you're about to see and hear?" And I said, "We do." "Welcome aboard." So we were there like during the culmination of that search.

But in any event, one day we were all out on a picnic bench someplace on some small, pretty island there, and Roy's cell phone rang, and I guess it was Ward Connerly. And I don't know what was going on in this conversation, but I could see Roy just getting redder and redder, and the hair standing up on the back of his neck. Finally he takes the phone and he says, "Connerly, you're whiter than I am," at which point Becky Brophy, Roy's wife, gives him an elbow in the ribs. He says, "I said, Connerly, you're righter than I am." This story I can tell because Roy himself has told it to magazine interviewers and so forth, so I'm not saying anything that I couldn't say.

13-00:30:02
Lage: Well, that's very funny.

13-00:30:03
Arditti: But, I mean, this really did lead to a very bitter, bitter relationship between the two of them, which has gone on and on.

13-00:30:11
Lage: So something in the discussion was about—

13-00:30:14
Arditti: It had, obviously, something to do with affirmative action.

13-00:30:16
Lage: Affirmative action.

13-00:30:17
Arditti: Or admissions or presidential selection or something like that. I couldn't hear the other—

13-00:30:22
Lage: So that must have been something that was considered, how the person’s loyalty to SP-1 and SP-2.

13-00:30:29
Arditti: Yes, yes. So this left deep scars for a long time. And I don't know whether to keep going with that or move back. And, I mean, subsequently, when President Atkinson was selected, he attempted to delay implementation, because it was not a small matter to overturn and change all these policies and get things in place to be operational and so on.

13-00:31:00
Lage: Was it an administrative decision, from the way you understand it, or was it a lack of commitment? I know you don't like to talk about motivation, but you must know this one.
Arditti: Well, I mean, look. President Atkinson made no secret of his opposition to SP-1. But I don't think that he was thinking that, on that basis alone, he could unilaterally just undo it. But he did feel that it was too quick.

Lage: It needed to be implemented correctly.

Arditti: It needed more careful implementation. But in any case, the governor and several regents didn't agree with that assessment and it got quite tense, and it was on the front pages of the newspapers and all of that. And it threatened Atkinson's presidency right from the start. Fortunately, some kind of resolution was brokered. I don't remember the details, but I mean, one—

Lage: You think there would have been a vote of no confidence?

Arditti: Well, you never know what might have happened. But I think there are those who felt that he could have lost the presidency over this if it hadn't been resolved. And there finally was a resolution in which one part of it was implemented immediately and another part was delayed for a year. I think the graduate one was right away and undergraduate—I don't remember which pieces, but there was some kind of an arrangement like there, where there was a partial delay. But that was a very tense time. And I think he could easily have lost the presidency over that. I'm very glad he didn't, but that was a very, very tense time.

Lage: Now, would the legislature have a way of weighing in?

Arditti: Well, you know, the day of the action, there were legislators who showed up and legislators who wrote letters, and a lot of verbal activity in committees, budget committees and other things like that.

Lage: On this Atkinson action?

Arditti: Oh, on the Atkinson, no.

Lage: Well, either one. Either one.

Arditti: No. But, I mean, on the issue itself, I mean, you know, the legislature—

Lage: The issue itself was a very hot issue.
—was hugely divided on that, you know, with most all the Democrats being vehemently opposed to SP-1 and this led to a lot of bitterness towards the regents and the arguments that the board was acting politically and being politically—

It did look that way, given Wilson's—

—manipulated and all of that, and this was a public policy issue that should only be decided for the state as a whole, and not separately by the university, and the university should not be leading the state. They had all these different arguments. And then, of course, there were others on the more conservative side who came and argued that it was indefensible what the university was doing, and the university was right to mend its ways and end these processes and so on. So it was a highly politicized action on all sides, and whether it could have been prevented or mitigated or moderated or something, I mean, we'll never know. I do think the university got very attached to doing things almost exactly as they had been done. And, of course, that's why they were done that way, is because people thought they were the right way to do things, right. But, I mean, in retrospect, there might have been some reforms that could have been done that might have taken a little of the sting out of the opposition. Although given the way this thing evolved—Ward Connerly was not one to tinker. I mean, this was a matter, to him, of fundamental principle.

Yes. Just changing things a little bit.

Certainly would not have altered his view. Whether that could have made any difference in swing votes—because it was a fairly close vote. You know, fourteen to ten or eleven or something like that. So it's not like it was a landslide. And whether or not there would have been anything in between there that would have affected two or three, a couple—because just a couple of votes, really, could have changed it. We'll just never know. But, I mean, nothing would have changed the minds of Regent Connerly or the governor, that's for sure.

When you see what a role politics plays, it also makes you wonder how it feeds into selection of a new president, the president being the most important choice. And often the president kind of matches the governor, although in this case, it was Governor Wilson. Do you have a sense of that?

And remember that Dick Atkinson and the governor had known each other well, back to San Diego days.
Lage: Oh, that's right. I forgot about that connection.

Arditti: Sure. And I think they'd been very good friends. I know they had been, because I was in meetings with the two of them, where they were very good friends. I mean, there just happened to be this one issue, just sort of the way the issue of South African divestment is the one issue that separated George Deukmejian and David Gardner, otherwise they got along very well together.

Lage: I see.

Arditti: But this was the one for that era. But—

Lage: But does the governor have a larger-than-life role in the selection of a president? I mean, he is a member of the board.

Arditti: Well, he's the president of the board by operation of the constitution and he has appointed, typically, a number of the other board members and has a huge influence over the budget and other sorts of things. So certainly it's understandable that the governor would have a major role here. I mean, I don't know that a president's ever been appointed that the governor hasn't said, "Okay, I'm okay with that." But that's a much different statement than saying, "Well, the governor has picked somebody."

You know, I think for the most part, these people kind of come up through a process, which is a good process when it works properly, anyway, that's highly participatory. You know, where you have the faculty represented, students and faculty, and alumni, and chancellors and such. I mean, it's a good vetting process. I mean, people have to meet certain sort of minimum criteria just to get on that list and they've got to get over a lot of hurdles before it really gets to the level of the board and the governor. So I'd say if you're just looking for what's the de facto situation, I'd say the governor probably has a veto authority. Or it's just hard to imagine the board appointing somebody who is grossly objectionable to the governor. Whether you want to characterize that as knuckling under or just pragmatically recognizing the governor—it's vital to the university that the president be able to work with the governor. So whichever interpretation you want. But I think it'd be highly unlikely to have somebody appointed who is objectionable. But I don't think governors handpick presidents, either.

Lage: Not in the way that they'd handpick a regent.

Arditti: No, no. They're very different. Very different.
Lage: Okay. Shall we move on forward with the Atkinson presidency?

Arditti: Sure. Sure.

Lage: We talked about his first, you might call it a misstep, I don't know if you would, over implementation of SP-1 and 2.

Arditti: Yes.

Lage: Did that shape his future relations with the board? Do you know?

Arditti: Well, I mean, on the face of it, he was very effective with the board. Very effective with the board. You're talking about Atkinson?

Lage: Yes.

Arditti: Yes.

Lage: Yes, Atkinson.

Arditti: I mean, if you look at all the different things that happened during his administration, including some very controversial changes in the admissions process and so on, he did very well with the board. Now, did it all happen easily and smoothly? Was he frustrated from time to time? Different questions. But if you just look at outcomes, here's somebody who had enormous influence during his presidency. Got the board to support a lot of things that you'd be surprised to see them support, including the ultimate repeal of SP-1. Now, of course, by that time, it was really kind of moot since the state constitution had—

Lage: Yes, it was.

Arditti: —already been amended to provide that. So it didn't really make much difference. It was just symbolic.

Lage: And Regent Bagley was very strong on getting that revoked, was he not?
Arditti: Yes, he was. Well, of course, he was very vocal in opposing SP-1 in the first place, opposing Prop 209 in the first place, and was, yes, really along with maybe one of the student regents, really leading the pack to get it repealed. But as I say, with the constitution since having been amended, I think from his point of view, it would remove a kind of onus from the university as having been responsible for this movement and so on. But in terms of the impact on admission of students or hiring of staff or faculty or anything like that, I mean, it really couldn't have any impact at all.

Lage: Did these various adjustments to the admissions process that Atkinson proposed and got passed, one being taking the top four percent from every high school, was it not—

Arditti: Every high school, yes.

Lage: And dropping the SAT.

Arditti: Yes. Well, not dropping it, but revising the SAT one, and then also implementing comprehensive review of applications for admission.

Lage: Rather than going on scores.

Arditti: On scores alone.

Lage: And grades. Were those supported in the legislature? Was that something that was popular?

Arditti: Yes, especially among Democratic members.

Lage: Who are the majority.

Arditti: Who are the majority. Yes. Yes, those had a lot of support and he was widely respected for leading those efforts. And I think he really felt that, particularly with SP-1 and Prop 209 in place, it was important to find ways to evaluate students a little bit more individually, but not in ways that would avoid these things. You can't avoid them. But I think lead to a little more diversity among the student body than otherwise might be the case. These things didn't make enormous differences, but I think they did help.
And then the other thing that's connected that you must have had something to do with in your relations to the legislature is the funding for the outreach program.

Yes. Well, you know, it's interesting. Those programs had really been sort of invented by the University of California, programs to go out and work with the schools at early levels to try to get more kids eligible and motivated to come to college. But in the wake of SP-1, the funding for those programs, for the university, doubled and this actually grew out of work that went on between the speaker of the assembly at the time, Antonio Villaraigosa, who's now the mayor of Los Angeles, and Regent Connerly, Governor Wilson, Regent John Davies, who was very close to the governor. In fact, [Davies] was serving as the governor's judicial appointments secretary at that time.

Oh, Governor Wilson's judicial—

Governor Wilson's judicial appointments secretary, Regent John Davies. Very good guy. But in any case, I mean, the argument was kind of developed that if we're going to prevent giving preferences to people from certain backgrounds for admission, then we ought to be doing more to level the playing field by getting more of them properly prepared and competitive to come to college. And so on that basis, the support for these programs was doubled. Now, in later years, when the budget went to pieces, they got cut back again. But there was a big boost for a period of time, and it was a very interesting combination of people that were involved in putting that together.

In fact, I think I may have mentioned earlier, at an event in our home, Villaraigosa and Connerly were both there and at one point, my wife went to take a photograph of the two, and Connerly jumped away and Villaraigosa said, "Why'd you do that?" He said, "Well, since I've begun my efforts here on affirmative action, no Democrat has been willing to be photographed with me and I'd assume you would feel the same." And Villaraigosa said, "Hey, come back over here. If we don't talk to each other, how are we going to get anything done? How are we going to work together?" And there was an example of where they really did work together. I think John Davies was instrumental in that, as well. But that just made a huge difference for a while.

And that was a program that Karl Pister ended up heading up.

Yes. It was interesting. Things happen in kind of odd and funny ways. This kind of happened fast and big. I mean, like double. That's a big change in the magnitude of anything. And at that point, there was not a vice-president for outreach. And in the initial stages, all this money had been provided, but there
really wasn't an in place plan for how to put it to work effectively. And so I think a realization grew that if someone with some real leadership capacity and focus wasn't put in charge of this to kind of lead its implementation, it might falter and not be utilized effectively. And I mean, there is something to that. I mean, it's sometimes better to increase funding for things a little more gradually because it's really not good at all to have funds appropriated, expectations rising, and not much happening. That's just a recipe for a backlash and negative consequences in the end.

But anyway, Karl did a wonderful job of both building the programs and building confidence in them, because he is so credible and has such a rich array of background and experience, ranging from dean of the engineering school and chair of the Academic Council and chancellor in Santa Cruz. I mean, he had done it all.

Lage: And very committed to this outreach.

Arditti: Oh, passionately. Well, he had been very committed and effective in this area back in the College of Engineering days. I mean, he had made great progress in increasing the diversity of the Berkeley College of Engineering when he was the dean over there. So this was not a new interest for Karl. This was something that was deep in his bones, and so he was a great choice for a lot of different reasons. Did a terrific job.

Lage: And then eventually it got cut.

Arditti: Yes, yes.

Lage: Is there a story behind that that you might have been involved in?

Arditti: Well, it was kind of twofold. I think there were a number of Republican legislators who object in principle to having these kinds of programs. They say, "You know, wait a minute. Here you got more people knocking at the door than you can accommodate, and here you are spending millions to go out and recruit even more." So there was that. But then we just came into another huge budget cutting period. This was now under the administration of Governor Davis. And remember that the economy and revenues had bulged. All kinds of expenditures had been incurred or tax cuts made. And then the bottom fell out, and so there was this enormous reduction in revenues. And there were just a lot of things that got slashed hard, and that was one of them. But, I mean, the budget got cut like three, four hundred million dollars in a year. This was just one part of it. So I think it was part that there were certain people who just objected to these programs, and in part, just the money had to
be found somewhere and that was one of the things that was found. So they're kind of back now, I guess, to the level they were at. I don't know what's going to happen this year, because this is another tough year, and it's not over yet for this year.

Lage: It seems like the tough years are coming more and more frequently.

Arditti: Well, you know, other than the normal economic cycles, California has just tied itself in knots in ways that make these things a lot more difficult here than in some other states. You know, you have Proposition 13, which restricts property taxes and the ability to raise any other taxes, and Proposition 98, that determines where a massive chunk of the money has to go. And the prison system growing out of control, sopping up huge amounts of money almost uncontrollably. And costs for state employee pensions. During the good years, the state employed some enrichments for state employee pensions. The state retirement system said, "Oh, we can cover these out of investment earnings," and guess what. The market went the wrong way, so the state has to come up with large sums of money to help pay for that. Unemployment compensation. During that period, they raised that way up and now the system is not funded, and they have to put up money for that. They cut taxes. You know, the vehicle license fee. There would be six billion dollars more in the treasury today if they hadn't done it. Just this whole string of things—

That license fee thing is amazing.

Arditti: Well, just this whole string of things. And I haven't come up with all of them, but there are just a whole string of them. Oh, and the fact that because the property tax is so low, and there's such heavy reliance on the income tax, this is very sensitive to swings in the economy and very volatile. So in good times, you get a rush of capital gains and a bump in the revenues and then the bottom falls out and that crashes way down.

So, I mean, there are a number of things that characterize California that make these things a lot harder to live with than perhaps in some other states. Not that other states don't have their problems. But, you know, in the absence of some major fix of the state's finances, I think these problems are going to become progressively worse. It's not that they're going to go in a straight line. They're going to go like this, and then up a little, and then down. It's going to get harder and harder unless there are some major, major reforms in the state tax structure, and I don't know what the chances are for that.

I mean, it may well be that the university is just going to have to rely a lot more on student fees with financial aid increased even more and private support and other things like that. I don't know. I hope not, because I went to
school and the theory was it's in the interest of the state to educate everybody at very low cost, with broad access, and then people will be successful and they'll pay it back later. I still believe that. But I do not know whether it will be possible to maintain a university of this quality, serving the number of students anticipated, without doing something separate and apart from state funding or dramatically supplementing state funding.

I got a fair degree of pessimism about the future from Larry Hershman. You've both—

Well, with—

You've had shared experiences.

With good reason. We tend always to project the future based on a kind of straight line from where we are. And I think part of the reason the state's gotten itself into so much trouble is that when the money's rolling in, they disregard warnings that this is just temporary and volatile and could crash. They just spend it all, either on expenditures or tax cuts, and they think it's going to go on forever just fine, you know, just like these enhancements in the public employee retirement. You know, the state retirement board is heavily influenced by unions who favored this. They assured the state that, "Oh, they could just take care of this on investments because the investments were doing well, the economy was up." And a lot of people, I guess, just believed that.

So now things are terrible and it's easy to assume that, well, that's the new straight-line projection. It's always going to be terrible. I mean, that's possible. That said, given the factors that I mentioned a moment ago, it's hard to be too optimistic, at least in the short to mid-term as to how this is going to shake out. And I think it's really the case that the choices are going to be mediocrity and/or shrinkage, which are not good alternatives. Some kind of new revenue stream from the state, if not through the normal process here, then perhaps in some kind of coalition going to the ballot. Or else moving toward a more private model for the university. Frankly, raising student fees much more than has ever been contemplated, hopefully with enough financial aid. I mean, I think it's interesting. People complain about how the fees are right now, but still, one-third of the students are low income students in the University of California. When you consider what it costs to attend a place like this, there isn't any place in the country that can make that kind of a claim. So—

Well, some have said—I think our chancellor at Berkeley, most recently—that what's going to happen is that the middle income student will be cut out.
They're not eligible for aid, but it's really a huge hunk out of the parental income.

13:00:54:10
Arditti: It is. Now, you know, I'm not a financial aid expert, so I haven't done all the analysis here. I mean, if you raise the fees up much higher, then you would want to try to increase the level of income that's eligible for aid so as to try to mitigate that. But I think part of the problem is the higher you go with the fees, probably the higher proportion of that income you'd have to put back into financial aid to avoid freezing people out. So at some point, you reach a point of diminishing returns here. But that said, I mean, if you look at what the private institutions are doing, they have a sticker price, but if you're poor or middle income and they want you, you come, and they just find a way to pay for it. And now they have huge endowments and they have small student bodies and they're not obligated to grow. CalTech is a magnificent jewel of a place. You know how many students they have? Thirteen hundred.

13:00:55:10
Lage: Oh, my goodness.

13:00:55:11
Arditti: We have classes that big.

13:00:55:12
Lage: Yes, we do.

13:00:55:13
Arditti: So you can't say, "Well, because the private institutions have been able to do this, we necessarily could," because they don't have any obligation to grow. Most of them don't plan to grow and they have rich endowments and other things like that. But anyway, I'm sure there are people, as we speak, doing a lot of analysis of just what you could do and how you could make things work. But I don't think we could just go on as we are without some very serious negative consequences.

13:00:55:50
Lage: Not a good ending, but I'm wondering if this isn't a good place to end today.

13:00:55:50
Arditti: Okay.

13:00:55:51
Lage: You look tired.

13:00:55:52
Arditti: Well, it's been a good long—

13:00:55:54
Lage: You get to a point of diminishing returns.
13:00:55:56
Arditti: Yes, yes, yes.
Interview #5: August 26, 2008
Audio File 14

14:00:00:00
Arditti: You've got some things to prompt me with, which helps me.

14:00:00:03
Lage: Yes. Okay, here we are, back in Sacramento on August 26, 2008, and this is the fifth interview with Steve Arditti, and I am Ann Lage. This is tape fourteen. Today is our final day, so we want to get everything in. I'm going to keep you until midnight.

14:00:00:26
Arditti: Whoops.

14:00:00:25
Lage: Okay. We left off last time kind of in the middle of a discussion about Atkinson's presidency and all the events that went on during that time. Why don't we maybe get your view of Atkinson and how he related to legislators. And he worked with two governors, Wilson and Davis. So do you have something to say about that?

14:00:01:39
Lage: With the legislators or with his staff?

14:00:01:41
Arditti: No, not so much with legislators, but with others. And so early on, you'd wonder how's this going to work with some of these people who want to talk and talk and talk and talk. But, actually, I thought he did a marvelous job in two or three different ways. I mean, one, he really did take a look at the state, what it's problems were, where it was going, what it needed, and staked out initiatives in different areas in which the university has responsibilities to try to advance the university's ability to help the state, ranging from reforms of the admissions process aimed at making access a little better, particularly in the wake of Proposition 209 and so forth, on the one hand, and some very
major big science and research initiatives on the other. Working with industry to try to enhance research and innovation and the transmission of the research results in the university to the economy, and to the service of the public. So it was a kind of a balanced approach to try to put the university at the state's service. And I think those things, as a matter of substance, were admired and appreciated by many in Sacramento.

Beyond that, he had a very nice touch. I mean, for somebody who is—I think he's truly a genius. He can be very affable, very humble, very patient. Some people who know him would wince a little bit at the term patient. But I'll give you an example or two in a minute. Also, I remember when then Lieutenant Governor Davis was a member of the board of regents. I think hardly anybody at that point thought he ever had a chance to become governor, even though that was his goal. And there were a number of people at those board meetings who really did not treat him with a lot of respect.

14-00:03:53
Lage: You mean his fellow regents?

14:00:03:54 Arditti: His fellow regents. And Atkinson just could not have been more accommodating. You know, he treated him with respect, he referred to him as governor, he would give him ample opportunity to speak, he would send him follow-up notes. "Dear Governor Davis, remembering your interest in this—"

14-00:04:15
Lage: Now, why governor if he was lieutenant governor?

14:00:04:17 Arditti: Well, the lieutenant governor is often addressed as governor.

14-00:04:22
Lage: I see.

14:00:04:23 Arditti: That's something you hear. I don't know if there's a book that tells you that that's okay, but you hear that from time to time. They had known one another going back to the Jerry Brown years, of course, when Davis was Jerry Brown's chief of staff. But by the time Davis surprised some people and became governor, he turned out to be a huge supporter for the university. And I don't know that I would say that it's solely because of the way Dick Atkinson treated him over the years, but I think he had a really strong respect and affection for Atkinson, and I think that made a difference with him in terms of his overall support for the university and some really tough issues that we had on the governor's desk at one time or another, where a constituency that's very important to the governor were pressing for one outcome and we were pressing for the other. And, you know, you never know exactly what explains a final outcome in a case like that. But I think there are one or two where we were pushing for a veto of some intrusive piece of legislation, and there'd be
strong labor support for it, and the governor would agonize about it, and at some point he would turn to one of his friends and, "What does Dick Atkinson think about this?" "Oh, he really feels strongly about this." And I think that turned him on a couple of things.

There was one piece of legislation that was union-sponsored that sought to restrict dramatically the authority of the university to contract out services for one thing or another. And it's a classic labor issue. People who represent employees want all the work on the place done by people who are employed by the university rather than by outside contractors, and therefore by other employees. And you could argue a lot about what really makes sense. I mean, my personal view is that flexibility makes sense. You don't want to contract out the whole place. On the other hand, there are things that just make sense to contract, particularly when you are dealing with sophisticated research and the need for highly specialized talent and equipment. I mean, you just can't produce all this internally.

But in any event, this was a huge battle, almost a war that we fought for an extended period of time. Finally we tried to stop it in the legislature, couldn't do that, landed on the governor's desk. That governor had been strongly supported by unions throughout his entire career, including, instrumentally, when he was elected governor. So this put him in a very tight spot. We pointed out the impact of this, both on the Institutes for Science and Innovation, which we'll talk about in a minute, but which was a key priority of his, as well as on the hospitals, and he was very interested in the hospitals, especially UCLA and so on. His administration, I think, was very divided in terms of the advice he was getting internally. It was a really tough and close one. But I think in the end, his regard for Dick Atkinson and the knowledge that Atkinson thought this was a bad idea for the university had some role to play in this.

Lage: Did you have a meeting directly with him?

Arditti: No, mostly on these things, you worked through his staff that advises him, because there will be, particularly at the end of a legislative session, maybe 1,500 bills dumped on the governor's desk in the last two weeks of the session or something like that, and so that's where it becomes very critical to be able to work with the relevant people in the administration who are advising the governor, because there's no way he can meet with people individually on every one or even any fraction of those bills. And so—

Lage: So did someone report back to you that he had said, "What does Dick Atkinson—?"
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14:00:08:25 Arditti: Yes, yes, yes. And, of course, the way that process works is, first of all, you write a letter to the governor expressing the view of the university and making the best arguments that you can make. And then you copy key people in the administration, and then you meet with them, as you can, as well as trying to get other people to weigh in, if you can find such people, endorsing the same view that we have on that. So we did all of those things. And I mean, this was really like a little campaign. This was a very tough issue. But anyway, I think that was just one of many examples of how regard for Atkinson was very important.

He was remarkably patient with legislators, some of whom were not always easy to get along with. I remember there was one member who, at one point in a meeting with Atkinson, had just kind of flown off the handle and used obscene language, insulted him, and accused the University of California of being responsible for poverty in California.

14:00:09:42 Lage: Do you want to name names here?

14:00:09:42 Arditti: No, not on this one. And just on and on and on and on. It's like, you know, what did this person have for breakfast or something? I'm sitting there and here's this enormously distinguished president of the university just sitting there, listening to all of this. And finally, we left and then, I don't know, two, three months later, that legislator called the office, and said that he would like to meet with the president. And I thought, oh, my god, after that last performance. So I called the president and I said, "Look, so and so has asked to meet with you. I just want you to know I'm relaying the request but I'm not urging that you do that, because I remember that last encounter." He said, "No, no, that's fine." He said, "I'm happy to do so." Okay. I don't think I would have, after that experience, frankly. So we went in the second time and it was—

14:00:10:44 Lage: So you go with him on times like this?

14:00:10:44 Arditti: Oh, yes. Oh, yes, yes, yes. Yes. I mean, almost all the time when the president meets with elected officials or others, someone from the office would accompany that person. I mean, for a variety of reasons. One, somebody just has to get him around from one place to another and change the schedule where needed and so forth. Someone needs to keep track of what's going on, because there is often follow-up that needs to be done growing out of these things. And, you know, when the president or someone like the chancellor or someone else like that comes to town, a regent or whatever, they're here for a day or a half a day, and then they don't come back for a month or two months. The people in the Sacramento office are the ones who are left behind having
to do the work and follow-up. It's also helpful in doing the work on a daily basis for the people in the building to kind of associate the staff here with the leadership of the university. So there are a lot of reasons why it's a good idea to have somebody present.

I'm just remembering as we talk about this now. There were examples where another president found himself in a phone conference call with some people on a very difficult issue without somebody in the room, and then all sorts of distorted and inaccurate claims were made about what this person had agreed to, but there wasn't really a witness who could have attested to that. So there are just a lot of good reasons why—

That would be a good one for you to tell me about.

Perhaps later. But in any case, there are just a lot of good reasons why leaders, when they're in town, should be accompanied by somebody. And oftentimes, when you're accompanying someone like that, you don't say too much, although sometimes questions are asked that the president doesn't—about something the president doesn't know anything about, and so it's helpful sometimes to be able to move in and fill in the blanks in terms of the issue itself, particularly if it's a pending legislative issue or something like that. And in any case, to have exact knowledge of what's going on here so that a follow-up can be done and issues can be anticipated. Just the ability to interpret these conversations. You know, you've probably noticed. I mean, you can have three, four people witness the same conversation and come away with at least three or four different interpretations of some nuance of what somebody really meant when they said that or something.

And you know the legislators better, so you could—

Yes. Yes, yes, yes. So for all those reasons, it's a good practice for somebody to be along. But in any event, the second time we went in with this member who had gone off on this tirade the time before, it was like a different person. And they started out by talking about their grandkids and children and sports and all that stuff and wound up—there was a small bill that this legislator had, which our folks in Oakland were not enthusiastic about. It was to get the university to do a particular type of research project having to do with diversity. And I warned the president that he would probably be asked to support this. And I said, "Again, if you prefer not to put yourself in that situation, I mean, it's okay." "No, no, that's fine," he said. So anyway, they had this great conversation and he said, you know—he said, "That's something we ought to be doing." So it fell to me when we came back to call the relevant person down in Oakland. I said, "Well, I think we need to reevaluate our position on this bill on account of the president—" Well, why does he do
things like that? "Well, you know, he is the president, after all, and you know, I think he just was convinced that this was something that we ought to be doing." So in any case, he was just remarkably patient with people for a person who, in other ways, could be regarded as being not so patient.

I just thought a remarkable indicator of how sensitive he was to having good relationships with elected officials. I mean, he did other things that were useful. During that gubernatorial election in which Governor Davis ultimately had been elected, there was no incumbent running at that time and there were a number of major candidates, several on the Democratic side, I think only one or two on the Republican side. But it occurred to us that if you wait until a governor has been elected to go in and say hello for the first time, you're already set back. And so I thought it might be good if we could arrange a way to meet with as many as possible of these major candidates back when they were still candidates to, first of all, just brief them about the university in the hopes of informing the campaign a little better, and to also sort of have the door opened a little bit before somebody actually walks in the door and takes office. And, of course, when you're dealing with people at that level, they're not just going to deal with staff for that. If you're going to get them, it's got to be the president. And he agreed willingly to do this.

And we did meet with several of them, and they were very interesting meetings. As I said, Governor Davis we already had known well, but he was interested—and Davis knew a lot about the university, too, because he had represented UCLA when he was in the state assembly, and had been on the board of regents as lieutenant governor, and so forth. But nevertheless, there were several who did agree to these, and they were often kind of on the run with phones ringing and people running in and out and so forth. But I thought it was very useful and interesting. I mean, one—

14:00:17:02
Lage:
And you got a sense of them, as well.

14:00:17:02
Arditti:
Oh, you got a sense of them, boy, including one who would have been, I think, a real challenge for the university, but that person was not elected. And he [Atkinson] was very willing. He never questioned. And, you know, that's a big commitment because it's not like they would go to Oakland for this, right. I mean, we'd have to do them either here in Sacramento or Los Angeles or someplace like that. But he was very willing to do that sort of thing. Very willing.

Every once in a while, he would do something that you'd say, "He said, "What?" I mean, I think it's a genuine trait of genuine genius that people sometimes just make remarks and you say—one here, which I think I can tell. Shortly after he became president, we went in to meet for the first time Senator Cathie Wright, who was a senator from southern California. Very nice
lady and a member of the budget subcommittee that acted on the university's budget. And we went in and she was on the phone and so we were waiting, waiting, waiting in the outer office there, as often happens. And then finally, her secretary came out and said, "Well, I think she's going to be wrapping up soon, so why don't you come on into her office."

So we walk into her office, and she's still talking on the telephone. So, you know, not that many things you can do in a situation like that. So we were just kind of walking around the perimeter of the office looking at all the plaques and the pictures and the certificates and so forth on the wall. Finally, she hangs up the phone. So I take him up. I said, "Senator Wright, I'd like you to meet President Atkinson." And he looks at her and he says, "You know, I just noticed from one of those things on the wall, you and I were born in the same year. You're pretty damn well preserved." But, you know, she was a very good natured person, and they became very good friends, got along very well. But, I mean, this—

14:00:19:07
Lage: She might have appreciated that.

14:00:19:10
Arditti: Maybe she did. But, you know, it's never quite sure what he's going to say, which I found to be a very endearing quality. I don't think it ever got him into any trouble that I know about, and I think people appreciated his candor and had great respect for him.

14:00:19:25
Lage: Now, why do you say brilliant? More brilliant than our other presidents?

14:00:19:29
Arditti: Not necessarily, no. And I'm certainly not—

14:00:19:30
Lage: Or more genius. I mean, you used—

14:00:19:31
Arditti: Well, I mean, he's somebody who graduated from the University of Chicago, graduated at the age of nineteen, and has published numerous books, holds patents on inventions, has become a huge shareholder in major corporations that he was involved with at the very beginning, such as Qualcomm in San Diego, for example. I'm not making a comparative assessment, I'm just saying that in this particular instance, there are certain indicators. But, I mean, they all have been. I mean, that's kind of almost a minimum eligibility requirement to be considered to be president of an institution like the University of California, as it should be. Because, after all, it is an institution of scholars. It is, by definition, an institution that's supposed to be ahead of the rest of society in both educating the next generation and developing new knowledge and so forth. So to have somebody who wasn't at the top of that game would not be having leadership that would be capable really of serving adequately.
So it's not as though he's the only one, I'm just saying he's the one we happen to be talking about right now.

Arditti: And that was all quite visible. Anyway, those were just a couple of examples. But he did very well. You know, Democratic legislators had been widely unhappy with the university over SP-1, which they saw as leading to Proposition 209, restricting diversity. And I think they felt that he really cared about that and really was struggling within the confines of the law to find ways to make access to the university a little broader. And, you know, on issues like that, it's not just the numbers of what people see happening, but it's kind of a basic feeling they get about a person. You know, is this person's heart in the right place? Is he really trying genuinely to solve this problem, or is he insensitive to it? Or is he on the wrong side of it, even worse. And I think a lot of people came to feel that the law was what it was, but that his heart was in the right place and that he was using all the tools at his disposal to try to make the place as accessible as possible and I think that made a big difference.

Arditti: This was a major, major innovation. This was an idea, actually, that originated, I think, outside the university. And there was a gentleman in San
Diego, who was president, I think, of the Scripps Institute down there. And I'm sorry, I'm forgetting his name right now. Who—

Lage: Which is not a university?

Arditti: Not a UC facility at all. We have Scripps Institute of Oceanography, but there's also a Scripps Research Institute down there, and I think that's the name of it there. So many in San Diego.

Lage: There are many Scripps names in San Diego.

Arditti: Yes. There are, there are. But in any event, he had an idea which Governor Davis embraced, of having the university start these major institutes, at least three, that would focus on advancing research that would be transferred into the private sector of the economy that would involve the university, industry, and the state. We already had a couple of examples on a smaller scale of that model. I had mentioned the micro program that had begun under Governor Brown, and then shortly after President Atkinson took office, he initiated something called the Industry-University Research Program, which was not real big, but which, again, used this model of industry, university, and the state cooperating to focus research on particular industries, to help advance knowledge and technology in those industries.

But this was all of that times 500,000. This was really grand. There would be these very large scale, multicampus, interdisciplinary entities that would focus on major subject areas and would require at least a two-to-one match from the private sector, as compared with funds that the state would put up in order to get these established. And this, you know, offered significant dilemmas, really, because on the one hand, this could be very exciting. It could be very important for the state. It would be possible, however, even if the funding were raised in the first instance to build facilities for these things, that the operating money might not become available down the road, and it would be possible in the eyes of many scholars and researchers that these so-called big-science type of projects would draw in a lot of money that would otherwise go to other science and research because of just the sheer size and scale of these things.

And, I mean, there are debates at other levels, including nationally, about the right balance between so called big science and smaller investigator-driven science and so on. But those issues existed here, and I think that there was a lot of hesitation in the university initially as to whether or not, therefore, it was prudent to do this. But the governor wanted it very badly, and ultimately, I think the president became convinced that this was a gamble worth taking, so we went for it.
This was a competitive process. In other words, campuses or groups of campuses would develop proposals, and there was a committee that really the governor pretty much put together in consultation with President Atkinson and the university to evaluate these proposals and determine which of them to fund. And I forget how many proposals actually came in, but it was several, and I think three were chosen originally. Then we had a big fight later to get a fourth one. That would be the Citris [Center for Information Technology Research in the Interest of Society] one at Berkeley.

Lage: And that one's less intercampus, is it not?

Arditti: Well, it is still intercampus. It's got, at least, legs at San Francisco, Santa Cruz, and Merced.

Lage: I see.

Arditti: So I think there's more Berkeley than anything else, but it is multicampus. I think they're all—

Lage: Is there a story about adding on the fourth one there?

Arditti: Well, I mean, I think the governor initially was determined to have three and only three, and we had pressed to do four, and they insisted on doing just three. I mean, they wanted this to be highly competitive, only the very best and all that. But I think there was a feeling in the university that one additional one was a very high priority. It was very high quality, and we really wanted to get that one, and so we worked very hard over an extended period of time to finally get them to agree to add that.

Lage: At the governor's level?

Arditti: Yes, at the governor's level.

Lage: Working out the details of that kind of collaborative institution, was that done in the governor's office, too, or did the campuses—

Arditti: No, the university really had to work that out. The campuses working together in part, but the president's office had to be very much involved in that, too. Whenever you're getting multiple campuses working together, then you have to be sure you get the right connections with industry and so on. But I would
say the core of this really was at the campuses. But, I mean, the basic decision had to get made by the president and are we going to do this, and then working with the governor, figuring out what the selection criteria were going to be, what the process was going to be. The governor wanted a little more control over this than we wanted him to have. And so there was an extended negotiation process about just how that would work.

14:00:28:32
Lage: What do you think the governor's interest in having control was?

14:00:28:36
Arditti: Oh, I mean, politicians like to control everything, if they can. That's why they run for office.

14:00:28:47
Lage: It's not the usual—

14:00:28:50
Arditti: No. I mean, it was unusual at least in terms of its scale, and I—

14:00:28:55
Lage: But also in terms of having the governor decide or have a hand in deciding which research institute would be built.

14:00:29:00
Arditti: Yes, both. Yes, I know. And that's why that was one of the real difficulties about this. You know, how do you allow for enough to satisfy the governor, who is the driving force to make this possible and still maintain the integrity of the academic and substantive decision making such that what's chosen is really the best and not just something that has a popular title or something like that? So there was a lot that went in to kind of working that out. But it did get worked out. You know, it wasn't conventional.

14:00:29:43
Lage: Were the campuses resistant at all to the close collaboration with the industry?

14:00:29:51
Arditti: They didn't seem to be—

14:00:29:53
Lage: It was becoming much more common.

14:00:29:54
Arditti: Yes, it was becoming much more common, and most of the campuses had developed good, strong relationships with industry, and it really showed as these projects got going, because the requirement from the state was we raise two dollars from industry for every one dollar that would come from the state. In some instances, it went as high as three to one. So industry really stepped up to the plate here. And there are governing mechanisms for each of these
institutes that include both industry and the university. So industry is integrally involved and the point of this is to do this advanced interdisciplinary research that will translate quickly into industrial innovation and help the state's economy. And so that worked out very well.

Now, subsequently, however, that was all for the money to build the buildings. And there was sort of like an implicit promise that someday down the road, after the buildings were up, the state might provide operating funds, but very little has come through, and so the campuses have really had to bootstrap this. It's much, much harder to raise private funds to support ongoing activity than it is to support buildings, because you get a one-shot contribution of so much from somebody and that pays for so much of the building.

14-00:31:27
Lage:
But you'd think industry would be interested in the research aspect.

14:00:31:30
Arditti:
Well, they're interested in it, and they certainly did step up to the plate when it came to the building part of it. But, you know, they are subject to the vagaries of the economy and competition and so on. And it's one thing to make a decision, all right, we can make a one-time contribution of X for that purpose. It's another to say, "We're just going to keep giving and giving and giving every year." Certainly, you know, it's difficult to get enough companies to do enough of that to make it possible to hire a faculty member, for example. I mean, there are these kind of ongoing, long-term commitments that are very difficult to sustain in any other way than through private funds. I mean, the institute's have been very successful in getting research grants, and that's a key part of the way they're operating and keep going. But, I mean, that initial concern about, well, what if we get these things up and then the state doesn't come through with the operating money, I mean, that issue remains.

14-00:32:33
Lage:
Right. I mean, this was done in the flush times, I'm sure.

14:00:32:35
Arditti:
Exactly right, yes. And that's not the situation that the state finds itself in now. And so that's going to be an ongoing thing. And, of course, in some ways, you know, the university kind of competes with itself on some of these funding issues. That at the very time a push was being made to get more state funding in for the operation of these institutes, these other proposals came along. For example, the British Petroleum Research Proposal and the Helios Research Proposal for alternative energy research. Very large scale cooperative industry/university efforts at the Berkeley campus and the Lawrence Berkeley laboratory. And so, you know, you have legislators who are struggling with whether they can provide cost-of-living adjustments to the aged, blind, and disabled, or keep kids on healthcare, or take them off, or whatever, and
saying, "Well, how many of these big new science things are we going to be expected to fund for the university?"

And so I think that also suggests to me, anyway, that great care needs to be taken in choosing priorities and bringing them to the state. Because if you put too many things out there, that doesn't mean necessarily that you're just going to get more money, it just means that you might get money for something instead of something else, and that might or might not have been the choice you would have made if you were making the choice. So in any case, they are fabulous institutions and I think in the long run they're going to yield great things. They already are, to some extent. This is a long-term thing.

Lage: What campuses are they on, besides Citris at Berkeley?

Arditti: Oh, there's hardly a campus that isn't involved.

Lage: But is each one focused on one campus in terms of a building?

Arditti: Sometimes. They're usually headquartered on one campus with an affiliated thing. Now, the San Diego and Irvine one is a partnership between those two, and there are major new buildings on each campus there. The UCLA-Santa Barbara, there are major facilities on both campuses there, and that's a collaboration there. With Citris, the main building is on Berkeley, but there is participation on these several other campuses. They're all multi-campus. That was a requirement of it.

Lage: What's the benefit of that, do you think? Or the attraction?

Arditti: Well, I think twofold. One, not all the talent is at one place. Now, if you just stop people on the quad of most campuses, they will probably say, “Well, we have got all the talent we need right here.” But the truth of the matter is, objectively, there is great talent on every campus. And so I think partly from a policy point of view, it had to do with harnessing all of the talent in the place, or all the relevant talent to do the best possible job. And then just in the terms of the imperatives of keeping peace in the family and so forth within the university, if you choose three campuses and exclude the other six, then they are all going to be very unhappy, but at least if there are these collaborations, most every campus can be at least participating in one of these things, if not having its headquarters and central leadership.

And I think that's the most important, getting all the best talent to work on these issues. If you are talking about solar energy, for example, UC Merced has a brilliant guy who was recruited from the University of Chicago. He was
one of the leading people in the world in that field. Given that's a brand new
campus, you wouldn't headquarter a great multi-campus effort like this at
Merced, but it would be crazy to be doing work in that area and not having
that person's involvement. So every campus has its extraordinary people in
one field or another. So I think this is part of an effort to get more help there.

But in any event, so those were the conditions. That was a process where
private funds came through very nicely. Then it came time to get the state
matching money for the buildings. And there, we clearly did not want that to
come out of the normal building allocation for the university, because that
wasn't enough as it was anyway from the general obligation bonds that we
normally have relied upon. And so the governor decided to propose funding
this with lease-revenue bonds, which are kind of an odd animal, but it's almost
like a general obligation bond in the sense that it is borrowing by the state that
has to be repaid, but for technical reasons does not have to go to the voters,
which makes a big difference. And that's why a lot of people don't like them,
because they regard them as an evasion of the state rule that debt can't be
incurred without going to the voters. Also because they are not pledges
against the general credit of the state, the interest rate's a little higher—not a
lot, but a little—so they cost a little more. But they are often controversial
when the proposal is made. But the governor proposed to do that, and he also
proposed to do that in a separate bill apart from the regular budget bill and
budget process.

14:00:38:24
Lage:
He really wanted these, didn't he?

14:00:38:25
Arditti:
Oh, yes, he did. But that created another complication, because the
Republican members in the assembly were adamant against using lease-
revenue bonds for the reasons that I just mentioned, and were also very much
opposed to acting on that issue apart from the overall budget, arguing this
ought to be considered as part of the overall budget process, and that it ought
to be looked at just along with all other priorities. And of course, that's exactly
what we feared: that if that happened, we either weren't going to get it, or it
was going to come out of the hide, like to the tune of $150 million or
something out of the rest of the university. And that was one of the concerns,
of course, going in, as to whether or not to do this at all, anyway. And I saw
that as a real risk. I felt that if we couldn't get this bill out separately ahead of
the budget, we were going to get lumped into the budget in another difficult
year, and somehow or other, we were going to lose something, and it was
going to be this, or it was going to be something else in the budget. Of course,
there is more than one way to lose; if you irritate people too much by pushing
one thing through, they can always take it out on you in another way. So there
is no risk-free way to deal with these things.
But I felt, given that we had come that far now with this—that we'd had the industry money committed, the basic decision had been made to go forward—that we needed to make a major push to try to get this done. And so the state senate was not really a problem, but the assembly was a big problem. And so we were running a campaign that lasted months, and exhorting our colleagues and industry partners and others to contact legislators to urge them to do this. And the legislators being pushed were becoming increasingly cranky and resentful about it.

Lage: Was it on both sides of the house?

Arditti: No. This was on the Republican side—

Lage: Mainly Republican?

Arditti: —in the assembly, Republican side in the assembly. And a lot of our colleagues in the university were getting tired of this fight and saying, geez, isn't this enough? Maybe we ought to just let it go. And I don't know; I had this feeling it was now or never. We either got this done that way, or we were going to lose something big. As I said, a lot of ways to lose, but I thought that was going to be a sure loser.

So we managed to keep people going for a long time, and we had some of the major—

Lage: Keep these lobbying efforts going?

Arditti: Yes, yes. And we had days where we brought to Sacramento some of the major industrial partners to talk directly with legislators. Some of them were making phone calls, chancellors making phone calls, and so on. And we just kept going, and going, and going, and it was getting to be pretty tiring, and at some points discouraging. But I just felt we had to do this; we had to give this the best shot possible, or we were going to pay for it somehow.

And we finally did get it. We peeled off enough votes to get it done. We also reaped some bitterness that lasted for quite a while on the part of some of the people who had not wanted this to go forward in that way. But I think that—

Lage: They feel so strongly about it; that—

Arditti: They really did, yes. Well, there are a lot of—
Was it the good government issue, or were they opposing—

Yes. Partly, it's a resistance to using lease-revenue bonds at all. And partly, it's a view that the whole budget ought to be looked at at once. And frankly, from a good budgeting policy standpoint, that's true. But as a former very distinguished Republican legislator that is no longer alive, Frank Lanterman, a wonderful man, admonished me once, he said, “Son, there are times when you must learn to rise above principle.” And that's kind of what we did in this case, but for a good cause. These institutes, I think, are going to be enormous—they already are—enormous assets to the state. And I don't know what the impact would have been in the long run, the viability of them, had we not gotten that done at that time. But we did reap a lot of bitterness for quite a while, I think.

That you saw playing out in the budget votes?

Well, I don't think it really played out in the votes, I think, fortunately. But boy, it was palpable just in the feedback that you would get from people, and what you would hear that members would say to people back in their districts, the campus people and all of that. Because we did really steamroller that. And who knows whether that was the right approach or not? As I say, at the time, I just thought if we didn't get that done that way, we were either going to lose it, or we were going to lose something else big. And I still believe that. I think it was important to get that done.

So that was a major accomplishment of your office, it sounds like.

Well, certainly for the university, for the president, and for the office, yes.

Do you remember which year it was that you had to mount this big campaign?

No, I don't. It would have been during Governor Davis's first term in office.

Mmm-hmm. So the budget, has it already started to go down? This started in '01-02, the budget.

Yeah. I think this was still a reasonably good budget year, so this was before things really sank. But things were beginning to go down, so people were worried about the overall budget, and budget priorities, and all that.
OK. Well, that's an interesting story.

Yeah. It's an important story. It's an important story.

You mentioned before we turned on a controversy that [laughter] you'd rather not visit, but it's important, you said. And that had to do with VIP admissions. Since that came right at the beginning of the Atkinson presidency, we should deal with that.

Yes, yes. Well, I may have mentioned earlier that the office always has functioned as kind of a clearinghouse for constituent inquiries and requests from elected officials, ranging from “Can you find me a faculty member who knows something about air pollution in the Inland Empire?” to “There’s a farmer in my district who can't figure out how to deal with a cotton pest. Can you find me somebody who can help with that?” to “My daughter or somebody's daughter in my district hasn't heard from Berkeley whether she has been admitted,” or “Really love for that person to get in,” and so on, and so on. You get a lot of these things. And I think it is logical that this office function as a clearinghouse for those kind of inquiries, for several reasons. And it always has, and I assume that it will continue to do so. But in any case, there was a period there where the volume of these, as admissions became more and more competitive, especially for certain campuses, the volume of these kinds of inquiries really did go up. And we really had to have an organized little system just to keep track of these, because there were way too many for anybody to just keep in their heads. And so we had somebody in the office who did the follow-up work with the campuses, and kept logs and records of all this, and so on.

And one day, a couple of L.A. Times reporters called and said they wanted to come see me. And some of my best friends have been journalists, and it was not my job per se to deal with the press, but I never shrank from talking with reporters if they wanted to talk. So I just without thinking said, “Of course. Come by.” So they walk in, and we go sit in the conference room. They slap down on the table a Public Records Act demand for almost every record we had in the office of anything. And it's like, yes, it's a public entity. I mean, there are important exclusions from what is publicly disclosable, because you have the privacy laws on the one hand and the public access laws on the other, and it's very complicated sometimes the way these fit together. But when you work in an office on a day-to-day basis, you really kind of think of it as, well, this is all kind of our internal process, our external positions, we state people, but we—.

But anyway, so there we were. And so we had—
Lage: They had no focus?

Arditti: Well, yeah, they did have a focus. What they were alleging was that there were quid pro quos for admissions to the university for actions by the legislature, which is totally and unequivocally untrue, and that was proven in the end. But it was hell on wheels to deal with in the meantime, because they started writing a story, like, every other day. This went on for three months. And every controversy involving the university was painful to me, because it was not just my job, but my family, my home. It was family, you know? I mean, I came as a kid at the age of seventeen and basically never left. So any kind of controversy or any type of criticism was always painful, was always painful. But this one was personal, because it was like me on the front page. It wasn't me trying to help somebody else in the university who was in trouble, as I often did; I was there, and my picture on some days—

Lage: Really?

Arditti: —was on the front page of the Los Angeles Times. They had a couple of reporters that were just really bulldogs on this. I don't know how many hundred or a thousand hours were spent on this, going through every one of these files with the lawyers, looking at each detail on a piece of paper, looking at the Public Records Act in terms of what must be disclosed, what may be disclosed, and then the privacy laws, what may not be disclosed, and so on. This is going on, and on, and on.

Lage: Are there privacy laws protecting the application?

Arditti: Certainly the identity of applicants, for example, very much that's the case. And so this went on and on for some endless period of time, and then Senator Hayden, who was in the state senate at that time, decided to hold a hearing on this, and he asked me if I would appear. And I said yes. I mean, on what basis do you not appear? But this was in a context where this had been all over the newspapers for some period of time. He also made his own separate Public Records Act request for all this information that we had turned over the press. And then at the same time, these Public Records Act requests were made of many campuses, for all of their records on these things. And so they would get a record from here about the incoming inquiry and the call that was placed to somebody at UCLA, and then they'd get the record at UCLA, and some e-mails that people had—. It was unbelievable. You'd have thought this was the CIA going after—

Lage: Now, did you feel confident that you'd never overstepped the bounds?
Yeah. I did admit that in a couple instances, I advocated, but you get the whole case and you see it, sometimes, you think maybe ought to get another review, or something like that. But this office has nothing whatever to do with decisions about admissions. And there is a good reason for that. That is a pretty bulletproof process, especially at the graduate level, but certainly also at the undergraduate level. This encompassed not just inquiries, by the way, from people here, but also donors and regents and so forth. And it did turn up a handful of instances here and there where you could raise a question about was that strictly on the merits, or was there some other consideration, but really very little. And certainly, never any quid pro quo for anything. That would be grossly illegal and wrong, and it just wasn't the case. Eventually, that was the conclusion that people reached, and it just kind of dribbled away. But in the meantime, it was just exhaustive, and exhausting, and very, very troubling.

So in any event, President Atkinson came into office just as all this was blowing up. And I thought to myself, oh my God, this is all a new president needs, is to have something like this in his first—I don't remember—months or a year or something in office. So I decided to gather up about fifty folders of information about all this stuff, and I went down and met with him. I said, “Look, this stuff, you've probably seen this percolating in the newspapers. I guess I want to show you what we've been turning over to them. And if it would be easier for you and for the university for me to leave, I'm happy to do that. I want you to make an eyes-open decision.” He wouldn't even look at the stuff. He said, “Steve, I want you to know you have my full confidence doing that job. I want you to just go on and do your job.” Which was very moving to me, because at that point, we had been kind of very casually acquainted. He had been chancellor, of course, at UC San Diego for all those years, but you don't work on a day-to-day intensive basis typically with a chancellor, and certainly hadn't worked that closely. So it's not as though we had spent hours in the trenches together at that point that he would be in a position to know a little bit better of what he was dealing with here.

But anyway, this was not one that I [cell phone rings] had wanted to bring up.

Lage: I'll put it on pause here. [break in audio]

Arditti: I need to mention that following all of this, there were some explicit reforms put into place, including the regents adopting a policy that they would not make recommendations, individual regents would not make recommendations for admission, and things like that. I don't remember what the details were, but there was something like—

Lage: Was that one of the major—
Arditti: Yes.

Lage: —conduits of—

Arditti: They were looking at regents, donors, politicians, everything they could think of. And there were a couple instances where a regent would have made a pitch for somebody, and so on.

Lage: That's very delicate.

Arditti: It's very delicate. And from the standpoint of the regents, since they are the governing body, I suppose that makes it especially difficult for somebody to deal with if they are getting a call about something like that.

Lage: Well, you or Larry Hershman told the story about Willie Brown and the newspaper man in San Francisco and UCSF.

Arditti: Yes, well, I was brand new in the office at that point, and that was way above my level at that point. So I was kind of aware that something was going on, but frankly, I didn't know exactly what happened, or how it turned out, or how it was settled or anything until I looked at Jay Michael's book. Jay was—

Lage: Oh, he is the one that told the story.

Arditti: He is the one who told the story. But I learned a lot more about that incident in reading that book than I knew about it at the time that it was going. I knew there was this huge fight and controversy going on. Fortunately, I never experienced anything quite like that. People would make their pitches, but you wind up explaining to them, look, there are 55,000 applicants, and while this is a very fine applicant with a 3.6 grade average and 1,100 on the SAT, fully UC eligible, at that particular campus, the median GPA of the people they are taking is 4.1, and 1,400, and so on.

It takes a lot of drudge work to deal with these things, but very often people just don't know what the circumstances are. They get a call from a father: "Oh, she is a straight-A student! She has been president of the student body! I can't figure out all her friends that are getting in and she is not, and their grades aren't as good." And that's the information they have. And then you go get the facts, and you think, oh my God, she is not 4.0 at all. She is 3.6, and the scores—and so on. And so very often, just being able to explain the situation and provide the facts either will make the inquirer understand, and/or
arm the inquirer with information to go back and explain it to whoever is contacting them. It's often sometimes a struggle just to get the factual information, because in general, the privacy laws preclude disclosure of information related to students. But there is a specific exception for information related to applicants when the inquiry comes from a public official.

14-00:56:33
Lage: I think you told about getting that in the legislation.

14:00:56:36
Arditti: Yes.

14-00:56:37
Lage: So that you could deal with it.

14:00:56:38
Arditti: I think it's really very important to be able to deal with it factually. It's not like we are just going around looking for people to disclose information about. But when somebody goes to the point of coming to a public official and asking them for help or for information, to then be in a position where you can't even give them the facts really complicates things for everybody.

14-00:57:01
Lage: How did Hayden deal with you when you gave testimony in front of his committee?

14:00:57:05
Arditti: Oh, kind of inquisitorially. He would take these records that he had gotten out of the office, and he would pick out one little phrase out of context or something, or, “How do you explain that?” And the thing is, he had a stack of stuff like that; there was no way I could have memorized all this stuff. I did spend some time trying to review the materials before going up at this hearing, and sometimes his facts were just wrong anyway. We had to delete any identifying information about the students in terms of their names, family names, or anything like that, and there was one inquiry that had come in from Speaker Willie Brown that he referred to as a particular name, which was a totally different name than any inquiry we had ever had. There was just a lot of confusion about this stuff.

And there were all these little subtexts. Willie Brown and Tom Hayden didn't get along at all, and so this was as much about trying to use this, I think, to embarrass him as it was me or us, or anything like that.

14-00:58:20
Lage: So he tended to bring up the Willie Brown instances?

14:00:58:24
Arditti: Oh, yes. Yes, yes, yes. But that was probably the very toughest public appearance I ever had to make was in front of that committee that day,
because you didn't know what was going to be thrown out, or what was going to be alleged. Fortunately, there were a couple of other members of the committee who saw this a little differently than Senator Hayden did, and who were very helpful. Then-Senator and now a Member of Congress Diane Watson was just wonderful. She said, “Well, now, just a minute here.” She said, “I'm going to tell a little story here. So I had a young woman come to my office. She was a single mother, the child of a single mother, and was having a problem with medical school, and she was flunking out. And she was ill, and she wasn’t getting a proper hearing. And I called Steve Arditti about this, and he got me in touch with the medical school. And they reviewed the entire case and agreed that she deserved another chance to make up a course or something like that. And if we as legislators can’t take these cases of our constituents to the university to consider, what are we doing here anyway as elected officials?” And so forth. And then that was a case where this was not anybody who was influential or politically important, or anything like that. It was just a constituent who walked into the door and claimed to be having a problem.

Lage: Yeah. And that is one of the roles of the legislature.

Arditti: —the roles of elected officials. We are a public institution; they are elected representatives of people. They have ever right to inquire. They don’t have a right to make decisions about who gets admitted, but they have a right to ask for the facts, both in terms of the general functions of an elected official, and in terms of the law as it currently stands in terms of the accessibility of that information about applicants. And so I never had a problem with providing the information. What you have to be careful about is what’s the line here between providing information, on the one hand, and influencing an action on the other. And that’s the tightrope that has to be walked. But the more—

Lage: I have to stop there.

Arditti: OK.

Lage: Okay. This is tape fifteen, continuing our fifth session with Steve Arditti. August 26, 2008. You had some final remark. Do you remember where we were when I had to stop you?

Arditti: Yes. Well, I think we were about at the end of this tale. Other than to say, first of all, after all of the allegations and huge amounts of information that were made public and so forth, there was no support found for the allegations that
were being made about any kind of quid pro quo or anything with public officials. The regents did subsequently adopt a policy change or clarification, particularly with regard to inquiries or requests or recommendations by members of the board with regard to applicants to the university, which greatly constrains the ability of board members to be involved. So that was one outcome.

15-00:01:07
Lage:  It also helps them, in turning down [those requests].

15:00:01:10
Arditti:  Oh, of course. They have something they can point to. So yes, I think it does help them. And the volume of those kinds of inquiries has really gone down quite a bit since then. And I don't know whether it had anything to do with that publicity that occurred or whether more people understand the process better and so don't take that route, or term limits. I don't know what the answer is. But, I mean, there are always a certain—

15-00:01:38
Lage:  Maybe Willie Brown's not being in office.

15:00:01:39
Arditti:  Well, that's—

15-00:01:41
Lage:  Was he a major source of—

15:00:01:42
Arditti:  Oh, he was, yes. In fact, there were probably a handful of people who accounted for a very large fraction of these inquiries, so it could have something to do with that. But in any case, I don't know what's been going on this past year, but in general, the last several years, the volume has dropped off quite a bit. But—

15-00:02:05
Lage:  Were there others that tend to be friends of the university that would inquire?

15:00:02:01
Arditti:  Yes. Oh, yes. Yes, yes.

15-00:02:13
Lage:  That does give the appearance of this quid pro quo.

15:00:02:15
Arditti:  It could. It could.

15-00:02:18
Lage:  But you felt secure that—well, you didn't know what happened at the campuses always.
Arditti: No. I mean, I would find out what happened, but I had no role in that, so in that sense—if this office had had the authority to make decisions about admissions, then you'd have a much different situation. But, I mean, among the reasons why I think it's good for this office to play a clearinghouse role, is so that you don't have these inquirers dealing directly with the people who are making decisions about admissions. That makes it a lot tougher. I think it's better to have some kind of layer of insulation between those things, to be sure that on the one hand, you provide the necessary information, and on the other hand, that the line is not crossed. But, I mean, it's not like this office can cross the line, because this office has zero authority in admissions. The president has no authority in admissions, and this office is just one part of the Office of the President. So these are all campus decisions, every one of them.

Lage: Okay. You were going to talk a little bit about how the issues related to the national labs, which tended to get controversial during the Atkinson presidency, affected the state legislative process.

Arditti: Yes. Well, maybe we talked earlier about controversies at an earlier point, over whether the university should continue to operate the labs, and the extent to which the university provided oversight of the labs. But then, more recently, there had been, particularly at the Los Alamos laboratory, a major federal funding reduction, which had led to a major reduction in force. That is, a laying off of large number of employees, many of whom had worked there for many years. And given that that laboratory is a huge institution in a relatively small community, it's not so easy for people who lose their jobs there to just go across the street and find another job. Almost the only game in town for major categories of work. So this led to huge controversy there, which reached the New Mexico state legislature. And the New Mexico members felt frustrated that they didn't really have enough influence with UC to get any kind of attention to this.

So they began working with members of the California State Legislature, figuring that maybe they could get a little more attention that way. And so some certain members of the state legislature, particularly the state senate, did take an interest in this. Actually formed a special senate select committee on UC management of the DOE laboratories or something like that. Was chaired originally by then Senator Richard Polanco, and then has passed now to—he's left the legislature—to Senator Denise Moreno Ducheny. But anyway, so this California senate committee held several joint hearings in New Mexico with members of the New Mexico legislature on various issues—

Lage: Is that kind of an unusual situation?
Arditti: Yes. It's the only case of it that I know about. Doesn't mean it's the only one there is, but it's the only one I know about.

Lage: Did someone have a personal tie or—

Arditti: Obviously, there were relationships there. I don't know what specifically they were, but, I mean, they were leaders of the— There is a National Association of State Legislators, and so people have an easy way to get acquainted, you know, across state lines. And so I'm just assuming that some relationships grew out of some kind of activities like that, and people started to say, "Hey, you know, this is your university that's running this place, and we're having all these problems and we can't get any answers. Can you help?" And, of course, they said yes.

So it had several hearings and actually a piece of legislation did grow out of it. It turned out that the national Labor Relations Act applies to private employees. The state Higher Education Employee Relations Act applies to facilities of the university in California, and so there was no labor relations statute applicable to this public institution in New Mexico. And so we thought about that for a while and concluded that you really couldn't argue—I mean, whatever your view in general on labor relations legislation and collective bargaining, it would be kind of hard to argue that it should be applicable in the private sector generally, in the public sector generally, but not at that one place. So Senator Polanco did—oh, I think it was Senator Polanco who authored legislation to extend the California Higher Education Employee Relations Act to the Los Alamos laboratory. As of last time I checked, I don't know that any union had succeeded under that in obtaining exclusive representation of employees there, but at least that statute is now applicable there. So that was one little outcome.

And then, I think, too, the laboratory folks there did gain a little more sensitivity to how they handled some of these employee relations issues there. I think that committee still exists, but I'm not aware that it has held any recent hearings. There was even one hearing that was held here in Sacramento where the New Mexico folks came here, and I was asked if we would have them to dinner at our home, I think maybe the night before the hearing or something like that. And so we had them to dinner and we had some—

Lage: Now, who asked you to do that?

Arditti: I think the chair of the state senate committee.

Lage: I see.
And we had some of the UC folks who were—you know, there is a President's Council on the DOE labs or something like that. That is, a UC President's Council on the DOE labs. And interestingly, Bob Dynes, at that time, was still chancellor at UC San Diego, but was either a member or the chair of that group. And so I remember he was among the folks that were at dinner that night with these folks. Both some of the California members and the New Mexico members. The New Mexico members, I must say, hosted the Californians in a very hospitable way when those meetings took place back there. I mean, there were just dinners at fine restaurants and all of that. So it was fitting that, I guess—

And you went to those?

Yes. Yes.

Yes. Because you had to—

Yes, because we were staffing these hearings. So yes, dinners were often not only myself, but whoever else was there for the university. I mean, on one of these trips, Jud King, who was the provost at the time, went back to be our main witness on certain elements of this, because I guess the lab management fell under his responsibility at that time. And there was a hearing, there was this dinner, and then there was this visit to a middle school in the town of Española, I think it was Española, where all these angry, hostile people who had been fired—laid off—showed up, and they were hurling epithets and insults. Jud was a very good sport. He stood there it seemed like hours. It probably wasn't quite that long. But it was a very tense situation, and it's hard to know exactly what all the background was. But certainly, when you let someone go in a situation like that, they don't really have many choices in terms of what else to do.

It's interesting that we never heard much about Livermore, for example. It may be that there haven't been such large force reductions there. But it's also true that being placed in the middle of the Bay Area, there are a lot more options that people have if they lose their jobs than in New Mexico.

Were these the lower-level workers or were they the scientists?

They were more lower level. More staff people, but some scientists, as well. But I think a lot more of the staff level people. And, of course, that fed certain allegations, you know, that this was really elitist or racist or other kinds of things in terms of the way this had been handled. But there—
Lage: But it was prompted, you said, by reduction in funding.

Arditti: By reduction in federal funding, no question about it. I mean, there were some issues about whether as many people needed to be let go as were, or whether it could have been phased or not. And I never could figure out what the answer to those questions were. But there's just no question that there was a major federal funding cutback, which was at the core of at least a portion of what was done. There were all kinds of issues raised about the process and the criteria and reemployment rights for those who had been laid off, because, you know, there were claims that people should have had preferential rehire rights if they had been laid off. And, you know, there are always these questions about, you know, when you lay someone off, is it truly because the funding isn't there, or because you really would like to get rid of that person but haven't been able to make the case in terms of the grievance process, so they just take care of it that way. And again, you'd have people who had been laid off and had a list of sixteen other vacancies at the lab that they had sought and were not selected.

Lage: All right. You listen to a lot.

Arditti: Oh. Yes. That middle school in Española, I think, was really sort of the largest dose of this. So anyway, it was an interesting little chapter.

Lage: And the other thing that got more press attention were the security issues at the lab.

Arditti: Yes.

Lage: Which, of course, weren't probably directly related to the legislature here.

Arditti: No, there were—

Lage: But did they affect how people in the legislature looked at the university's management capabilities?

Arditti: Yes, yes. I don't know that it was reflected in any concrete action that they took, but people would scratch their heads and say, "Is anybody home?" And very complicated because those are very complex institutions. And I don't know how well-equipped the university by itself is to handle security at that level either. I mean, that's why the new phase now are these partnerships
between the university and industrial firms. The theory here being, anyway, that the industrial firms will bring a level of expertise in both business management and security that the university alone didn't have, but that the university would continue to drive the scientific part of it, which the university has unquestioned capacity to do.

Nobody that I know about ever questioned the quality of the science. But it was all these repeated issues on the business management and security side that just would come rolling out one after another.

**Lage:** I just wondered if it was in the general backdrop to the loss of confidence later in the Dynes Administration.

**Arditti:** These things all kind of mix together, I think. Yes, I think they all do. You can't quantify it but it certainly leads people to question that. And, you know, I don't know to what extent there was really a disproportionate number of security or business problems or to what extent disgruntled employees who may have been unhappy about the earlier reductions in force were just looking for things. There's just no way to know about that. I remember one of Jack Peltason's observations was, "You know, 150,000 people work for the University of California. You can just bet that every hour of every day, at least one of them's doing something he shouldn't be doing." And so, I mean, things will go wrong in a large, complex institution and some of them get more attention than others. So I don't know to what extent this was a matter of more attention and to what extent it was a matter of more problems.

**Lage:** And bigger stakes, maybe.

**Arditti:** But the stakes were very big, and some of them seemed pretty serious. And so it was an issue that had to be dealt with. It seems to be better now under this new management format. We'll see. We'll see.

**Lage:** Okay, we're back on after thinking about where we're going next. We just have a few stories that don't quite fit anywhere particularly, except that the first one, launching the center where we're doing the interview, the UC Center Sacramento, came during the Atkinson presidency. So why don't we talk about that. What was the thinking behind it? How did you get it going?

**Arditti:** Okay. Yes, that's great. This is one I like to talk about.

**Lage:** Good.
First of all, you may be aware that for a number of years, the university has had a major center in Washington DC. It has, at any time, maybe 250 or more students in internship positions around Washington DC. It has faculty members there, who teach courses. The students take courses while they work as interns. They write papers and so forth. It is organized in a kind of unusual way. It's not a single consolidated university program, but rather a number of individual campuses have their own programs, their own faculty directors, courses, and so forth. But in any case, from the standpoint of the students and in terms of the goodwill that it builds in Washington, it's been very successful and provides opportunities for faculty to go back there, particularly those whose fields encompass political science and other things. So it's been greatly successful.

Until not too long ago, we had nothing like that in Sacramento. Nothing based here to help get faculty expertise connected, although we had programs that worked on that. But nothing based here in Sacramento. And very scant opportunities for our students to be interns. The Berkeley campus has had for many years what it calls its Cal in the Capital Program, but that does not involve academic coursework or academic credit, and happens only in the summer. UCLA, in certain years, has had a number of students up here, but again, it's not an academic program and it's only in the summer, and a couple of the other campuses have. But there was nothing organized or systematic or academic or anything like that. And no center that would be a focal point for bringing faculty to town, having them interacting with people, whether it be giving lectures at seminars, or doing research jointly with the people in the state government, or anything of that kind.

Regent Joanne Kozberg, before she was appointed to the board, was the secretary of a major state agency in the Wilson Administration. Secretary of the Consumer and Services Agency. And she found herself often looking for expertise to help with various problems that existed in that agency. She is a Berkeley alumnae. And so when we had Berkeley-oriented events, we would invite her, including events at our home for the Berkeley chancellor or whatever. So we became acquainted. And, you know, one day she said to me, "UC is basically not present in Sacramento." And by that, she meant, you know, "When I want to find a faculty member who knows something about something or I want to get some students in here, I don't know who to call. They're just not there." And I thought about it and realized that she was right. I mean, our office has been much more focused on getting the best budgets through that we could in the circumstances, getting the bills through that we needed to get through, stopping the ones that we didn't want, and so forth, and you know, doing various things to try to build goodwill and do the things that help with that. But really, we were not in a position at all to do these kinds of things.
And so I began to think some about the DC model. And began to think that we really needed to have something like that here in Sacramento. This was a period, of course, in which the budget wasn't great, and anytime you talk about doing something new and different, especially where resources are thought to be inadequate—there are a lot of people who just don't want to do that. Also, while the Washington program has been very successful in some ways, it's regarded as being very costly because, among other things, it's a series of individual programs rather than a single, consolidated one, and so the cost per student is very high. And so people on some of the campuses are not too happy about the costs that have to be incurred for it and so on.

So there was that kind of inertia here that kind of was already against this. But as I thought about this more and more, I thought we really needed to do something. Here you have this situation in which term limits are turning over the members at a very rapid rate, and so it's much harder for the university to make connections with and develop relations with members. We have enormous resources in the university, both in terms of the faculty and the quality of our students, who can be helpful to policy makers independently. And that there was just really a vacuum here that we needed to try and fill here, both for the benefit of our students and faculty and for the benefit of the people here and for the purpose of improving relationships with people here. All those things seemed to be arguing for this. But you start talking to people individually about it and, "No. Oh, you know, it's different. It's new. People don't like the Washington program for this or that reason." Not that they don't like—

Lage: This is within the university.

Arditti: Within the university. It's not that they don't like the Washington program for what it does. It's because of what it costs and the way it's organized and so forth. And so it was not an easy sell. But one day the president was here and we talked about it a little bit. He said, "Go for it. How soon can we do it?"

Lage: This is President Atkinson?

Arditti: President Atkinson, yes, yes. He was just fabulous on this. And so that was all the encouragement I needed. So we began to work on this. That was around this time that we recruited John Griffing, who had been working for the state senate for many years, and before that, for the executive branch under Governor Brown, and who was in the process of retiring from his position in the state senate. Originally, we brought him in to just help facilitate faculty interactions with policy makers, but since we were embarking on this effort to get the center going, it was a perfect time to have him be in a position to really work with me very closely on getting the center going. Because there were a
lot of people that had to be worked with. Ultimately, it was necessary for the provost's office to develop an academic plan, getting a group of faculty together to work on that.

Lage: This was Jud King?

Arditti: This was Jud King, yes. And the fiscal and building people and everybody had to be brought on board. And there'd be numerous points at which people would drag their feet and not be too enthusiastic, and then I'd say, "Well, maybe it's time we arrange a briefing for the president to let him know what the status of this is." So we'd get all these people together and he'd say, "Yes, go for it. Go, go." So that would help—

Lage: But he pretty much left it to you and the group to work it out?

Arditti: Yes. I mean, he lent all the support he needed to, and then some, but gave us kind of the support that we needed to do the actual work. And so, in any event, Jud King was great about getting a faculty group together. Vice Provost Julie Zelmanowitz was his point person on that. Put together an academic plan, and then in terms of the facilities situation, we at that point were tenants in this building, and the SGR office still is in this building. Has been for twelve or fifteen years. And right around this time, the building came on the market for the first time since it was built. It had been built in 1924 and had been in the same ownership all that time. So it came on the market on a competitive bid sale basis, and this building, of course, is enormously larger than any currently foreseeable university needs.

On the other hand, it's located in such a strategic place. I mean, it's just footsteps from the capitol, the convention center, the major hotels and restaurants, the light rail, train station, all these things. And it's because of those features, it's an excellent spot for the center, but very desirable to rent, for tenants. And so we took a risk here because it's big enough that the center can grow over time as much as it possibly can, and we know that we've got the space here that can be used. In the meantime, it needs to be leased, everything that's not being used. And as far as I know, it's 100 percent leased right now.

Lage: Now, how did you work on getting him to buy the building?

Arditti: Well, I think in the end the president decided he wanted to buy it. He was, first of all, in general, an advocate of buying rather than leasing. That was a policy of his on a lot of different things. But I think he saw the potential of the center and of this particular location and really wanted us to—I mean, he'd
come in and he'd say, "Have you bought me this building yet?" I'd say, "Well, not yet, but we're working on it."

Lage: Who would you work with in the president's office?

Arditti: Well, let's see. Eventually we were working with a really terrific guy named Bob Hatheway, who was kind of the chief real estate person. He worked for Mike Boccicchio, who's kind of the chief facilities person down there. And then over them was then vice-president for business and finance, Joe Mullinix. And they all had to sign off on this. But Bob Hatheway was the guy who really did the work.

And then we brought in, at Bob Hatheway's suggestion—and this was a really great suggestion—an outside consultant who was an expert in Sacramento area real estate matters to help us with this bid process. Because this was one of those processes where they didn't put a price on the building. They would take bids in the first instance, and then they'd take the three highest bids, and then each of those three is invited to provide the last, best, and final offer in each instance, without knowing what the other person's offer was. So it takes somebody who really knows this market intimately to be able to figure out what you have to bid to get it, but how much is too much. Because you don't want to overpay, but you don't want to underbid, either. So that involved a lot of analysis about the rental rates for the business and the prospects for keeping it rented, and the maintenance costs. There was a lot of analytical work there.

But anyway, this gentleman's name is Jim Naity. He's a wonderful person. He had done work with the UC Davis Medical Center at one point, where it had required purchasing some thirty-four homes for expansion of the medical center, and managed to get all thirty-four without having to invoke eminent domain once. So he was very skilled at these things, and is himself, an entrepreneur in real estate here in Sacramento. He's very knowledgeable. So it was really invaluable having him work on this piece of it. So we went through all of those steps and we got it.

And so it's very exciting because the center now, the class that just left, this summer class, was more than sixty students. It is a single universitywide program, which means there's just a single administration of it. It isn't several different pieces. There is the course. The students take a course, do a research paper based on the work that they're doing here, then they have to present and defend their papers to their fellow students.

Lage: And they're interning?
And they're interning in the legislature, the governor's office, non-profit organizations, lots of different places. They get academic credit. They're eligible for financial aid, and it's a single course which is accepted for credit on all campuses. It may be the only such course at the university. That was a major achievement on the part, I think, of Gary Dymski, the founding academic director here to get the Academic Senate to agree to that.

And they get a whole quarter or semester's credit.

Exactly. They do. And it operates all four quarters of the year. Some are busier than others, but it operates in all four quarters. It has a faculty director and other folks here in the office. But the students just love it. I mean, many of them say that it's changed their lives in terms of what they're thinking about doing in the future. The people in whose offices they work love having them. It really does demonstrate, in a first-hand way, what the value and quality of the university is. It's becoming more and more a focal point now for faculty who want to spend a little time here and are willing to share their talent and expertise.

Who will come up and spend a quarter or semester teaching?

Yes. Yes. Or even just come for a week or for a lecture or for some seminars or meetings. There's a whole host of different ways in which this can be done.

And does it build relationships? Or how does it build relationships between the faculty and Sacramento?

Well, it enhances the work that is done. You know, you'll find out that a particular legislative committee or an agency has a problem they want help with and you find a faculty member who has expertise in that area, so then they kind of work together and they can see what the value is of the faculty.

And there was one experience that was really spectacular that I hope can be repeated. That is, a faculty member from the medical school at UC Irvine realized that he's been in the health field, of course, all of his life, and there are all these rules, and policies, and laws that somehow or other affected what he was doing and he had no idea how any of that happened. And so he decided that for a sabbatical period, he wanted to come to Sacramento and learn how all this worked.

And so the center was instrumental in identifying a fellowship for him with State Senator Sheila Kuehl, who at that time—in fact, still is the chair of the
Senate Health Committee at a time when healthcare reform and a lot of other things are very prominent issues. And so he spent, I think, six months in her office, and it was just such a wonderful experience on all sides. I mean, he was like a kid in the candy store, because he saw firsthand how all this was working. She and her colleagues were thrilled to have somebody of that stature right there working alongside them for six months on all these health policy issues. And I keep hoping that that will be a model for more such arrangements in the future. That was fairly recent. So that was a success story and I hope there’ll be more like that.

The center's still small. Heck, there are always funding issues that go along with these things. But I think the potential is there to grow. The building will certainly provide the space as needed. In the meantime, it's very solvent.

15:00:32:45
Lage: And are you funded in part by the tuition? Or the fees, pardon me, of the students who come in.

15:00:32:49
Arditti: Yes. That's a main source of support, is that quarterly portion of the cost per student that we get from the state. So that pays a major part of it. But there are some elements of the center that are not directly student related, so those have to be funded separately. Larry Hershman was very good about helping with those things. It's still, you know, on a tight budget, but it's established. I think it's getting to be better known and better appreciated and I think has great potential for the future.

15:00:33:23
Lage: A success story.

15:00:33:24
Arditti: A success story, yes.

15:00:33:27
Lage: Well, that—

15:00:33:27
Arditti: But President Atkinson was really instrumentally responsible for our ability to get that going. I mean, he was just really enthusiastic from the beginning and was just really instrumental.

15:00:33:40
Lage: Very good. That kind of leads you—if I'm not wearing you out yet—kind of a natural lead in to talking about your office, since we have discussed the building.

15:00:33:53
Arditti: Yes.
Lage: You've told me about the building. You know, maybe reach back and over time how did the office get built up, who were your staff, where did you hire them from.

Arditti: Okay. Let's see. When I first came into the office, it was pretty small. You know, way back in the early beginnings, there was no UC office here because the legislature only met for a month or two every other year, something like that. So there was somebody in the president's office who'd come up, stay in a hotel for a month or something like that, and go home. So there wasn't even an office.

Lage: I'm going to stop you just for a minute, because I know that we did talk about the Senator Hotel.

Arditti: Jim Corley. Right, all that.

Lage: Then Jim Corley and—

Arditti: All that, all that.

Lage: The bathtub.

Arditti: Right, right. Yes. I won't go back through all that.

Lage: Yes. We have talked about it up to a certain point, but not so much how you staffed it when you became in charge.

Arditti: No. Just really quickly, to illustrate the point that it was very small, and yet the legislature shifted to a point then when it became a year-round legislature and was originally in session for maybe six months of that year, and now it's more like nine months and so forth. So for those reasons, the volume of legislation grew. The amount of time the members and their staff were here grew, and so it became necessary to increase the size of the office to keep up with all that. And so it I think today is about twelve or thirteen people, something like that, including the support folks and so on.

Lage: That's still fairly modest.
Arditti: It's still fairly modest when you consider the size and scale of the university itself, and the complexity and scale of the state government. It's not a big operation at all, because that includes the people who answer the phones and do the typing and read the bills, and all of that. But in any case, it's larger than it was earlier. So that's in general.

Now, you know, in terms of the kinds of folks that we had, for the people who did the direct contact work across the street, I think I tended to recruit people out of the capital who had been part of that structure and knew it well. Not exclusively, but the—

Lage: People from legislative staff?

Arditti: Legislative staff, yes. I mean, one example was Celeste Rose, who had been the chief higher education staff person to then Speaker Willie Brown, with whom I had worked before I assumed responsibility for the office. She was very impressive, I thought, in that role, and so the first thing I did was recruit her to come to work as the associate director. Took me—

Lage: When did she come?

Arditti: That would have been early in the Gardner period. And she was with us for about nine years in this office. Then there were other things that she went on to do.

Lage: She went on to the president's office.

Arditti: Well, she went on to the president's office initially as a fellow with President Peltason for a year, and then became assistant vice-president for university relations, all the communications and alumni and things like that, and went briefly to the NCAA and then came back as vice-chancellor at UC Davis, and that didn't end well. But in any event, she was excellent when she was here.

Lage: And then all these ties that people like her give you with the legislature.

Arditti: Well, that's—

Lage: I mean, I understand her husband continued to be [legislative] staff?
Well, he is today. I don't remember whether he was back at that time. But yes. You get a lot of instant relationship that way. Another example is Sandy Fried, who had worked also for Speaker Brown and two or three other members. She last worked for—let's see now—a member of Congress, Susan Davis when she was in the Assembly. She's a Davis graduate. Celeste was a Davis and UCLA graduate. But Sandy was with us for ten years, and then a couple of years ago, she left to go back to work for the legislature. She'd worked for seven years for the legislature when she came here. She is now back as the chief consultant to the Assembly committee on higher education. So that's another example. Others include: Ellen Mantalica, referred to earlier, who had worked in the Legislative Analyst’s Office.

Vince Stewart we had who's now Assistant Secretary for Higher Education in the governor's office. He was a Davis graduate who'd been working for the California School Boards Association before we hired him. Carl Engelbach worked for the California Post-Secondary Education Commission for about twenty years before we hired him. Vince had gone and then left us after six years to go do federal governmental relations for UC Davis. He left to go to the governor's office. Carl then went and became the federal government relations person at the Davis campus.

Matthew Hargrove was somebody we hired out of the temporary clerical pool at the UC Davis Medical Center. I don't think that exists anymore. And he was so good that we hired him on permanently, and he just kind of grew and grew. Wound up going to work for a legislator, then assembly member Brocks Firestone, then went to work doing governmental relations state work for the Davis campus and is now with the California Business Properties Association. So those are some examples.

Kris Kuzmich who had staffed now superintendent of public construction Jack O'Connell on education issues most of the time that he was in the legislature, came to work for us for a couple of years handling our health/science issues, which is a very tough job. She's now working for Senator Jack Scott, who is the chair of the Senate Education Committee and the chair of the Assembly/Senate Budget Subcommittee that handles the university's budget. Brian Rivas is now running for Sacramento County School Board. Todd Greenspan, one of our most brilliant and productive key people, came from the San Francisco Budget Analyst’s Office, and is now with the Office of the President.

That must be helpful to you when a former employee—

Yes, yes.
—if they've worked out well for you, go back and staff a key legislator.

Well, yes. I mean, the first thing is you hate to lose a good person because, you know, not only do you rely on their expertise and productivity, but really people become like family. I mean, you spend all these hours and hours and hours in really close quarters and struggling together and all that. So it hurts when a good person goes. But if they have to go, then let them go somewhere like that. Yes, yes, yes. Because yes. Just right at this moment, just those three alone, the Senate Education and Budget Sub, Assembly Higher Education, and Governor's Office of Higher Education, in that sense, at least it's better to have them there than somewhere else.

Yes. Now, if you think of your office as a lobbying operation, do other more traditional lobbyists who have funds and are funded by organizations that can maybe make campaign contributions, is there that same kind of interaction with their staff back and forth? Hired from the legislature, going back to work for the legislature. Is that common?

Yes. Yes, there is. Yes. Yes. How common, I couldn't say. But this certainly does happen. Yes, I mean—

Kind of the K Street thing we hear about in Washington.

Yes, yes. It isn't maybe quite that, but I mean, there are like some ex-legislators who are major lobbyists, and there are many lobbyists who formerly worked as staffers, either in the legislature or in the governor's office. There are people who work in lobbying who land back in government in one way or another. So there's a certain amount of exchange back and forth. I'd say it tends to be more from government to the lobbying corps than vice-versa, but it's certainly not uniform at all. Dennis Mangers, who's a former legislator, then was, for many, many years, the president of the Cable TV Association. Just retired from that, but he's going to go back to work for a year for Senator Darrell Steinberg, who's the incoming senate president pro tem.

Dan Dunmoyer, who is the governor's deputy chief of staff and cabinet secretary, for many years headed up the organization of insurance companies that lobby here in Sacramento and so on. So there is a certain amount. Bob White was Governor Wilson's chief of staff all the way back to when Wilson was a member of the State Assembly. He started up one of the biggest lobbying firms ever in Sacramento. It's got a lot of key people, including ex-legislators, and a member of our board of regents and others as part of it. So there tends to be a certain amount of flow of back and forth.
Lage: I guess one of the questions that I'm thinking about is how the university competes with these big lobbying well-funded operations that obviously give campaign contributions.

Arditti: Well, the answer to that is, in addition to just trying to do the best we can in terms of building our case and building relationships with people and all that, we have to maintain a support structure of third parties who also are willing to help. And most of that has to get done through the campuses, because they have the relationships with people in communities and donors and so forth. But there are examples of people who have a lot of influence who can be involved in the campaign funding process, who love the university and are willing to help. You know, I mean—

Lage: Who may actually make campaign contributions.

Arditti: Yes. I mean, for example, John DeLuca, who is the Chairman Emeritus, I think—I forget exactly what this title is these days—of the California Wine Institute, which is the main body representing all of the wine industry in California. Just a marvelous man. I mean, once he served on the White House staff, and as deputy mayor of San Francisco, and a PhD in foreign relations, and on and on and on. Just a brilliant, wonderful man. But, you know, he's a UCLA alum and the wine industry is very close—dependency, really, on research and extension work done by UC, and so there's that close relationship. But the wine institute is very active politically and very highly regarded and sought after by elected officials. And John has never refused a request to go to bat for us, not just on issues that involve that industry per se, but involve the welfare of the university. And he can get appointments with people we might find it difficult to get appointments with, but he's been very willing to do that.

Lage: What kind of issues would you call on him for?

Arditti: Well, we have called upon him for issues involving research funding, enrollment funding, the dispute with the California State University over offering of the doctorate degree. Those are just some examples. There are probably more over time. But just the general university budget funding situation. He's just been wonderful. And, I mean, there's just nobody's door he can't walk through. The governor, the speaker, the senate president pro tem and so forth, as well as many others. The Republican leadership and such. Another example is a gentleman named Howard Welinsky, who is a volunteer with UCLA. He's a UCLA alum. He's a vice-president of Warner Brothers pictures and he's very active in the west side Democratic politics in southern California, as well as Jewish causes and UCLA. Those are his three passions.
It's hard to remember an issue in which we asked Howard to go to bat with somebody, but then he wasn't ready to go, you know.

Lage: And is he also someone who has a great deal of entrée?

Arditti: Yes, because in addition to being a very active supporter of UCLA, he's also very active in Democratic politics in southern California, so he's got lots of friends in elected office who he supports and helps and so forth. And so those are just a couple of examples of the kinds of folks that need to be identified and cultivated and turned to for help when things really get to be difficult, because as you point out, the university itself is not able to participate in campaigns at all. Certainly not able to provide campaign contributions. But there are a lot of people who are friends of the university who are able to participate in those things, and so it's a difficult thing to put together, but those people need to be found and convinced that their help is vital and called upon.

Lage: I think I understood that John DeLuca had I don't know whether a position or an advisory position in the president's office.

Arditti: Yes, he's got several university positions right now. I think he is senior advisor to the president. He's also a member of, and at one point may have been the chairman of, the president's Agriculture Advisory Council. He also teaches a course at the Goldman School of Public Policy, the graduate School of Public Policy at Berkeley and has also been involved very extensively in raising funds for the Bancroft Library, and has had an interest, among other things, in the oral history program. I think his daughter even may be an oral historian. I'm not sure.

Lage: Well, I know she's working on a documentary about the wine industry during the Depression.

Arditti: Yes. So he's just a remarkable figure, and his connections with the university are multiple. He also chairs the Gallo Center [Ernest Gallo Clinic and Research Center at UCSF] board. But he's the kind of person that you really need, both to consult for advice when you've got a difficult problem, as well as to go to bat from time to time.

Lage: And you mentioned Steve Merksamer as somebody—

Arditti: And Steve Merksamer, who was Governor Deukmejian's chief of staff, was instrumental in helping rebuild the budget of the university after it had really fallen into a very difficult state. Over the years, has always been willing both
to give advice and pick up the phone and call somebody, either to learn something that we couldn't find out ourselves or to kind of give people some advice about what to do. And he's very instrumentally involved in Republican politics. Very moderate Republican. I'm sure the governor is talking to him regularly about how to solve this budget problem right now, and I have a hunch that the latest proposal the governor has made, which is to increase the sales tax, as well as get some reforms in the budget process and make some cuts, I would have a guess that Steve probably had something to do with that.

Lage: Oh, do you think so?

Arditti: I don't know that. I'll be seeing him tomorrow, so I'll find out. Maybe I'll find out some more. But these are the kinds of people that can be called upon and need to be, and having folks like that available to help in those ways is every bit as much important as having people who can be donors. Certainly private giving is essential to the university, particularly as public funds have shrunk as the state has gotten itself into these deeper and deeper problems. But the three billion or so that the university gets from the state, somebody calculated would require something like a seventy billion dollar endowment to yield that sum of money. So the state is still the largest donor of the university, and it isn't just the funding from the state that's so important. It's the other policy actions that can be taken that can either be supportive or destructive. And so these actions are very important, and having people who can help in ways that we can't ourselves is really crucial.

Lage: Very good. Do you have energy before we go to lunch to just briefly talk about the merger of the Stanford and UCSF hospitals?

Arditti: Okay, okay.

Lage: And then we'll be at a good stopping point.

Arditti: Okay, okay.

Lage: This occurred also during the Atkinson presidency.

Arditti: Yes, yes, yes. From what little I know, there was a point at which the then chancellor at UC San Francisco, Joseph Martin, and the then president of Stanford University, Gerhard Casper, took a fabled walk in the woods and came up with this idea that somehow or other it would be a good idea to merge the UCSF and Stanford hospitals. Not the schools of medicine, but the hospitals, despite the fact that they were widely separated by geography,
culture, history, and a lot of other things. But on the face of it, it sounded like it might have some appeal. I mean, from the standpoint of negotiating with insurance providers and so forth, to the extent that you increase the size and strength of an institution, that could be of some help. There were talents that might more readily be shared. So there were some interesting arguments made there. But I think nobody imagined at that stage how hard it would be to actually do it. But it was done. A separate non-profit entity was established to run this new entity. I forget what it was called, but it was—

15-00:53:18
Lage: Was that something the legislature had to do?

15:00:53:17
Arditti: Oh, no, no, no.

15-00:53:20
Lage: Is this all internal for the campus?

15:00:53:21
Arditti: Yes. And there was a lot of hostility among legislators, frankly, to taking what was a public institution, UCSF hospital, and putting it into private ownership, which essentially was done because it was a separate new entity which was established to run this merged operation. It was a 501(c)(3) nonprofit organization that was then running these hospitals. But, you know, large issues arose. First of all, just the cultural differences between Stanford and UC, one being historically private and one being historically public. Legislators and unions were angry because it took the employees out of state collective bargaining and other things like that. Difficult transitions had to be worked out for the retirement system, benefits for these people and all that. Issues about how much would be open and public and how much would be private. You know, Stanford is not subject to the public records act. It's not subject to the open meetings laws. Then Senator Burton was very vehemently opposed to this merger in general, but was offering legislation to try to apply the open meetings requirements and the public records act to this private entity. The people at Stanford became increasingly angry about that and were threatening they'd walk away if this passed. I was right in the middle of all of that.

15-00:54:54
Lage: So you had to be one of the negotiators on all of this?

15:00:54:59
Arditti: Yes, yes, yes.

15-00:54:59
Lage: Even with Stanford?

15:00:55:00
Arditti: And even though the merged entity, now being separate from the university, hired lobbyists separately to represent it. But there's no way you could divorce
this from UC, and so yes, we were right in the middle of all that. In any event, this went on and on for some time. Just one controversy and difficulty after another. And finally, at some stage, those that were responsible for this concluded that this was not working and that a divorce had to happen. And it was probably harder to unravel than it was to put together in the first place, and it went on for years, the aftermath of all that. It did not do well financially. No one really had realized how difficult it would be to get the medical faculty to work collaboratively together. It just seemed like nothing that had been part of the dream was materializing.

15-00:56:01 Lage: Not well thought through, it seems—

15:00:56:00 Arditti: Not well thought through, though I think it was—

15-00:56:02 Lage: Did you advise against it?

15:00:56:06 Arditti: That was really a little beyond my scope of responsibility.

15-00:56:09 Lage: Except you must have been hearing from—

15:00:56:11 Arditti: I was hearing about it, and I was basically told, "All right, we've got to do what we can to make—"

15-00:56:15 Lage: Was there some important group or person behind urging it?

15:00:56:22 Arditti: No. I think it really did start with Casper and Martin. Martin left not long after the merger to go back east again, but I think it really kind of started with those two. You know, there was a vice-president for clinical affairs at that time, William Gurtner, and I don't know what his private view was on that. But once the decision was made by the regents and the Stanford trustees to do it, it was everybody's job to try to help make it work. And as I say, there were some appealing arguments in its favor but it didn't work out well at all.

15-00:57:06 Lage: Did you observe any problems in Sacramento after it was broken up?

15:00:57:17 Arditti: Well, I think once it was broken up, that relieved a lot of the pressure. But there was a lot of pressure while it was still in existence.

15-00:57:26 Lage: Okay. Do you think it's time for a break?
Arditti: Yes, I think so

Lage: I do, too.

Arditti: Yes.

Audio File 16

Lage: Okay, we are back on after lunch and this is tape sixteen, August 26, 2008, of the interview with Steve Arditti. Okay, Steve, we are heading into one of the periodic fiscal crises. We talked about most of the issues of the Atkinson presidency, except I now remember that we wanted to finish up with something about your office. So forget that intro. We have a couple of people you wanted to talk about.

Arditti: Most of them were wonderful. Couple of others that I think are worthy of mention. First of all is Joe Castro, who right now is associate vice-chancellor for student academic services at UC San Francisco and soon to be, I understand, vice-provost at UC San Francisco. He's one that I'm very proud of. Years ago, we were recruiting a position in our office for a legislative director, and the stated specifications were master's degree and four years of work experience. And the person in my office that was chairing the committee that was conducting this search called me one day, I was out of town, said, "You know, we're not really very enthusiastic about the people who have applied who meet those specifications, but a young man from Berkeley has applied who we really all like very much, but he doesn't meet those requirements. What should we do?" I said, "Well, I think we ought to talk to him some more."

In any case, they talked to him some more and felt even more enthusiastic, and so an arrangement was made for him to come over and meet me one day while I was at a regents meeting in San Francisco, over at Laurel Heights. So he came over and we talked for about twenty minutes and I said, "Thank you very much for coming over. You'll hear from us very shortly." At this point, he had not quite finished up his master's degree at the Goldman Graduate School of Public Policy at Berkeley, and his job experience had been exclusively on the campus in various part-time student jobs. So in any case, he was a wonderful young man who had come out of the Central Valley and been a great success story at Cal and all that. So in any event, I said, "You'll hear from us shortly." I called back up the person who was conducting the search and I said, "Call that young man right now and make him an offer." I said, "Mark my words, the day will come when I'll be sitting in the back of a big
auditorium with a chin on a cane turning to someone and saying, 'See that young fellow, sonny? I gave him his first job out of school."

The only thing I was wrong about is I didn't have to wait until I was using the cane, because he's just risen like a rocket ever since. We had two and a half great years of him in the office here. He then went back to the Goldman School as Assistant Dean of Admissions for a period of time, then got a doctorate in education at Stanford, then headed the university's academic center in Fresno for a period of time, and then headed outreach and student affairs at UC Santa Barbara, and is now the chief student academic officer at UC San Francisco, and with more to come. So that's one that I'm very proud. He's a wonderful young man, a great success story. [Added during narrator's review: He is now president of CSU Fresno, appointed in 2013.]

16-00:03:23
Lage: Now, how old would he be now?

16:00:03:26
Arditti: Well, I guess he'd be fortyish now. His son, who was born while Joe was very, very young, is a senior at Berkeley now, already. So figure that one out. Fortyish, I would say. So that was one that I feel very good about.

We had another example of a situation that didn't work out so well. We had someone who was a really wonderful person at the time she was hired to be the associate director, the number two position in the office, and did some really great work for us, but began to have a series of health problems. She had to take an extensive leave which placed a lot of strain on others in the office, including myself, both from a workload and a morale point of view.

16-00:04:26
Lage: Did you say she was associate director?

16:00:04:28
Arditti: Associate director, yes. Among other things, it forced the rest of us to spend most all of our time on the front-line work here, which is, after all, the first priority of the office, and really not to be able to spend nearly the time that we should have working with the internal colleagues, which in the long run has consequences.

16-00:05:10
Lage: Can you point to consequences that it might have had? This was in the later years?

16:00:05:14
Arditti: This was in the later years. Well, not a concrete consequence because, I mean, we got the work done in terms of what had to be done here. But how others felt about it and what they understood about it, and so on, I think was a different matter.
I see.

I mean, in the last year here, our budget grew by six and a half percent. At the same time, the state budget as a whole grew by only one percent, and of all the troublesome bills that we dealt with, we did not have to ask the governor for a single veto. So I think on the basis of objective measurements, we did well. But in terms of the perceptions that people had, and the extent to which they felt like they were participants and consulted adequately, other things of that kind that are important in the long run to the ability of an office to function, do well for the university, I think a real toll was taken. And I don't—

And you noticed a certain lack of competence or understanding?

Well, because this is an isolated outpost here, collaboration and mutual confidence and other things don't just happen. I mean, those are things that have to be consciously developed and worked on all the time, with the office of the president, with the campuses, with the regents and all of that. It doesn't happen by accident. And when you have to make choices, and set priorities, you make them and you do what's most important, and that's what we did. Because I think if you look based on outcomes, I think we did the right things. But it took a toll. It's not something that could have gone on indefinitely that way, I think, without more consequences.

So that was very difficult, but it was so hard because if this was a person who did not appear to be of good will, or a person who had not contributed valuable service or didn't have ability or something, those kinds of situations are a little easier to deal with. But when you have somebody whom you care about and who has been a valuable contributor, and whose problems appear to be not of his or her own making, I, at least, found that to be a much more difficult situation to grapple with. Whether I would handle it the same today as I did then, probably not. But it was maybe a personal strength and a professional failure on my part to let that go on as it did, and I'm not sure it was in the best interest of that person to let that happen either. I can say that now, looking back on it. Obviously, it didn't feel that way at the time, or I would have done something differently at the time. But that was a very difficult point in the history of the office.

Well, good. I'm glad we covered that. It helps. Okay, let's move to that fiscal crisis. I believe beginning towards the end of Atkinson's term, around 2001-02. And you'd had such a number of good budget years. And how does it affect the course of things when you enter into one of these state fiscal crises?
Arditti: Oh, it's just awful. You know, of course, the economy has its cycles and then the California situation is such that there's heavy reliance on the most volatile elements of the revenue base. And so—

Lage: The income tax.

Arditti: Income tax, particularly. And so we'd been through this big boom where stocks and stock options and so forth were skyrocketing. People were selling them, taking the profits, paying taxes on them, and then that whole economy just kind of crashed. And so those revenues decreased by huge amounts. I mean, the mere fact that the economy was slowing would have resulted in a substantial reduction in revenues. But it's a distorted magnified impact when you rely so much on the income tax, as opposed to, say, to the property tax or the sales tax or other kind of things like that. So there was this period in which the revenues had really skyrocketed. It was pretty apparent, I think, to most people that this was not a permanent stream of revenue. This was a temporary sort of thing. There was a lot spoken about not committing those funds to ongoing commitments, but rather to one-time types of expenditures. But, in fact, most all of it was committed either to ongoing expenditures or to tax cuts, both of which add up to continuing commitments and continuing drains on revenue.

And so when it came down, it really crashed hard and there were cuts, of course, everywhere, but the university's budget is much more vulnerable than many others because so many other elements of the budget are protected in some fashion or another by the constitution or by statute or de facto by policies such as those that govern the correction sentence, the sentencing laws and so on. So the university turns out to be a lot more exposed in situations like that than are a lot of other functions, and so the cuts were huge. I mean, into the hundreds of millions, and it was a devastating period. Things—

Lage: Despite having an agreement with Governor Davis. It just—

Arditti: Well, we had an agreement with him, as we had with Governor Wilson before and with Governor Schwarzenegger after. But these are only as good as the resources that were there. And they're always, on the face of it, handshake agreements, not contracts. Not binding contracts or statutory enactments or anything of that kind. And when things get bad enough, everything's going to hurt. I mean, even those things that have protection have some vulnerabilities in these situations. I mean, even Proposition 98, which is the funding formula guarantee for schools, can be waived by extraordinary votes of the legislature. It's very unusual for them to do that. But anyway, this was a very difficult period of time and so we had a period of budget cuts and salary freezes and
student fee increases, which, of course, is always very demoralizing to the whole system. But it was a very tough time for the whole state, including for the university.

Lage: Does it change the dynamics of how you work with the legislature or—

Arditti: Well, you know, on the one hand, some things you continue to do. You make the case as strong as possible. You mobilize as much help as you can from people around the system, members of the board of regents, important friends in the community. So those things stay the same. But the context in which this is going on is one where they're looking at having to cut people off of welfare and cut people off of healthcare, and not provide cost of living adjustments to the blind, aged, and disabled. All these really heart-wrenching things.

So they will tend to receive our arguments about needing to remain competitive and compete for the best faculty and maintain research—I mean, somewhere in the back of their minds, they get it. That if the state is going to minimize these bad times and have an economy that's going to return, and if there's going to be opportunity for young people to help make all that happen, they've got to have a strong university. But in terms of what they're looking at right there and then, it's right today, “Are we going to cut these people off of any way of living, or healthcare, or other things like that.” And so they get kind of cranky when we're making arguments which might be important in the long run, but which are really coming right up against what they see as these heart-wrenching decisions they've got to make right then and there.

It also leads people to question more how the university is using its funds. It will heighten resentment about such things as perceived high executive compensation levels, for example, or administrative bloat, or whatever it is they might think about. Because when they're really squeezing for every dime, they pay more attention to where the existing funds are being spent. So it forces us to defend a lot more strenuously what we're doing with the money. So there's kind of a defense, as well as an offense, required in situations like that.

Lage: I noticed that Atkinson gave some things that he would have to do if the budget was cut as severely as was being talked about. Is that done strategically? Like we're going to restrict enrollment, and fee increases. Do they do it strategically, hoping to make it as drastic as some of the other cuts the legislature—

Arditti: Well, I don't view it as a kind of Washington Monument strategy of picking the very most sensitive and vulnerable thing and threatening people with it. People are not stupid, and they see that, and it can backfire. And the truth of
the matter is, if things go below a certain level, it will be unavoidable to do those kinds of things. So, I mean, in part it's factual, but obviously, you also hope that as you explain and communicate that to people, it'll cause them to have some pause in how far they go in making these cuts. Because there is widespread support for accommodating all eligible students, for example. There's a lot of sentiment against student fees going too high because of what that means for access and so on. And so obviously those things can have an impact on decision makers, and you hope that they will.

But you have to be very careful to not just make up these things or to threaten to do things that you wouldn't really do if you were faced with it or something like that. I mean, if you say those things and then the budget does fall, then you have to be prepared to follow through and do them. But as I say, you obviously hope that as people realize what that consequence might be, that they might be more reluctant to make those cuts.

Lage: While we're talking money, I'm reminded that you, just before we went to lunch, told me you wanted to talk about a monetary matter back in 1990 that we had skipped over.

Arditti: Well, yes. Yes.

Lage: So why don't we do that now, because it affects what we're talking about.

Arditti: Yes, it really, really does. And it's back in issue in the current year's budget stalemate, so it's probably relevant. Back in the late 1970s, not long after Proposition 13 had passed, which limited property taxes and made it harder to raise other taxes, there was also another voter initiative called the Gann spending limit, which limited the growth in state spending to, I think, something like the consumer price index. And a year was actually reached where some money had to be rebated to taxpayers because the spending limit was reached even though the revenue was there. At the same time, there were other issues about the operations of Proposition 98, about the state's need to get some transportation bonds to help deal with the growing congestion on roads and transportation. A number of different things going on all at once.

And so there was a huge effort in which the university participated very actively. I did, Larry Hershman did. The governor of the state, Governor Deukmejian and his team, were very much involved in this. The chamber of commerce, and then Senator John Garamendi, who's now the lieutenant governor, really stepped in in a leadership role. And I remember hours and hours and hours of endless, highly detailed, excruciating meetings and negotiations in Garamendi's office with like thirty, forty people packed in from the teacher's association and the welfare groups and all trying to come up
with some package of changes that would get the transportation funding moving and also provide some relief to the operating budget in terms of the spending limit and the way Proposition 98 received funding. And anyway, out of all this came an agreement that was fairly complex that went onto the ballot with widespread support and passed.

So would it have been 110, maybe [Proposition 111, in 1990]?

It could have been. I don't remember the number right now. But in any case, one key thing that it did was to change the spending limit from something like the consumer price index to personal income, which according to somebody I talked about recently, made a difference of about one percent a year in terms of what the state could spend. Well, that now goes back some twenty years, eighteen years, something like that, so you can imagine how much less money the state would have been able to spend over that period of time if that change had not been made. And now one—

And did the university campaign for that bond initiative?

I believe we—

Endorsed it.

—endorsed that. Yes.

At what point do the regents come into this? They have to agree—

Well, I think they must have acted on that. They don't have to act on legislative issues. That authority they have delegated to the president. But on ballot measures, they must act for the university to take a position, and I think they must have, in that instance. But interestingly, that issue is now back on the table in the current budget stalemate because the Republicans are demanding, as part of the package of settling the current year's budget, a tougher spending limit that would look more like the original Gann spending limit than what was done in this change. And I don't know. The Democratic members are resisting that, and I don't know how it's going to turn out in the end. But that very same issue is now back under consideration. But it would have made a huge difference, you know, you figure—

Over the years.
Arditti: —one percent per year over eighteen years, cumulative, that's kind a big difference.

Lage: Do you recall how the university got drawn in with this coalition? Is it just a natural thing? And was CSU involved?

Arditti: Yes, they were. Yes. I mean, I think we just sort of invited ourselves. I mean, nothing is perfectly clear in this environment. But it was pretty apparent what was going to happen to the university's budget if some relief was not found here. And initially, the California Teacher's Association and K-12 groups were opposed to change because there would have been an effect that I can't describe on Proposition 98 and the amount of funding that it would have generated. In the end, a compromise was worked out that led them all either support or at least be neutral on it. So it turned out to be a consensus move. But there isn't the consensus on it right now. So we'll see—

Lage: The labor—

Arditti: —how that one turns out.

Lage: Yes. Okay. Well, that's kind of a background to President Dynes' coming into office. Poor budget and political upheaval.

Arditti: Yes, yes.

Lage: First, did you get to know him very well as chancellor at San Diego or do you know much about what his management style was and his particular concerns and—

Arditti: Not in a detailed way, but I was acquainted with him. I was at his inauguration as chancellor at UC San Diego.

Lage: He's appointed by President Atkinson.

Arditti: Appointed by President Atkinson, yes. Well, President Atkinson had recruited him to the San Diego campus from Bell Labs, where he'd had a distinguished career, over seventeen years. I mean, he's a world-class physicist, and then appointed him to be, I think, either academic vice-chancellor or research vice-chancellor at San Diego. And then had appointed him chancellor when President Atkinson left the chancellorship to become president. So he'd had a
lot of experience there at San Diego, and from all I know, was very highly regarded. Obviously, he must have been, or he wouldn't have been chosen to be president. And I remember, he is an ardent runner and he used to run in these charity challenges, you know, where students would run with him, and for every one he'd beat, he'd contribute so much to scholarships and all of that.

And he had a nice sense of humor. I remember at the regents’ dinners, President Atkinson would often call upon him to tell a joke. His jokes were not always quite as good as his physics, but some were amusing. And so, you know, from what I can tell, he had a lot of great success as chancellor at San Diego, which sort of paved the way for his being selected to be president.

Lage: And was Regent [John J.] Moores was the chairman of the board or the chairman?

Arditti: He could have been. He might have been. Yes.

Lage: He's from San Diego.

Arditti: Well, there were several San Diegans on the board. I mean, there was Regent Moores, Regent John Davies, Regent Gerry Parsky, Regent Peter Preuss. So there, I think, at least four San Diegans on the board at that time.

Lage: Who probably knew him maybe better than they knew the other chancellors. Yes.

Arditti: Yes, yes, yes. Because he'd been there with them.

Lage: So he came during the recall election for Davis, did he not?

Arditti: Just about. At about that same time. At about the same time, because he became president just about the time Governor Schwarzenegger took office in the recall.

Lage: Now, how does your office react when something like this recall, this totally unanticipated and unprecedented thing—

Arditti: Yes. Well, it's obviously not anything we could control. I mean, that was happening out there across the state.
And he'd been a very good friend to the university and President Atkinson.

Governor Davis had been a very good friend of the university and of the president, and most of the people around him were good friends, some of them UC graduates, people that a lot of us knew well and worked with easily and so forth. And he'd been very supportive as governor in a lot of different ways.

So this was kind of a startling development because, you know, Governor Schwarzenegger had not been, of course, involved, almost by definition, either in state government or with the university or with higher education. And so he was a big question mark really. Most of the people who came in with him initially didn't have much knowledge or experience of the University of California either. And given that this was not somebody who'd been going through the different political offices and planning to become governor for a long time, there wasn't a preexisting team, a preexisting plan. It was all just kind of something that happened very suddenly. And so, of course, as soon as he took office, he was overwhelmed with this budget problem, this huge deficit that had to be dealt with.

And no longer had the vehicle license tax to fall back on.

Well, no, no. That was a pledge that he'd made in that campaign, was to eliminate that. So that immediately took four billion dollars out of the state's revenues. Really more like six billion today, I think, that would be there had that not been eliminated.

Sacramento must have been an exciting place to be at that time.

It definitely was that. It definitely was that.

Because the university wasn't the only one who didn't know what was happening.

No, no. For a lot of groups, that was the case. But this was very difficult for a while there, because it was hard to know who to call, how to get in the door, how to get our message across, how to get people informed and educated because there was just not the kind of time that there normally is. You know, I think I'd mentioned earlier that in the previous gubernatorial election when Governor Davis was first elected, I mean, we knew who all the major candidates were. There was not a sitting incumbent governor, and so we, with
the president, met with most of the candidates ahead of time and so on. None of that was able to happen in this case.

So it was really pretty tumultuous and for the longest time, it was not even possible to get an appointment for the president to meet with the governor, which is very unusual. I mean, usually there's at least an early meeting between the president and the governor, if indeed they were not already well-acquainted as has been the case in some instances in the past. So this was getting to be quite worrisome, because the budget situation was getting worse and worse and the revenues were down and there was not really a good effective channel of communication.

Well, anyway, finally we were able to get an appointment for the president to meet with the governor, and he had some of his key folks in there with him. And it was at that point that President Dynes described to the governor the funding compact that we had had with Governor Wilson, as well as the partnership arrangement that we had had with Governor Davis, and pointed out that even though in the end, those had to be abrogated because of the terrible revenue situation, the university was just being cannibalized at that point, and he was wondering if the governor would have any willingness to work with us to negotiate some kind of a similar compact agreement. And the governor nodded his head. He kind of liked that idea. And he turned to his director of finance and one or two other people. He said, "Yes. Let's work on it. Let's work on it." So that began the discussions, then, that led to the compact agreement that was developed with the governor.

Lage: You were in that meeting, then?

Arditti: Yes.

Lage: Were you in on the decision to ask for a [compact]—

Arditti: Yes. We all had talked about that and believed very much that we needed to do that. Now, that took some criticism later on. But, you know, the truth of the matter is the university's budget was just in a free fall at that point and we needed to somehow or other stop that fall and hopefully set the stage for some recovery, or it was going to be over. I mean, it is a very resilient institution and it can tolerate, for periods of time, bad financial circumstances. But there is some point beyond which you just don't recover, and it seemed like we were getting awfully close to that point. And so we got—

Lage: Well, tell about the process of working it out, then.
Arditti: Well, then that started a long series of very detailed negotiations. Larry Hershman really did a lot more of this, but I was involved. But he was doing a lot more of that, working with the Department of Finance, and you know, kind of working off of the model of the previous compact. But the basic idea was to sort of stop the reductions in the budget, get agreement to increase it gradually over time, and agree on various accountability measures as kind of the reciprocal agreement for getting some funding assurances. And so that was kind of the outline that emerged. There was a lot of criticism from people in the legislature, particularly Democratic members.

Lage: Now, what was the criticism?

Arditti: Well, two-or threefold. One, that it was with the governor and not with the legislature.

But all the others had been.

All the others were the same thing. But people are not required to be consistent. Anyways, so that was one criticism that's still made by some legislators. We pointed out that not only had all the other ones been done in that same way, but ultimately, the legislature gets the last word because they've got to vote on each budget each year as if it was a new year anyway. But in any case, there was a lot of unhappiness about that. There were a couple of things that we just couldn't get included in it which were very dear to a number of legislators, and so they were very unhappy about that. The academic preparation outreach programs, which we'd wind up getting added each year with support from friends in the legislature, but were not part of the compact commitment.

Lage: I see.

So it was a very difficult thing. The governor would delete it in his January budget, then we'd have to fight to get it put back in at the end, and it finally would come in at the end.

And he wouldn't veto it.

Lage: And he wouldn't veto it. Because it would be part of the final budget agreement among all of the parties. But, you know, it's very hard on a program to be living year after year, not knowing each year whether it's going
to be in existence. It makes it very hard to keep morale up, to keep good people from going elsewhere and so on. So it was that one—

16:00:32:33
Lage: Now, when you—

16:00:32:33
Arditti: —and the Institutes for Labor and Employment.

16:00:32:37
Lage: Oh, that was immediately cut.

16:00:32:38
Arditti: That was cut also. That’s another one that got taken out in January and then was not restored in every year. In one year, at least, we had to transfer some other funds to keep it going.

16:00:32:52
Lage: And that seems very political.

16:00:32:52
Arditti: It is, yes. These institutes are perceived as being very pro-union, pro-labor, and so Republicans, including the governor, who are not friendly to unions, or consider unions to be unfriendly to them, have not looked favorably on those programs. And I think there was at least one year in which they were not funded by the legislature. I think that the university moved some money temporarily to keep them afloat pending the succeeding year when they were funded. I frankly don't know what the status is of either of these things in these current years. But it's not done yet so we don't know anything about what's going to be in it for sure, I guess.

So there was that kind of criticism. And, you know, it basically was an agreement that said we acknowledge that our budget's going to be pretty modest this year, but it will stop falling, and then will go up gradually over a period of several years to a point which was really pretty good. But people were saying, "Oh, look, promises, promises. You're trading away the present for a future that'll never happen. This is just an outrageous abrogation."

16:00:34:08
Lage: Were people from within the university also saying that? Is that—

16:00:34:12
Arditti: No. Actually, the internal community was much more supportive than were a lot of the people in the legislature. I mean, the Academic Senate endorsed it. The chancellors supported it. I think people realized that the place was just going down the drain and that something had to be done to stop that free fall and hopefully to begin to turn things around. And, I mean, people recognized that there was not an unlimited source of money in the state at that point and that this probably looked to be about as good as could be done. Whether it was
or whether it could have been squeezed a little more, we'll never know. But compared to where we were headed, it was a big change.

And as I say, at that point, the people around the governor were not people who had a lot of depth and knowledge about the university. And so that was just another thing to be concerned about and something that was mitigated by getting at least some kind of a partnership or relationship going here and getting some understanding about what the bottom can reasonably be, and that we need to have, at least as a goal, working it back up and rebuilding the university. So I think you will find that, by and large, the internal community was pretty supportive. In later years, some of the regents engaged in a lot of criticism about it, thinking we should be getting a billion dollars a year more and all that. So it was controversial. I think it was a major accomplishment on Bob Dynes part, because I think without that, we would have probably just kept going down and down, and I don't know what the result would have been today. But, you know, it's the nature of these things. You never know what might have been. You just speculate.

16:00:36:04 Lage: Well, I think Larry Hershman told me that partly the Democratic legislators were mad because they wanted to hold out and force Schwarzenegger to increase taxes.

16:00:36:15 Arditti: Yes, yes.

16:00:36:17 Lage: But by making an agreement like this—

16:00:36:20 Arditti: I think that was yet another argument. But, I mean, the truth of the matter is, at that point there was no way that he was going to raise taxes and no way, even if he tried to, that he could have gotten Republican votes to do that. I mean, look at the trouble he's having now having now finally said, "Look, we do need to raise the sales tax." So far, I don't know if there are any Republican votes to do that. With a two-thirds vote, just getting the governor to agree, even though the governor is a very powerful figure, is not sufficient to put that across the finish line. Certainly I don't think that whether or not we agreed to a compact was not going to be the determining factor as to whether there was a tax increase. I mean, it might have been the strategy of the Democrats to seek a tax increase, which would have been a good thing for us, but the question is, is there any practical way that could have happened at that time? And well, one can't say for sure.

16:00:37:21 Lage: Is that the kind of thing, though, that the president draws on you for advice about?
Arditti: Yes, among others. I may be—

Lage: Is that one of your roles?

Arditti: Yes. I mean, he also talks to lots of other people. Regents and the chancellors and other vice-presidents, and people outside the university. I mean, presidents have to make these tough decisions and they need to get all the best advice they can get. But yes, certainly our office would be one place that they would look for advice.

Lage: Did he do well with Schwarzenegger on a personal basis? Do you know?

Arditti: Yes. Did extremely well. I mean, they had a good first meeting. Subsequently, the governor took a couple of foreign trips and Dynes was asked to be part of a delegation and he did it. One was in Mexico, one was in China or India, maybe, something like—

Lage: Was there a reason for having the university present on the trips?

Arditti: Yes, arguably. I mean, these were missions to increase collaboration between California and these other growing economies, ranging from economic trade enhancement to research collaboration. With China, there was established this ten-by-ten agreement, you know, where our ten campuses were paired with the ten top research university campuses in China to work on collaborative things. And there were other collaborations developed with Indian universities. And these things can be very beneficial to the university, as well as the university being beneficial to the state and being part of a general effort like that. I mean, if the effort doesn't yield anything, then the university's participation hasn't contributed anything. But, I mean, if there is a kind of a net benefit to the state, then I think you can certainly argue that the university, given its role and resources, is an integral part of making that possible. And there were initiatives with India, with China, with Canada. Of course, Bob Dynes was a Canadian by birth. And so I think the governor appreciated his help there. So it was a delayed start. I mean, it was months and months and months before that first meeting was able to be arranged, but, I mean, once it happened, I think it got off to a very good start.

And even in later times, as criticism mounted from other quarters, the governor and his administration remained very supportive, not just of the university, but of Bob Dynes, and they refused to have anything to do with the demands that were being made for people to be fired or anything like that. They were just very steady in saying that it's a great university. To be a great
university, it must pay competitive compensation and that's all they ever said. So yes, I think it got off to a good start, and frankly, stayed that way. I don't think that the governor was anxious for the president to leave; in fact, I think he regretted it when he did leave. So I think that was something that did work well.

Lage: I may be off base here, and I may not be remembering correctly. Dynes was the son-in-law of Warren Hellman.

Arditti: Correct.

Lage: And wasn't Warren Hellman a big support of Schwarzenegger?

Arditti: Yes.

Lage: Am I right about that?

Arditti: Yes. Well, I mean, Warren Hellman, yes, people like that are big supporters of lots of people. I think he'd been a big supporter of Grey Davis, too. But I think he also was a supporter of Schwarzenegger, yes. And that could have played some role in this.

Lage: But not to your knowledge?

Arditti: I have no way of knowing. I mean, I'm sure that he was trying to do what he could. I just don't know what role—

Lage: Because he was also a supporter of the university for years.

Arditti: Oh, yes, big supporter.

Lage: Or has been.

Arditti: Has been for years and years. Big supporter.

Lage: Is he another John De Luca, or does he not get as involved?
Well, I don’t think he's as involved as De Luca, but he gets involved in a lot of things. That UCSF-Stanford hospital merger, he was deeply involved in that.

Oh, he was?

Oh, yes. And then at one point—

You mean in promoting it?

Well, let me try to remember this. I think that when questions began to arise about the effectiveness of it and about various charges and countercharges that were being made, I think he agreed to chair a committee called the Hellman Committee to review the whole situation and make certain recommendations. And that was a thankless job. I mean, there were bullets flying from every direction and got him into public criticism from Senator Burton and all that. So he did try to help resolve the problems there. Of course, subsequently, Dynes’s marriage dissolved. But as far as I know, Hellman and Dynes have remained good friends nonetheless.

Very good. Okay, well, let's talk about the growing executive compensation controversy and how that came out and how you see it from your perspective.

This was a very difficult period. You know, I think Bob Dynes came from a background, first of all, having been in private industry for many years, at Bell Labs. Having been on a campus [at San Diego] recruiting faculty for a campus of growing international distinction. And I think believing strongly that we were undercompensating in terms of the market for the chancellors, particularly, and for others. I think he was determined to try to do something about that. And in terms of the market for people that the university is seeking to recruit, he was absolutely right. So I think that was sort of an objective, along with strengthening the university in general and rebuilding its budget.

He had a lot of appointments to make, as well.

He did. Helping with the schools and other things that were on his agenda. Yes, he had a lot of appointments to make, and I think was feeling that he really needed to be able to be more competitive. So that was kind of a going-in view that he had. Now then, there were particular instances of people appointed that included not just salaries but other elements and then the issues arose about what had been approved by whom and whether certain things were within policy or not. And I don't know if some of these questions will
ever be answered in an authoritative way. But in any case, there were perceptions that either policies had been violated or that people who needed to approve of certain things didn't, and/or that some of these arrangements were just not appropriate. And the—

16:00:45:08 Lage: Weren't a couple of them not reported to the regents? So for a couple of years—

16:00:45:12 Arditti: Well, at least that was apparent. I mean, somebody I know of has gone back and done a piece-by-piece review of each of these instances and the policies at the time, minutes of various meetings and so forth, and has concluded that no policies were violated. I can't answer that question. I don't know. At this point, I think what matters more is what people believed, anyway, than what could be proven to an historian's satisfaction many years later. But there was a perception, anyway, that something was wrong here, both in terms of the forms of compensation, the amounts of compensation, the procedures followed or not, and who knew when and who approved what.

And so this led then to a series of scathing articles by the San Francisco Chronicle. They just wouldn't let go of this for the longest period of time. Led to the regents intervening in a much more direct way than they had in the governance or management of the university in a long, long time. To a series of audits and committees. It was just almost seemingly unending series of activities that grew out of this and it was really debilitating to the whole university.

16:00:46:45 Lage: And undermined Dynes role in some—

16:00:46:46 Arditti: Very much so, very much so. Yes. And whether some board members were anxious to take a more activist role and just saw this as an opening or an opportunity to do that, or whether this issue was, in fact, the motivation or the catalyst for them to get more involved, I don't know. But they did. But they did. And then, of course, audits were launched which then turned up various issues involving other appointments and on the campuses, and some things that were fairly old. And, of course, each new one was—

16:00:47:33 Lage: Were these outrageous things or just small oversights?

16:00:47:37 Arditti: Well, outrageous, to use that term requires a value judgment. Most of them were not that big and involved, as much as anything else, questions of who approved these, and did that person have the authority to do so, and were they disclosed appropriately, and that sort of thing. You know, there were a couple of things that were criticized pretty heavily just on the substance of it. One
had to do with the agreement with the new chancellor at UC San Diego to compensate her for this sabbatical that she had accumulated while at her previous position or something like that, which is, you know, a year's salary, which was a pretty sizable thing.

Lage: And that was new to our campus. But I thought I read that it was often done on other campuses.

Arditti: Well, it is common practice when someone retires from a senior administrative position, particularly if that person is a faculty member, for that person to get a year's sabbatical leave at the administrative pay level. Now, that policy itself is somewhat controversial, but that's a widespread policy and practice at universities across the country, including at UC. But I think this other instance had to do with compensating for a sabbatical accumulated at a previous institution, for service rendered at the previous institution, not at UC. I think that's probably what made this more controversial. And then there seemed to be some misunderstanding for a while as to whether or not that had, in fact, been agreed to or not. And again, I don't know how any third party ever figures that one out, because there are a very limited number of people involved in conversations leading to these kinds of agreements. So I don't know what the facts are in that instance. But that was very controversial. That it was very controversial, I know.

Lage: And M.R.C. Greenwood, who was one of the first hires, I guess, that he made.

Arditti: One of the first hires, yes. And she'd had a very successful run as chancellor at UC Santa Cruz. Enormously successful, and she is now doing a spectacular job as president of the University of Hawaii [2009-2013]. But again, the compensation was regarded by some as being excessive when she was appointed academic vice-president and provost. And as with so many of these arrangements, it involved more than one form of compensation. There was a direct salary and then a housing allowance, and then this and that. And those kinds of things are always harder for people to understand and engender more attention and criticism than just a straight-out salary. I mean, the regents have paid the current president something like twice what the previous president was being paid, and while I'm not now on the scene on a daily basis, so I couldn't tell you for sure, I haven't heard much complaining about that.

I mean, some people don't like big salaries and big compensation, period. But if they're simple enough and understandable enough and granted in a way that's open and public and disclosed and all that stuff, more people, at least, will kind of just bite their tongue and swallow it and move on. But when they feel that there's something here, they're trying to evade accountability by doing things that are separate and distinct and complicated and not all out in
the open and all that stuff, then they get more suspicious and it feeds the criticism. And once again, I have no way of knowing what process was followed.

16:00:51:41
Lage: Or who did it. Who made the—

16:00:51:42
Arditti: Who did it, who made what agreements, who approved what agreements, who knew about the agreements. That's all still something of a mystery to me. All I know is what the perception was. The outside perception was, as fed by the newspaper articles, and what the reaction was on the part of many people, some in the university and some outside the university.

16:00:52:06
Lage: And the newspaper articles very much lumped these few executive compensation things with the doctors' salaries.

16:00:52:18
Arditti: Well, yes. And that was just so ridiculous. I mean, they came out in the *Chronicle*—with this modern computing age—I'm not a high tech person. But I guess they've got a computer capacity now—first of all, let me back up. The university has put its entire payroll on a disk. The entire payroll. I mean, I remember when we used to get these big books. They'd be like a stack of phone books. Now it's all on a disk. And the newspaper, first of all, they had the right under the public records act to demand this disk, and then the computer capacity on their own to put that in there and come out with every kind of information you might imagine about the university's payroll. And, you know, they came up—

16:00:53:08
Lage: And then try to interpret it.

16:00:53:09
Arditti: And then try to interpret it. And they just misinterpreted dramatically in some instances. You know, like eight hundred million in bonuses and perks and off-salary this and that. You'd have thought that all these people were getting bonuses and other—yes. So much of this was medical faculty compensation, for example, that was income derived from medical care that was being provided by medical faculty to patients. I paid some of that, because I'm a patient at two of our campus medical centers. And, you know, either I or my insurance carrier gets billed and these people provide real service to me, and I'm paying for that service, and that pays part of their income. So they were lumping that into this 800 million, you know.

So, I mean, a lot of this was really grossly distorted and I don't know whether they didn't understand or they didn't want to understand. Part of the problem, too, was when you've got all this complex stuff that's in a computer, and somebody kind of pops out with a conclusion like that, it wasn't possible for
the UC technical people to fire right back with an answer. I mean, it took then, you know, days and weeks and weeks to kind of struggle through all that information to try to come up with what is the right number and what really lay behind it and all that stuff. So in the meantime, the newspaper is running these stories every day and people outside are becoming increasingly furious about it, and there's no sharp response coming back and part of—

Lage: Or you probably couldn't give too many to the legislators.

Arditti: No, you can't. Well, we couldn't invent it here. This had to come from someplace else. And I know part of the frustration within the university was that it often took so long to respond to some of these charges. Sometimes the response turned out to be very legitimate, but it took so darn long that by the time it came out, perceptions were burned in people's brains and were not then about to be changed. So that was very frustrating.

And the public affairs people took a lot of the blame for that. But, I mean, this was not their job alone. They don't have original custody of all this information. That will reside in various other places, human resources, and benefits, and budgets and other things like that, and you got to get teams of people together to kind of try to work on responses. Meanwhile, the bullets are flying, impressions are being formed, and there's this seeming paralysis in being able to fire back and respond.

And, you know, the truth of the matter is some of these things were embarrassing, even when you had all the facts right. But there were a lot of other things that looked embarrassing that were really perfectly legitimate. I mean, in that 800 million dollar number in which they lumped medical faculty compensation, this also included overtime for nurses at the hospitals—all kinds of things that are perfectly legitimate, some of it even required by union contracts and all that. There is some of that. I mean, the hospital directors work on a bonus plan depending on performance of the hospital and other things like that. Not 800 million, but maybe be twenty million or forty million or something like that. For a twenty billion dollar institution, that's not really very much.

But that 800 million dollar just got stuck in people's minds as this outrageous total of off-salary perks and benefits and made it took just scandalous. And it was mostly all very legitimate and straightforward stuff. But the more complicated things are, the easier the target they make for critics. And just try to explain the medical faculty compensation system to somebody whose never heard or thought about it before. I mean, it's not easy. It's not easy. So that made it an easy target for people.

Lage: And hard for your job, I'm sure.
Arditti: And very tough for us. I mean, you know, I knew how to explain the medical faculty compensation issue, but it took quite a while before I understood what elements were in that 800 million dollar number, because they just throw that at you. They don't share with you their methodology for getting that conclusion. They can spend weeks, and weeks, and weeks working with the disk and the computers to come out with these numbers, and then they throw it out there, and it's forming impressions in people's minds, and then you have to go start all over again trying to replicate what they did to figure out what really lay behind those numbers. I mean, it's just a very frustrating situation.

Lage: I need to stop this.

Arditti: Okay.

Lage: Okay.

Arditti: Okay. Yes, okay.

Audio File 17

Lage: Okay, we're back on, tape seventeen. This is our final tape for the day. Or for our interview, really. The next topic leads right from what we were talking about: the legislative hearings in February '06, and I guess May, also, and I know that President Dynes had a lot of criticism for the way he handled it in Sacramento. I'd like to know how you advised him, how it turned out, and what the aftermath has been. There were two hearings: February eighth and February twenty-second.

Arditti: Yes. And I think those were both the senate education committee.

Lage: I think so. Or a joint—

Arditti: Joint with the senate education and senate budget committee.

Lage: I think so, yes. Pretty important committees, right?

Arditti: Yes, very important committees, yes.

Lage: And was Jack Scott presiding?
Arditti: Yes, he does chair, as of this moment, both of those committees.

Lage: I see, okay, and is he a Republican or Democratic?

Arditti: He's a Democratic member from Pasadena. He is a very distinguished and highly respected person. He's an educator by background. He's been on the faculty at Pepperdine College. He was, I don't know for how many years, but for many years the president of Pasadena City College. He is an ordained Baptist minister. He holds a degree from the Yale School of Divinity. So he's a person of great intellect and great stature and is highly respected by many. And it was frankly fortunate that he occupied this key spot as this controversy has erupted, because there were some people who were describing this as the worst scandal since the Teapot Dome scandal and demanding that people be fired and that there be criminal charges and all sorts of things that were not really based on the facts.

Scott himself was very measured about this. He was critical of some things. Particularly, he felt that the university's policies were not clear, and that in certain instances, they had not been followed and he was very critical of that. But in the end, I think his view was if the policies were clear and if they were followed, and there was full transparency, then he did not believe that the legislature should involve itself in the actual decisions about what appropriate compensation levels were for people who worked for the university. Now that—

Lage: Was that one of the threats, that they would try to put ceilings or—

Arditti: Oh, well, constitutionally they can't do that. So the constitution is a source of frustration to some because it makes it impossible for them to get in and do things in a surgical way. I mean, they can cut the university's budget. That they can clearly do. But they cannot determine how that cut is taken. So there was one state senator who said, "If I could figure out a way to get you guys without hurting faculty and students, I would. But I can't, so I won't." You know, all they could really do was to cut the budget, and as I say, that wouldn't have really hurt the people they were angry with. That would have hurt others.

And so, in that sense, the constitution, while on the one hand, might be seen as some here as kind of a shield for what they believed to be improper actions, it really did help spare the university from consequence. And the truth of the matter is, by the way, on the record there is no objectively verifiable adverse consequence to the university from this whole mess. I mean, its public
relations cost, the political relations cost, morale. There were huge costs to this, but in terms of what actually happened on the record—

Lage: On the budget.

Arditti: On the budget and in legislation, because there had been some proposed bills that we objected to and there had been some threats about the budget. But, I mean, the budget, as I say, in the last year, was six and a half percent up when the state went up one percent. The only budget language that related to this issue after earlier efforts to do things that would not have been welcome, really called upon the university to do some fairly extensive annual reporting to the legislature on compensation policies and implementation, which is a perfectly reasonable thing to do, and something we cooperated with the senate in drafting.

And then secondly, there was legislation that had sought to force the regents to discuss, as well as act upon, compensation levels for high-level people in public session. And we objected very much to requiring discussion of those things in public session. You need candor in order to evaluate people and to determine what negotiating position to take in recruiting people, other things like that. But at that point, the regents already voted in the full board in open session on those compensation levels for high-level people. And what we wound up negotiating in that bill was simply extending that requirement, as the board had already done on its own, to the vote, not the discussion. The vote in the applicable committee of the board.

So those are the only two things of record that happened. The budget up six and a half percent when the rest of the state went up only one, the reporting language in the budget, and the statute's on regents’ open meetings that extends the open-vote requirement, but [not open-]discussion, to the committee. That's all that happened. That's all that happened.

Lage: Was there a lot of work on the part of your office?

Arditti: You bet. Yes. Oh, my god, yes. But so I—

Lage: I want to talk about Dynes' testimony, but I also want to hear how you attacked this problem.

Arditti: Well, you know, as with earlier situations like this, people [legislators] cannot reach in and micromanage this sort of thing from Sacramento. They just can't do it. So they have only blunt instruments at their disposal, and I think a big part of this is to both in our direct communications with people and through
our supporters on the campuses and in the outside community, people like some of those we discussed earlier, to keep reminding elected officials that this is really, in the large scheme of things, not a big matter. That if there are inappropriate things, they need to be reviewed and corrected, but that the important work of the institution needs to go on, and that any retaliatory action that's taken is more likely to harm students and faculty and the public than it is the people they're mad at. And people sometimes don't want to hear that, but the truth of the matter is that's the truth.

Some people will not be persuaded. And look, I'm not here to defend every one of these actions. I didn't agree with some of them either. I don't know whether procedures and policies were followed exactly in every case or not. I'm prepared to stipulate that maybe they weren't. And I don't think that's a good thing. On the other hand, compared with other large organizations, whether they be universities or corporations or whatever, I mean, these were relatively very small amounts of money in a very few instances, and the institution has been delivering the goods. I mean, there are people who—

So you're giving me the argument you gave them?

Yes, yes, yes. You know, on every measure, accommodating all the eligible students, getting people through in a timely fashion, expanding the academic preparation, and preserving the academic preparation and outreach programs to get more disadvantaged kids to be eligible and come. Research that's conducted on a daily basis that's critical to health and other things in the state. Agriculture, wine, everything you could think about. Microelectronics, biotechnology. All those things go on. And there are a lot of things in the state government that are regarded by some as not working very well. It's generally thought that thirty, forty years ago, we had one of the top K through 12 systems in the country, and now we have one that's really in trouble compared to other states. The University of California is one of the few things that most people who know anything about it will agree still works.

Don't break it.

Don't break it. And that doesn't mean that it should never be criticized, or that it doesn't do things wrong, because everybody should be prepared to be criticized when they do things wrong, and everybody does something wrong sometimes. But in perspective, this was not something that threatened access to education or the quality and character of research, or any of those things that the university does for the state. And it was important, I think, not only for those of us on the scene to make those arguments, but to get people who were business executives and alumni and others, third parties to be helping.
When you send these third parties out, do you provide them with a little cheat sheet?

Absolutely. Yes, yes, yes. There are lots of awful things you can do. But a big mistake you can make when you're utilizing third parties is to send them in unprepared. You've got to give them a candid, complete briefing on what the situation is, both the facts and the politics. You've got to brief them on what kinds of assertions or responses they're likely to get from public officials when they talk to them, and then give them suggested talking points to use. Now, that doesn't mean they use all that stuff or use it in the way you've given it to them, but you've got to—because remember, these are people who are busy with other lives. They're not in the middle of this on a daily basis, and so they need to be prepared. And they need to be convinced. If they're not convinced, they won't do it. You know, these are smart, important people who will only do something if they feel it's the right thing to do. So you got to start by convincing them that this is the right thing to do and that they're the right people to do it, and then help them, if they choose to, to be as effective as possible.

And I think that that was an important factor, too, because at one point the agriculture community mobilized very strongly in support of the president and against the criticisms in this. And a couple of the legislators who were calling for Dynes to be fired and who were the most critical have very important agriculture constituencies. Senator Maldonado from San Luis Obispo, who is a farmer himself, by the way, and Senator Denham from the Merced area, and they heard from a lot of people in the ag community that this was just overdone.

Would that be John De Luca or—

John was very instrumental in that, yes, he was, as well as our agriculture natural resources vice-president's office. Steve Nation, who handles external affairs very ably in that office, worked really hard on that. But yes, John had a major role in all of that. Organizing those communications, and he even appeared at a board meeting publicly.

Was that maybe the most important community, or are there others you'd want to mention that helped out?

Well, I mean, there were people in the high-tech community, in telecommunications, in biotechnology, and lots of different places.
Lage: People that maybe were on some of these industry-campus committees?

Arditti: Yes, yes, yes. And yes, their view was, “What's the big deal?” you know.

Lage: They were used to big executive compensation.

Arditti: Exactly. I mean, these are trivial compared to what people in those industries are getting. Now, that is not to say that a public university should pay the same compensation levels that Intel or somebody pays. But I think in their estimation, knowing what they have to pay people to get top talent, this didn't really seem like it was so much.

Lage: That's interesting. Tell me about the hearings. We kind of got sidetracked there.

Arditti: Yes. Well, having been on the hot seat in hearings like this myself, including the one I talked about earlier, I don't know if there's a good way to handle this kind of hearing. I mean, you've got an issue that's easy to stir up resentment over. It's been in the headlines. You have at least two or three people who are not going to be convinced by anything, who are going to ask leading questions, who are going to have, if not in writing, at least in their minds, prepared statements to make for the benefit of the press and the public and other constituencies and all that. So you need to prepare as best you possibly can and do the very best job you can do. And there is some chance that you will influence some people's thinking by doing that. But the thought that you can just walk in and completely turn something like this around when you've got a firestorm like that going over issues that are intrinsically controversial is just not going to happen.

Now, that said, was it the best presentation that could have been made? I mean, there're some things that I just try to block out of my mind, and this is one of them. So I don't know how clearly I even recollect this.

Lage: Well, some people are upset because he took responsibility for the problems. He talked about a culture of secrecy.

Arditti: Yes.

Lage: And some people felt he should have been more aggressive in saying, "This isn't a big problem, and we'll fix the small problems that we have." But what—
Well, I certainly think he was right to take responsibility, because even if he hadn't been personally involved in any of these things, he was the president. And just as Harry Truman said, "The buck stops here." There may be things that were going on for decades that he didn't have anything to do with, or any knowledge of; but at least at that moment in time, he was the president. And so nominally, at least, was in fact responsible for the practices of the institution. And then in addition to that, at least a handful of these cases that became controversial were things that he, himself, had been involved with. The chancellor's appointment at San Diego, the chancellor's appointment and related matters at Santa Cruz. The appointment of M.R.C. Greenwood as vice-president and provost. I mean, there was no honest way that he could walk away from those things or from being responsible. So I thought it was an appropriate act for him to say, "It's my responsibility," because I don't know how logically he could have argued anything else anyway. So you start there.

Now, when you turn, though, to other comments about the culture of the institution or the culpability of other people—

And bad business practices for a long time.

And bad business practices for a long time.

"Our business practices are broken," he said.

Yes. I've never been involved in the business practices of the place, I don't know if I'm qualified really to judge whether they're broken or not. I think these things can always be improved and either the policies were not clear, which was one issue, or they weren't being followed by somebody. But one of those two had to be true. I think among the problems, though, is once the controversy broke out, it took a long, long time for anybody to feel ready to make any kind of a response in terms of, is it a big deal, is it a little deal? Are the policies broken, or is implementation not taking place? Or are the policies okay? Is implementation okay? I mean, for the longest time, people were just struggling with, "What do we do about this?" And so the grenades would keep coming in and there wouldn't be a really coherent response coming back out.

And in political campaigns, you see what's going on with Obama and McCain right now. I mean, if McCain attacks Obama at 8:00 in the morning, by 9:30, the other party has a zinger coming right back and they've got whole squads of people whose whole job is to field these incoming grenades and then find a way to ball them up and make them bigger and throw them right back. But this is an educational institution. It is not equipped to do that. I mean, first of all, decision-making is so decentralized. Obama has a campaign manager, and
I'm sure they've got somebody who is a designated hitter for defense. That's all they do, and they don't have to consult fifteen other administrators and maybe the regents and other things for weeks before they can say anything. So part of that problem was there was just such a lack of ability to process the information and fire back.

I mean, that 800 million dollar number is an example. I mean, it took quite a while and generated a lot of frustration, both internally and externally, that it took so long to be able to come back out with something that explained exactly what that was about. So whether the business practices were broken or not, I don't know how to answer that. I mean, I don't know. I don't know. I don't.

Lage: I thought it was interesting. I had just read this recently. That the chair of the Academic Senate was ousted. Am I correct in what I read? He was ousted. Clifford Brunk, because he had given so much support for the president on this issue.

Arditti: Well, I knew that he was ousted. I didn't know that that was the reason.

Lage: Oh, where did I read this?

Arditti: It may be true, I just was not aware that that was—

Lage: Well, how often is the president of the Academic Senate ousted?

Arditti: That's the first time I've ever heard of it happening. If it happened any other time, it was a long time ago. A really long time ago. And maybe it didn't.

Lage: Well, that would say something about how the campuses felt about it.

Arditti: But I don't know if that was the reason. I heard some other things.

Lage: You think it might have been something else? Okay.

Arditti: So I don't know. It's possible, and it may be that there were other factors. But this was one of several factors. But I don't think this was the only factor. At the minimum, I don't think that's true.

Lage: Did you have any sense how the campuses felt about this or the faculty?
Well, I'm pretty isolated out here, but obviously, if you walked around the campuses, people hardly knew this was going on. You know, those who are in governmental relations or external relations, they were much more conscious of this, and I think a lot of them were very frustrated from what they saw as the inability of the Office of the President to really grab ahold of this and tackle it somehow. And the truth of the matter is it took a long, long time before people felt ready to say much of anything, and then this task force, this Hertzberg-Kozberg Task Force on Compensation was formed, which took months. And we have to wait until we see what they recommend before we can decide whether it was right or wrong and whether there's anything we could do.

Meanwhile, of course, the gunfire keeps coming. The news articles keep going. Impressions keep getting formed. And maybe in the long-term interests of doing a thoughtful, deliberate job of analyzing the problem and putting in place policies that make sense for the long-term interest of the institution, maybe that had to be done. But it's radically different than what you see going on in political campaigns, whether they're ballot propositions or candidates or something else, where every incoming bullet is caught by somebody and thrown right back. That certainly was not happening.

The Hertzberg-Kozberg group, which was a very distinguished group of both inside and outside people, concluded that there were deficiencies and made some extensive recommendations about how those should be remedied. And, I think for the most part, the board and others have moved to implement most of the recommendations of that report, which basically revolved around more transparency and accountability in the compensation process. And, again, now every action that's taken, there's got to be a little matrix that's put together that lists the entire compensation package, every element, right down to the automobile allowance and routine health insurance and any other provisions, and that's got to be prepared before the president takes it to the board. If it's an action that has to go to the board, it's got to be in front of the board when they act on it. It's got to be released—

So this is before the person is hired, basically?

Yes, before the person is hired. It's got to be released to the press. At the point at which it has been acted upon by the regent's committee, but before the full board of regents acts on it. So, I mean, that is really a different practice than what was happening before. I mean, there would be actions on things, but the documents might not always contain every element of it. I guess in recent years, they'd be released for the first time at the end of the board meeting, sometimes not until the following week. I don't know exactly what the practices were.
Lage: So anyone's who's taking a high level job has to be prepared for a lot of public scrutiny.

Arditti: Absolutely. It has certainly diminished the external criticism of the process. Senator Scott, I think, unlike some of those who were really on the attack basically said, "Look, as long as its policies are clear, they're clearly complied with, there is accountability, transparency, that should be enough." So whether it's good practice or not, I think it is just the price that has got to be paid for the ability to make decisions about what these compensation levels have to be.

Lage: Very good. Now, related to this issue is what seems to be a real shift in the power of the regents vis-à-vis the president. And I don't know if it grows out of the executive compensation issue or what. But how do you see that shift happening?

Arditti: It's not without controversy, but it's not really debatable. It has happened. Now, that said, a new president has just been appointed, and I don't know how this is going to evolve under his leadership. But through several previous presidents, we had a strong presidential system. The president was the leader of the institution. The board had its role, but on major matters, I think their view was pretty much that they'd follow the president's lead, or they'd get a new president. And I mean, it really, at least implicitly, was viewed as that: if the president would put forth a recommendation that was highly controversial, and there would be board members who would think to themselves, "Let's see. If I vote against the president on this, I'm really voting to fire the president." And if they didn't want to fire the president, they'd back off and they'd go along with it.

Now, whether there was brewing discontent with that and this compensation controversy provided the pretext to change the way they behaved, or whether the compensation controversy and the response to it, in itself, so reduced confidence in the president and his office that it led to this, I don't know if anybody will ever know. Somebody may know. But the only people who know the answer to that, I suppose, would be members of the board, who are the only ones who can know in their own minds what they really were thinking and that was motivating them.

My guess is it's a little of each. That is to say, I think there was some restiveness, and there were some of the newer board members who felt that the board ought to be more involved in decision-making, were discontent with the role that they were playing. And then this controversy just really opened the door for that, because there was this huge controversy building, and all this criticism, and it seemed like the necessary action was being taken to respond to that.
Lage: Did it also kind of undercut Dynes' confidence so that he wouldn't assert himself against the board?

Arditti: I think so. If you just watched him at board meetings, seeing the indications of his relations with the board, I think it really did—he just was so strongly attacked that I think he really kind of lost his capacity to be really vigorous in dealing with the board.

Lage: And then others, I understand, were attacked. Other members of the president's office.

Arditti: Oh. Well, yes, yes. Vice-presidents, for example, would be attacked in public meetings of the board.

Lage: That's unheard of, isn't it?

Arditti: I don't remember anything like that. I mean, I can remember board members disputing certain issues and presentations, but I can't recall instances of people being so strongly attacked like that. And it's just—

Lage: And what were the issues that they were—

Arditti: Well, clearly this compensation issue, and I think a view on the part of many board members, that the board had adopted clear policies in the early nineties on these compensation matters, and that the policies had not been followed. I want to stress that I am not making that assertion myself. The comp policies are very complicated, and I don't know enough about the facts to know whether that's true or not. All I know is I heard more than one very key regent state that the problem was that the regents had adopted clear policies and that those policies had not been followed. And so that was one belief that they had. And they saw all this avalanche of criticism coming in from the press, probably from some people on the campuses, from media, from political world and so on. So I think that really did make an impact on them. So I think it all just—

Lage: Well, John Moores also got very exercised about admissions at Berkeley.

Arditti: Well, he did. Yes, that was kind of—

Lage: And that was another kind of activist intervention?
Arditti: Yes, it was very activist intervention. I mean, I think he was in the minority on the board. And, in fact, the board did something unprecedented at one point. They actually voted to disassociate themselves from statements he had made in a magazine article, because he was the chairman of the board at that time, and the board felt strongly that by making such statements while he was chairman of the board implied that he was speaking for the board, and that he was not speaking for the board. And they actually adopted an action disassociating themselves, by a narrow vote, however, from the statements that he had made. Now that, I think, preceded some of this compensation stuff. I think Gerry Parsky was the chairman of the board during the bulk of the compensation controversy, followed by Mr. Blum. So Moores, I think, was kind of on a separate pathway. But he—

Lage: Right. Separate, but at the same time kind of similar in being an activist?

Arditti: Well, yes. He was certainly being an activist on what might have been considered an academic matter: admissions. But he just believed very strongly, he was a supporter of Proposition 209 and SP-1, and he also believed that only the very best and brightest ought to be admitted to the University of California, and he felt that corners were being cut and that people were being admitted for reasons other than pure merit, and he was just on a tirade over that.

Lage: And then he eventually resigned.

Arditti: He did. And I don't know why he did. Somebody might know. But he didn't issue any statement that explained the reasons for it, he just did.

Lage: Later.

Arditti: Much later. Quite a bit later. After that had gone on. So I don't know how related that is to some of these other issues. I mean, he didn't make a big issue about the compensation stuff, as far as I know, and remained, I think, a pretty strong supporter, in some ways, of the university. I mean, he did all those things on the board, but he's been a huge donor, for example. Really big. I mean, big, big donor. One of the biggest. So that's certainly a personal statement of his—

Lage: Yes.
He's got two children. I think they may be adopted children, and he said, "Look." He said, "I love my kids. They're not UC material," and one of them went to CSU and the other one didn't go at all, or I don't remember what exactly these kids did. But he used this to reinforce his stated view that UC was not for everybody. It was only for the very top, best and brightest, and of course there was an implied statement there that people of certain racial backgrounds may not be in that category. Or at least you could read that. I think he would deny that that was his motivation. I have no basis on which to assume it is, but it was taken that way by people who were concerned about access to the university. But, I mean, I don't know if it would have mattered who was president or what the rest of the board was doing.

That was a separate—

I think that was really a real cause of his. You know, he hired a staff person who had a lot of experience in the admissions area to do all these computer runs and analyses, and all that stuff.

Yes. Now, I'm trying to move us along, because we have time requirements here. Regent Blum was another one. Also not terribly upset about executive compensation, as far as I know.

No, that's right.

But about management.

About management, yes.

He hired the Monitor Group.

Yes.

Did the Monitor Group look at your office?

Oh, they did. They came and interviewed me. I don't know what exactly they concluded, but I think it was probably not complimentary.

You didn't read it?
Arditti: I couldn't bring myself to read it. I'll do that someday.

But, I mean, you know, a group like that, they don't come in to give people pats on the back. That was a very large contract, something like seven or eight million dollars, and it was pretty apparent that they were going to have to justify that. And certainly they're having a major impact. What the effect of all that will be, I think it's too soon to say, but I mean, there's just major, major restructuring going on in the Office of the President. It's being reduced dramatically in size, and it's ongoing, continuous reorganization, and I don't know where it's all going to land and whether it will be healthy or not healthy. It's kind of like in the middle of it, and it's just hard to know where it's all going to settle.

Lage: And also what this relationship between the regents and the president is going to be.

Arditti: Well, yes, indeed, and that's something that remains to be seen. I mean, this president has been, I think, a pretty strong leader in two previous systems which he led: Texas and Minnesota, and so you would think that he's going to be striving to reach that point here. But I don't have any first-hand information about that. And, you know, it may be that the regents will feel that, all right, "We've kind of gotten it out of our system now. We've gotten some major reforms and reorganization, and we've got somebody, the current group in, who is our choice, who we are confident now will handle things in the right way and we can now step back." Maybe they'll do that. I hope they will. I mean, I have my biases here. I guess everybody does. But I just think that it's impossible for groups to manage anything. You can have a group of people, each of whom is a world-class CEO. But as a group, they can't come together and manage an institution. They can set policy.

Lage: Especially when they only meet a couple of times a month.

Arditti: Exactly. Yes. Once a month, nine months. And they're all of different view about things. So they can set policy, they can choose key people, they can monitor what happens, they can have accountability mechanisms. A lot of things that boards must do. But I think as any person who has been both an executive and a board member will tell you, the functions are different, and they're not interchangeable, really. They just aren't. And so for that reason alone, quite aside from any feelings about what specific actions the board has taken, I just think that the long-run governance of the university requires that the board do what boards can and should be doing, but also allow the president and his team to do what only really an executive can do. I hope that
that happens in a way that the university itself doesn't come apart at the seams and remains as a single university system.

I think there have been many, many benefits to that. I think that's something that could fall away if the president is permanently weakened, because it could create incentives to campuses, for example, individual campuses to try to strike out on their own here in Sacramento, get into fights over resources and other things in front of the legislature. I think that would be just awful if that happened. It would just be the undoing of the place. So I think there are a lot of reasons why it's important to the institution that there be a strong president. If the board doesn't have confidence in the president, they have a duty—not just a right, but a duty—to replace that person. But to just have somebody in place nominally and then remove all that person's effective authority is very dangerous to the university and I'm hoping that that's not going to happen, that we're moving in a direction now of restoring the right balance.

Lage: Well, when Dynes did resign, and I guess nobody agrees exactly whether he was asked to or not, but they did take away all of his powers?

Arditti: They did.

Lage: And gave it to—

Arditti: To Rory Hume. And that was—you either are president or you aren't. To have one person sitting there with the title of president and then somebody else sitting there with the de facto authority, but who is increasingly recognized as unlikely to be ever appointed to be president, really just vitiates any real capacity for leadership or effective decision making.

Lage: So there weren't any big changes that you saw. You were still here during that time?

Arditti: I was. Yes, I was. I was.

Lage: Were any changes happening in terms of your office in that period?

Arditti: Well, not specifically. But, you could just see, for example, that it was harder and harder to get decisions out of people in Oakland because nobody knew who was in charge, for example. There wasn't a sort of person in charge who had the kind of understanding of the external world that a real president typically would have. You know, Dick Atkinson had been a chancellor for
fourteen years. He was president, dealing face-to-face with the governor, with legislators, with the board itself and other kinds of things. And people have to believe that the person's going to be there for a while, too, in order for that person to be able to really exercise influence. If they think somebody's just there keeping a seat warm for a little while, why should they pay any attention to that person, and what incentive does that person have to really go out on a limb and initiate, take big initiatives, or take strong actions or anything like that? I mean, it's not a comment on the personalities involved, it's just about the structural situation that was created. It was not possible for there to be the kind of leadership that only a president can provide. People say in the state budget process, there needs to be an adult in the room, and that can only be the governor. In terms of running a large institution like this, there needs to be an adult in the room and that can only be the president.

Lage: Yes. So this must have been a hard time. And budget cuts were going on during this time, too.

Arditti: Oh, yes, yes, yes. No, it was a very difficult time for everybody involved. For everybody involved. And I credit everybody for the efforts they made to try to get through it, but it was a terrible way for an institution to be trying to operate. But that's the way it was. And, I mean, in a way it's a tribute to the underlying strength of the institution, that probably down at the campus level, where the real work gets done, students going into classes and faculty going into laboratories and so forth, they were probably barely aware that any of this is happening. Didn't notice it. I think in the long run they would, by the way. But I think in the short run, probably they don't.

Lage: Now, you retired right around this time.

Arditti: I did.

Lage: Was that related to all the problems?

Arditti: Well, it's hard to know exactly. I mean, I turned sixty-five, and thank goodness I'm still in good health, as far as I know, although I've had a couple of incidents that were troublesome. I had no life outside the job. And I'm not complaining. I feel really blessed to have had that opportunity. It just was the opportunity of a lifetime, because it put together everything in which I'm most interested, you know. Government and higher education and all that. The people you get to know and work with are just extraordinary, both in the university and in the legislature, the governor's office and all that. Nonetheless, I mean, there was no other life. I mean—
Lage: Well, mention what you told me at lunch about your vacation to--

Arditti: I have cousins who in the summertime live on a boat up in Canada near Victoria, and they sold their house, and the boat is their house, essentially, in the summertime. And for three years they've been after us, "Oh, find a few days to come up and stay with us." And I keep saying, "Oh, well, you know, the legislature, the budget. You can't plan anything." And so finally it reached a point where it looked like if ever there was a year, it's going to be this one, right, because the legislative recess was not scheduled until three weeks after the end of the budget year. So that gave them some chance to go over the fiscal year deadline. There was this term-limit initiative that was headed for the ballot, so I figured, well, they're going to want to look good for the purposes of that, so if there's any year in which they're likely to get the budget done on time, this will surely be it.

So we made all these plans, and my cousins had us reserved, and so we were there. The budget was passed by the assembly and then was voted on in the state senate on a Friday night. I left about midnight. It was two votes short. That is, all the Democrats had voted for it, but none of the Republicans at that stage. Senator Perata, the president pro tem, announced that he was going to lock everybody in until those two votes were forthcoming. I went home, and I said, "Well, you know, sure it's only two votes, and he's locking them up. Surely he'll be able to get two votes."

So there we were the next morning about 10:00 o'clock, heading to the airport in a taxi cab, and my cell phone rang. It was a member of my staff. "Senator Perata has just adjourned the senate. They did not get the two votes for the budget. Everything is now back on the table and reopened." Oh, God. So we got to the airport and my wife and I kind of paced around a little bit and I said, "I just don't know what to do. You know, we've got all these plans made and yet this is happening." My wife said, "You may as well stay here. If you go, you're just going to pace around. You're not going to enjoy it. You're going to be trying to talk on your cell phone, which probably won't work up there. We may as well just go back and be done with it," which is what we did. It was the fastest round trip I ever made to an airport.

And then we spent two good, hard weeks—because we had credible evidence that there was a movement in some quarters to take a pretty good sized chunk out of the university's budget. And so we kind of identified what we thought were the sources of that, and mobilized members of the board of regents and chancellors and other friends of the university to help turn that around. And we did. We did. Finally, two weeks later, even though they hadn't finished the budget, I felt that we'd reached a point where we had that under control, and so we did go away for one week. In June, we took a two-week trip abroad, and my wife keeps reminding me that's the first time we did that since 1977. So
there's certain things you can do only up to a certain age, and so a large part of it was I just felt it was time to kind of recharge the batteries and do some other things.

But partly, there was all these huge changes going around that were very different than the conditions in which I felt I had been able to work effectively. You know, you need, above all, a strong president and a good strong bond between that president and the person who is doing a job like this. And we just had lost that. I mean, the board was much more involved. The campuses are acting much more independently. And that's not all a bad thing if it's within some boundaries. But it was just not the kind of situation in which I felt I was able to be as useful as I thought maybe I could have been before. So I think those things just all came—

17:00:47:56
Lage: Came together.

17:00:47:57
Arditti: All came together. I mean, I think had things been different internally, but basically you can't get away from the aging process, and you don't know from one day to the next. You know, maybe I've got a lot of time left. Maybe it's not so much. But this was just an all-consuming job. I mean, day and night, and every night a couple of hours with my briefcase stuff. And sometimes weekends and nights and all that.

It was all fascinating. It was all a great opportunity, and so I'm not in any way complaining about it. It's just that you reach a certain stage of life and you say, "But wait a minute now. Do you just keep going on autopilot doing what you're doing?" And the issue about the associate director, and the problems that had arisen there, and the fact that she did finally leave. But it was really not an opportune time to recruit somebody new. It just wasn't going to get any easier, and it just seemed that this was the right moment to let someone else have a turn at it.

17:00:49:06
Lage: With all the problems in Sacramento itself, aside from the university.

17:00:49:09
Arditti: Well, of course, the problems are huge in Sacramento and they've very serious. And that certainly makes the job that much harder, and I'm hoping that at some point, some breakthrough will occur. But it's going to require, I think, first of all, very strong leadership on the part of a governor that is going to forge some kind of a plan here to reform the state, that can build a strong coalition of leadership in the business community, labor community, other important constituencies in the state to get behind some changes that will make this state governable again and to bring revenues in line with what the reasonable requirements are of serving a population that's approaching forty million people.
And, you know, it's a very tough job to do, and I don't know if it's going to happen or not. But at some point they can't go on just borrowing and borrowing and cutting and cutting without some real consequences. And a lot of it, people say, "Well, most citizens don't notice this too much because a lot of it has to do with health and welfare, and poor people, and who cares about them anyway. They don't vote," and so on. But there are a lot of middle-income people who have parents and others who are served by the MediCal program, for example. And if that starts to get cut back, they're going to notice it. And there are people who want their kid to go to college and school and all that. And if those deteriorate, at some point they're going to notice it.

One aspect of the university is it can deteriorate quite a long way before anybody really notices, and that's not a good thing. I mean, you don't want it to deteriorate. But it's like, oh, let's see, a period goes by where you're not getting the first-choice pick for faculty positions, but second choice. Well, who really notices that. Maybe the other people in the chemistry department know that, and people in the chemistry department at Yale notice that. But at what point do the citizens of the state notice that? So that's a big job that the president and his people, and others have, is to monitor the effects on quality of the university and be very aggressive in explaining to people what the stakes are here if something isn't done.

The best solution would be for the state's problems as a whole to get back aligned. To have a revenue structure that wasn't so erratic and that was proportionate to the needs of the state and a governance structure that allows for rational decision making about what to do. If that doesn't happen, then the question is can the university, working with others in the education community, perhaps forge some kind of a solution that might require having to go to the ballot that maybe would provide additional funding or something like that. I mean, I hope that people won't resort to something that just tries to mandate funding without producing a funding source.

On the other hand, getting people to vote for a tax increase is not an easy thing to do. But that was accomplished a couple of years ago by the incoming president pro tem of the state senate for mental healthcare for homeless mentally ill at the local level. He tried for several years in the legislature to do something about that. Wasn't able to. And so even though he doesn't believe in initiative budgeting all that, he put together this initiative that put an extra tax bracket on the highest brackets, the so-called millionaire's tax, and it's raising huge amounts of money now for that problem. Earmarked for that. It's not good government, but it is producing the money, I think, well ahead, frankly, of people's readiness to know how to use it. So that's the next choice.

If this university can't work with other leadership to fix the state, then is there something that can be done to fix things, at least for education or for higher education. And then failing that, I think the next step is going to have to be—and these things could come in combination—just a recognition that the state
isn't a place that can be relied upon for as much as is required, and therefore, moving more and more in a sort of privatizing direction here. That is, increasing student fees a lot more than they have been so far, with very generous amounts plowed back into financial aid and continued growth and reliance on the private sector for help.

I haven't seen the analysis and the numbers. I don't know how far one can go this way, because there are certain things that you're just always going to have to rely on the state for. But it may be that part of what has to be done is to simply sell the state on the notion that the state can't be relied upon and that some other things that are not going to be welcomed are necessary if the university and its value are not to be lost. And I wouldn't shrink from that if these other two options are explored and don't seem feasible. I mean, the alternative is to reduce the quality and make the place mediocre or make it inaccessible to people who otherwise would be eligible. I think those are not acceptable.

17-00:54:41
Lage: I think that's a fine summary. Not too encouraging one, but a really good summary of what this is all about. Shall we stop here?

17:00:54:52
Arditti: Okay.

[End of interview.]
APPENDIX — Acceptance remarks by Steve Arditti

In 1995, Steve Arditti received the first “Swede” Johnson Award for excellence in university state government relations, presented by the Council for Advancement and Support of Education and the National Association of State Universities and Land Grant Institutions. Its purpose was to recognize the best university state governmental relations professional in the country. A copy of Mr. Arditti’s acceptance remarks follows.