

INTERVIEWEE: LEON SCHWARTZ
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SM: This is an interview with Vice Chancellor Leon Schwartz on January 27, 1989. Okay, now we'll start. Okay, Leon, the first question which I've asked you, when you accepted our offer, and I was, as you remember, on the search committee and we interviewed you and so on. Were you satisfied with the way we reclassified your duties, that is, from what L. E. Cox had?

LS: I remember well, Sam, the recruiting process. It was fun. I wasn't sure when I came out here for the interview that I really wanted to make a change. I had spent my whole career in Washington and was enjoying it; but, the challenge of a new institution and doing something different proved to be too much. And I came, and I have to tell you, nine and a half years later, I'm very glad I did come.

One of the concerns that I had when I talked about the job with Jim McGaugh was that budget responsibility did not vest in that office. Every other chief administrative officer job I had, had budget responsibility as part of that, and that was always important to me because I thought I was good at it, number one; and secondly, it's a way an administrator has of connecting up with the program of the

institution. Otherwise, you become a bean counter if you're not really involved in developing the program. So, that was of some concern to me, and I did discuss that with Jim. And Jim's response was, well, in an academic institution, it is very important that, in actuality and in perception, that the budget process be run by the academic side of the house. That's very important to the faculty. But then he went on to say that we have an executive committee here and the important budget decisions are really made at that table and you're going to be part of it and you'll have your influence on the budget. And, to some extent, I think Jim was right, particularly when he was accepted as (Executive) Vice Chancellor. He did run it as a kind of a corporate management team, and I was part of that corporate management team; and the big, tough questions were always brought to that table and I did feel like I was contributing. I have to say that with his successor, Bill Lillyman, Bill was much more a closed management process and I was much more of a supplicant to the process than a participant in it, and that has been somewhat disappointing to me. So, that's one area where . . .

SM: How about the present Executive Vice Chancellor?

LS: The present Executive Vice Chancellor, Dr. Thien, appears to be a little more open in terms of the process, so that remains to be seen. But I think there's a lot more potential for kind of getting back in and participating

there. In terms of the other changes, right before I came out, the physical planning and architect selection and construction had been moved from L. E. to a new organization, the Office of Physical Planning that Trudy headed up and Trudy reported to the Executive Vice Chancellor and not to the Vice Chancellor for Administration. Of that, I felt less strongly about. I knew there were connections to Facility Management and the two groups had to work together and in that there were a lot of elements where planning interacts with administration; but, I didn't have any uptightness about accepting a job where I didn't have that responsibility, and I think that worked out fairly well.

As time went on, Trudy left. Dave Neuman became the Director of Physical Planning, and a lot of concerns started to develop around the campus, a lot of complaints about lack of communication, about overruns and time delays, and this got to be a problem for the administration. And, about two years ago, Physical Planning was transferred back to me, so it went full circle, when, for about ten years, it was moved from the Vice Chancellor for Administration and then now back again, so that I do have responsibility for that and it's been a tough area. But I have enjoyed that and I think I've made some contribution to improving the process.

I have also picked up a couple of additional duties that we didn't talk about at the time of the interview, for

example, computing was transferred to administration, and I think that was useful and I saw it as a sign that I was making a contribution and Jim was . . . (interrupted, tape not clear)

SM: (inaudible)

LS: Yes, and Jim was willing to (inaudible) . . . He felt that I probably had more time and could better supervise it than he could.

And then in the early days, I started to get somewhat involved as a coordinator of health care issues, because you had the situation where the hospital director reported to the Chancellor and the Dean of the Medical School reported through the Vice Chancellor for Academic Affairs and the two weren't getting along all that well, so Dan Aldrich had me act as a coordinator and I used to keep the agenda for what was the Clinical Services Council and work with both parties at trying to come up with joint positions that management could look at. So, that was a lot of fun. It's not something we talked about before I came, but I enjoy doing it and thought I made a contribution. So, I'm . . .

SM: You've certainly made a contribution. They made you . . . kept you over there for a whole two years at the hospital.

LS: What Sam was talking about in the background was that later on, for a two-year period, I actually went over as the Director of the UCI Medical Center. That was after Bill

Gonzalez resigned and we'll talk a little more about that later on.

SM: That was a very good interview and I'm pleased with the way that went. Now, we really . . . the second question, what were these duties as you began, you've outlined them. So, the next question is, do you touch base with the faculty? Now, the Chair of the Senate, it is quite clear that this executive committee had the Academic Vice Chancellor on it, so you were touching base all the time with the faculty, the representative of the faculty. So, did you ever have to work with the Chair of the Senate?

LS: That was one of the things I learned very quickly. Even though you're right, Sam, that in dealing with the Executive Vice Chancellor or dealing with the Vice Chancellor for Academic Affairs, when that position was created, I, in effect, was dealing with a faculty member. But I learned very quickly that he was still considered to be part of the administration and that, if you didn't deal directly with the Senate, that it didn't count. I have dealt with the Senate at a number of different levels and I've had some very satisfying experiences dealing with them, and I have to tell you I've had some very unpleasant experiences, and I'll talk a little bit about both.

First of all, I might say, that part of your question was do I touch base with the Chair of the Senate? And I'm fortunate now to play tennis with the current Chairman of

the Senate every weekend. So, not only do we compete with one another, but we always manage to . . .

SM: Communicate?

LS: And we always manage to have some discussion about what's happening at the university and it's good to get to know the Academic Senate members, not only as professionals and colleagues but also in a more social way, and that does help. But I have always worked fairly closely with a few Senate committees. There was a Senate committee on business and finance and I was the ex officio member.

SM: Business Affairs?

LS: No, no, it's been . . . It's actually been put into budget planning at the current moment. So, that was one introduction to the Senate; and, the year before I came, there was a big issue about materiel management and how quickly were we fulfilling the Senate members' needs. And, in that, we have made some improvements and we're making improvements and they got off my case on that particular issue. And there were a couple of years with rather desultory meetings because--and I felt good about it in one way--because I knew if there were some problems that I'd be hearing from the Senate members, and I got to know a lot of them as individuals.

And, you know, I remember maybe the first month I was here, Dr. Fred Reines came into my office, didn't have an appointment, and I have to admit I didn't know who Dr.

Reines was at the time, and he came in to start to talk to me about building, creating a tremendous cavity in this salt mine in Ohio that belonged to Morton Salt. And I was trying to figure out, now, am I talking to a kook or not, but he .

. . .

SM: He's a possible Nobel Laureate!

LS: . . . but he did wind up with an issue and it was a question of funding not coming for another two or three months from the agency and need for some cash up front. So, I finally decided there was a real problem and I've enjoyed relationships like that. As a matter of fact, I had lunch with Fred just the other day where we talked about his science, and that's been one of the real fun pieces for me, getting to know the faculty here and what they do.

SM: Yes, we all hope you'll (inaudible) . . .

LS: Yes, it's a shame what happened.

SM: Yes (inaudible) . . .

LS: Sam is saying in the background we hope he gets a Nobel prize. And one of the things we talked about was how do you take disappointment of that magnitude? And I thought he's handling it very well. Well, in terms of one of the difficult things about dealing with the Senate, I can't help but remember the situation--and it's probably been the biggest embarrassment of my administrative career--is we wound up with a parking lot right behind Bio Sci, which contained about 600 spaces in it, being uncompleted on the

day that school opened. And for about a two-week period of time, no one could get into that lot, and you couldn't find parking spaces around; and it was a daily irritant for two weeks as faculty members walked across this lot and cursed the administration for its poor planning. And they were right; it was, in retrospect. There was a number of things that could have been done to have completed it on time, but it was just never brought to my attention and the bureaucracy wore on without making special efforts. Because of that, one member of the faculty, let's see, I guess I will mention his name, Arditti, Dr. Arditti . . .

SM: (laughter) (inaudible)

LS: He took this on as a personal issue and brought the incompetence of the parking management to the floor of the Senate and it was a very difficult time for me. I was sitting there listening to Dr. Arditti talk about the incompetence, and he went beyond that. He even talked about malfeasance and misfeasance, and it was awfully difficult for me to sit there and listen to it. And what came from it, he made a motion that the Senate should take over the operation of parking. There were some wiser heads that prevailed in that discussion, but from the discussion, the Senate Parking Oversight Committee was created, and then students and staff were added to that; and, under the leadership for the last couple years of Ray Novaco, it's become . . . it's become actually a very good forum for

parking to discuss its plans and to get input back. So, from what was a terrible start and an embarrassment, something good came of it.

But I have enjoyed dealing with the Academic Senate, both as an organization and the members of the Senate. I think it serves the university well and I think the Senate at Irvine is very understanding of the administration's goals and, relatively speaking, work well together with the administration.

SM: I'm glad to hear that, Leon, because I know that most of us on the faculty want to work closely with the administration. We really believe in the theory--or not the theory--the practice of shared governance, and I think it works pretty well with the committees, and I'm glad Ray Novaco's committee is doing so well. Now, do you want to discuss question four, the obstacles that you found and are finding, I suppose, 1980 to 1988?

LS: I would say, Sam, that the biggest obstacle I would see as an administrator in a growing institution is the fact that our whole planning and budget process is based upon a numbers game, and that the numbers of students, and then there are formuli that take the numbers of students, and from that derive the number of faculty and the support dollars that go with that. And, with one exception, that the operation and maintenance of the plant becomes a separate budget item, and we deal directly with the

legislature on that and we do try to keep up with inflation. But the rest of that administrative support has to come out of the dollars that are defended with the legislature, not as administration but for faculty and in direct educational activities. So that, in some ways, you almost have to bootleg administration. And what that does . . .

Let me give you some examples. I could show you some charts whereby almost every measurement that we can use, such as numbers of students, numbers of research dollars, numbers of personnel, each one of these indicators at a place like UCI shows increasing volumes. We have more students, we have more faculty, we have more staff, and, yet, when you look at the support dollars, we have the same number of police officers that we had six years ago. And we're creating much more of an urban environment, and safety is not unrelated to the number of people that you have in a community such as this. Environmental health is another example. We have many laboratories today. We have many more researchers today, and we're supposed to provide oversight and support, and, yet, the number of people that we have to do that remains somewhat constant. So, you have this constant tug between dollars . . . incremental dollars coming in, growth at an institution, and wanting to put as many of those incremental dollars as you can directly into faculty, into direct faculty support, and at the same time,

there isn't, I don't think, sufficient view of the administrative support dollars that you need.

Now, I grant you also that if you're not careful, you can have more administration than you need, and I do know that. So, I understand that being an educational institution, the support dollars for administration is always going to be secondary. But I kind of worry that we're still doing things in many ways like the corner grocery store, and we're now moving into the supermarket category.

SM: Just a quick question (inaudible) really to interrupt. But you're absolutely right about the police, and you've got a question of security, you've got a question of all those new researches with their equipment, and we have a loss of equipment, and that's showing pretty serious, isn't it?

LS: Yes, yes it is, and let me just build on that by talking about an issue that no one thought about eight years ago, and that's animal security. Today, that is a big . . . that is a big issue with the use of animals for research. There are many groups out there devoted to disruption of your research and we've had to spend a lot of money on trying to protect animals, and that's something that ten years ago you just wouldn't have thought about.

And also the regulations are changing with the more emphasis upon guarding against toxic waste issues, and all of this is more expensive to . . . Just to get rid of your

waste, it's about four times what it cost a number of years ago. So, in terms of obstacles, the resources certainly pop very high into mind. I think the second obstacle I would point out is one that is very visible to the faculty, and that is the construction program always lags behind getting the people in place and getting the students here. So you're almost guaranteed, when you're in the growth mode, that you will not have enough facilities to take care of your teaching, offices, laboratories and such. And that puts tremendous pressure upon all of us--not just the administrators. The administrators feel it, too, because we're always trying to juggle between scarce resources. But it does make for additional problems at a growing campus.

SM: Well, that's really quite eye-opening for me to hear this, or ear-opening. I'd like to turn to question five, the UCIMC, because I think you took on a terribly difficult assignment that was a tough nut, and everybody's delighted with the way you handled it. And as I said to you once, I think it was in the University Club, that Sally, my wife, had a serious operation and was operated on up there. Everything went extremely well in every way. As I said, the only problem was billing. It drives us wild. Okay.

LS: Well, thank you for the nice words. Billing will always be a problem. It's one that every hospital has because you have to be detailed and, at the same time, if you get too detailed, then it gets almost unreadable.

Thank you for your nice words. I would say that the three years at the Medical Center were perhaps the most professionally rewarding years that I've had in my career, and I say that for a couple of reasons. Number one, it had a tendency to prove what I've always thought and that is that there is a generic manager, that if you understand how to plan, how to control, how to organize, and if you know how to deal with people, that the product is less important, that you can manage almost any kind of activity. Now, I will admit that if you have the management skills and you know the product, you're that much better off. But it was a serious situation at the time I went in. It was really the first year that any University of California medical center started to lose money. And it was the first year that Jack Peltason came. And, for the first six months that he was here, he couldn't start on his agenda because every time he got in front of the Regents it was talking about this problem at the Medical Center; and it was very difficult because there were so many other things that Jack wanted to get his hands on. And he sent me over there for what was going to be a short period of time to just kind of assess what the situation was while we decided what to do next. When I got over there, I found an organization that really was very service-oriented. They cared about what they were doing. It's a different environment from the campus completely, just because of the pressure and the pace, and

you were much closer to--as an administrator--to the product. You knew that there were sick people and there were pressures every day and it was very visible to you; whereas, an administrator in the Administration Building here, yes, you see students around, but the product is a little less visible to you. So, there was good spirit there and, as you looked at it, at the issue--why the Medical Center was in trouble--it came into focus very quickly. The number of public patients and the reimbursement of public patients is such that you couldn't . . . you could no longer shift the money that you were losing on the public patients to the private patients. It's okay if you're dealing with public patients at the margin five to ten percent, but when sixty percent of your volume is public patients and there's no way you can shift that over to the private side, and it's very complicated. There's been a number of papers written about it, and I won't take up the time today to go into it, but I think it boils . . . to take a very complicated situation and boil it down in very simple terms, I think I just described it. The problem is that public patients are under-reimbursed and you could no longer shift those costs to the private patients.

Now, one of the things that happened that first year which was very fortuitous. When the state legislature started to get reports about UCI losing money, they commissioned an outside accounting firm. They selected

Arthur Young and Company to come in and do a comprehensive study of the three former county hospitals, UCI, Davis, and San Diego, and to report back to the state legislature what the problems were. Well, after spending literally months at our place and going through our facility with a fine-tooth comb, they came back and told the state that the problem at the UCI Medical Center and the potential problem at the other two facilities was the fact that public patients were too high a percent and there was too much in the way of under-reimbursement. So, it was marvelous when I was able to, from that point on, it wasn't Leon Schwartz saying this was the problem, it was Arthur Young . . . as Arthur Young said, this is the problem. And that is very, very helpful, and I think it gave the Medical Center some breathing room. And they did come back and say that they thought the quality of the management at the Medical Center was good and that they roughly compared our costs to other institutions. So, this nagging doubt in everyone's mind that the reason why UCI is in trouble is because they're not managing well, I think was pretty much thrown out by the Arthur Young report.

So that was a very, very important element in getting some credibility, and I'm pleased to say that for a couple of years Jack was able to get that off of the front of his desk and get onto other things while he was gaining the credibility with the constituency, both within the campus, with the community, and with the Regents. Perhaps the most

important learning experience for me, and if you don't mind me injecting a little of that in here Sam . . .

SM: Go ahead.

LS: I had always been very envious of my colleagues in the private sector. Being a member of the public sector, and that's really . . . my career has been devoted to that. There was no bottom line. At the end of the year, you never knew quite how well you did. Yes, you spent all your money, you educated a number of kids and you did some research, but how did we do as an institution? There was no bottom line and many times you had the mentality of not having a bottom line. How crisp was your management? There was always that nagging doubt.

Well, going over to the Medical Center, it was a very interesting organization in the sense that it was a public organization with all of the value-driven kinds of outcomes, that is, of research, teaching, and public care, but at the same time, at the end of the year, you had a bottom line. Now, after going through this, there are a couple of questions that I pose. One is, what does the bottom line really measure? Does it measure the quality of research? Does it measure the quality of care? Does it measure the kind of quality of teaching? And I say, no. The bottom line doesn't measure any of those three, and that's really why the university is in the business. They're not in the business to make a profit. We're in the

business because we teach, we have a College of Medicine, and we teach residents. So that's one question that I'm now posing about what does the bottom line of a university teaching hospital measure. Then, the second question, is how does having a bottom line . . .

SM: Do you measure a doctor's worth, and so on, or his skill, by the amount of . . . the number of operations he does? I mean, he's limited in his practice, but, nevertheless, that would show you something.

LS: Yes, it would show you but even that doesn't answer a couple fundamental questions about, you know, quality of care and quality of teaching, and that's really what we're all about.

The second question I pose for myself, after the first question again, to remind you, was what does it measure? And the second question is, how does it change your behavior? As an executive and an organization with a bottom line, now obviously you pay a lot more attention to cost, no question about that. And you certainly start to think more entrepreneurially. You start to think about marketing: how do you get more private patients in? You do start to think more as if you were in the private sector. On the other hand, it also changes your behavior when a faculty member comes up and says, "Look, I need this piece of equipment for my research." You don't automatically look at it just as an investment in research, but you also have to look at it, what will this do for the bottom line? And I'm not sure

that's healthy, particularly in a teaching institution. So, this was a fascinating experience for me. I'm glad Jack sent me there and, three and one-half years later, I have to tell you I'm glad to be back.

There are some mixed feelings. I enjoyed the pressure and I enjoyed the visibility. And, by the way, I might say that it's funny, being director of the UCI Medical Center, everybody seemed to be interested in what I had to say, particularly the press. Being Vice Chancellor for Administration, no one seems to be interested in what I have to say, even though the Vice Chancellor job--in a hierarchal basis--is a higher level. So, the Medical Center director is a very visible position, a very exciting position, and I'm glad I went through it. But I have to tell you that I'm also happy no longer to have the pressure.

SM: I just love your spirit, Leon. That's the way to go! The next question is about the medical school and what's your prognosis, or maybe crystal ball gazing, as to what will happen? Will we have a medical school eventually on our campus?

LS: Well, I'll take two different questions from that. One is a comment generally about the medical school and then, second, about a hospital on the campus. Listening to members of the faculty who are on the general campus, I know there's not very much enthusiasm a lot of times for having a college of medicine on the campus. There are differentials in salary,

there are differentials in laboratories, and there are some jealousies that you do find on the campus side; and, particularly when the medical school and the hospital get unfavorable publicity, the people on the other side of the campus will pose the question, "Gee, do we really need a medical school at all?"

Well, I answer that in a very resounding, "Yes, we do." And I say that for a couple of reasons. One is that I think a university needs professional schools and a college of medicine is one of the most highly prestigious, one of the most useful professional schools that you can have, for a number of reasons, fund raising, for an example. There's nothing like being cured of a disease to get potential donors interested in an institution, and not only the medical school, but the entire institution. And if you think about the publicity, yes, there's been some unfavorable publicity having to do with the hospital wards. But, yet, every day that you pick up the paper, you will find some interesting story about medical developments. The press and the public are really interested in it. This morning, Sam, I don't know whether you saw the L.A. Times, on the business section there's a story about Joie Jones.

SM: Not read yet.

LS: So this is . . . So it does bring your institution into the limelight in what can be a very positive way. Now, another factor is having a college of medicine brings a

great deal of research into an institution. Now, if we looked at where UCI stands today, in terms of its R and D dollars, we are somewhere in the sixties in the NSF rating; and within the University of California, we have behind us Santa Barbara and Santa Cruz and Riverside. Now, if you were to remove from our research dollars the college of medicine contribution, which is forty percent of our research, what you would find is that UCI today in its national rankings, would be behind Santa Barbara and we'd be another Santa Cruz and Riverside. So, just in terms of potential power and reputation, having a college of medicine, I think, is vital.

Now, I think I'm quoting Dan Aldrich correctly here, when I first came, he made a comment something like, "Well, we've got a fourth rate medical school transferred to UCI, and we've made a second rate school out of it." And I thought there was some truth and some humor to it, and I think it's to everyone's credit that there is dramatic improvement in the quality of the medical school. And that continues in spite of the problems that the hospital and the medical school has had; we continue to improve. So, I think having a medical school here is very important.

The second part of that was: will we ever get a university hospital on campus? And I think the answer there is yes. I think it will probably be more of a specialized hospital. It won't be a general acute care but it might be

a psychiatric facility. It might be a hospital devoted to neurological diseases where we wouldn't be necessarily competing with the community hospitals, but it would give us a presence on campus of . . . a clinical presence. Now, as you know, we do have the private practice facilities and outpatient facilities on campus and that was long overdue. And I think over the years that will become more and more of a factor in treating patients, not only here on . . . not only our faculty and staff, but also attracting new kinds of people from the community into the university and getting them knowledgeable about the university.

SM: Well, that's an interesting answer. What I had thought would happen, mainly some more specialized part to be placed on campus; and, of course, the work that we do right here with Jim McGaugh and brain problems that Jim McGaugh--plus that marvelous laser institute, securing all kinds of interesting disease--not diseases, problems that befall the body.

Now, the question, number eight, you have Steve Relyea, whom I knew, and he went off to a fine position. I wonder, in having assistants, it's a very good sign that they are taken off somewhere. It was just the way . . . You notice in today's paper that the coach of the San Francisco Forty-niners he's going up to be president, or in charge of personnel, but his chief assistant is now the head coach.

LS: Sam, I'm just very pleased when people who work with me and for me go off onto higher positions. Now, I have to tell you, with Steve Relyea, he was . . . I think he was born smart and born mature, and there was very little that I can say that I contributed to his development. But, at least, I wasn't afraid to have a smart person around me, and I was just very pleased when his strengths were recognized by San Diego and Steve went from being the Associate Vice Chancellor, working for me, to being a Vice Chancellor for Administration at one of the hot campuses in the university.

I had a second development like that. Steve was replaced by Dave Sheldon, and with Dave I take a lot of pride because, with Dave, it was less clear, number one, that he was ambitious enough to take on additional duties; and, secondly, his experience was all in computers, and whether he could step up and take on additional responsibilities, and Dave and I had long talks before he decided to do that.

And he was just . . . And once he did try it, he was marvelous. He just has such a good outlook on things and he has just such a good manner of dealing with people. And when I wanted to appoint him, I have to tell you there were a couple of people in the administration who said, "Are you sure you want to take the risk?" And I was willing to take the risk and Dave just came through. And I'm just very pleased that he's now the Vice Chancellor at Santa Barbara,

which is a very tough situation. But, again, it was a recognition of his quality.

To me, it's a mark of how good this institution is when you have people that can come through your institution and go on to positions and other parts of the university. And I think, and not just with me, but others--I can think of half a dozen people who have gone through the UCI system, been developed at UCI, and then gone on to other positions; and I think, to me, that's a real mark of distinction and that we're doing some things right here.

SM: That's the way. The good coach or the good vice chancellor watches his assistants move up. Now, the question nine, please comment on the development of UCI since you came. In many ways, you've really done that. But, if you'd like to make some comments pulling what you said together, and then moving on to ten at the same time about the future, and I think I should say the pluses as well as the minuses. I like to know what the difficulties and also the true opportunities, because I think we're going to be a very great campus about ten years from now.

LS: Well, I will comment a little further on the development of UCI since I came. I was struck within a couple years of coming here about something that I think might have been discussed during the search process, and maybe not, and that was that within the state of California, the University of California has a status that was . . . that's incredible.

When people ask me what I do and I say I'm with the University of California, you can just see, oh, wow. It is something important. It's recognized as being a very important institution. And I'm not sure I was fully aware of how highly it was regarded when I was on the other side of the . . . on the other coast.

And then, perhaps even more pertinent to our situation here, the position of UCI within Orange County is incredible. We are clearly the most highly regarded institution in Orange County. We have a tremendous effect upon the economy, the sociology, the intellectual fabric of this county; and it shows up by the way we're covered in the paper, by the way people feel about us. And that existed ten years ago when I arrived, but I think that's been one of the most amazing changes since I've been here. And I think Jack probably deserves a lot of credit for that. Dan was a builder. He's the one who took an empty field and made a university out of it. And, properly so, we focused pretty much internally on building. When Jack came, the time was right; we had the hospital wars behind us. Just by his personality and his interest, he moved rather quickly to the outside to bring new friends and to bring new constituencies and I think we've gone from what was once described as the best kept secret in Orange County to being very well recognized as a force in Orange County. And that's been maybe the most important development since I came.

Now, I'm looking at development as not a physical development, because when you look at in terms of physical development, the increase in the size of the plant has been enormous. Right now, we talk about UCI, it means "Under Construction Intensively." It is almost like one construction site. But we have to go through this and, if you think about it, right now we are completing all of the potential spaces around the ring. And, two years from now, when the Physical Science is done, Bio Sci is done, the Student Center is finished, the eating places in Aldrich Park are finished, we will essentially have completed the ring. And any further construction, from that point on, will be further out and will be a lot less disruptive to the campus than what's happening today. So, we've gone a long way during these ten years. It's been both appreciable physical development as well as, perhaps even more importantly, is this community development and increase in stature.

In terms of the future difficulties, I think this question of space remains, always being behind the curve of having sufficient space to take care of your duties. I think the hospital problem is going to be with us. It's very difficult to see any solution now, until you get to some dramatic change in how the state and the federal government looks at the treatment of care for the poor. And I have to tell you I don't see any real outcry on the part

of a lot of constituencies that they want to spend their taxes on improving the plight of the poor, and that worries me, and that is really a national problem.

SM: Yes.

LS: But it focuses very much on us because of the way our medical center is currently constituted.

I think the other difficulty that I see emerging is a little more subtle one, and that's how do we go from where we are today, which is a good institution, to that really great institution that we want to be? And there is some debate going on within this organization as to how you get there. Dr. Tien, I think, has brought some new emphasis on academic planning that will help, but I don't think at this point in time we know the answers or we're ready to make the commitment that it's going to take to go that next step.

SM: Well, Leon, this has been a really very successful and interesting interview. Are there any final thoughts you have, and I would say to you . . . the key to this university, I have always felt, is the Chancellor and the Academic Vice Chancellor backed up and supported by the administration and business. And I would say you've got it pretty well licked; therefore, do you have anything else you would like to say for an interview which goes into the archives and will be used by me for writing a history of UCI, but also be eventually for other people to look at and maybe write at a later time?

LS: As I think back on what I've said this hour, I think the one important development that is taking place, and also is a potential future issue that I haven't commented upon, that needs to be talked about, is the inclusionary development.

SM: Oh, yes.

LS: And that could be the subject almost of another hour of conversation. But I think it's very . . . has been very important to the university in the last ten years in a couple of ways. We've been able to create a faculty housing development on campus, which is a model for the rest of the country; and it's really utilizing this resource that we have, which is land, and to be able to capitalize upon it. We don't have an old alumni yet and then we're still developing the research base, but I think we've started to think about how we can take advantage of this resource we do have. And this has been a very important resource, the faculty housing, to help us recruit nationally, and it's been very successful. We've also had a couple of other models where we've had collaboration with private organizations where we trade the use of acres for finished space. And this has enabled us to do two things: one, get . . .

SM: The Nelson Building.

LS: Yes, like the Nelson Building and the Hitachi Building are the two examples that I'm thinking about. And this has enabled us to get space for our faculty, as well as start

the process of collaboration with industry, and I think this is important. For the future, we're still working on how we can develop things such as mixed use for R and D where we can get an income stream coming into the university. So, I think this is one of the real challenges for the future, and one of the assets that UCI has; and I would say that, up to this point, we have shown a lot of leadership within the University of California in exploiting this asset.

SM: Could you enlighten me a little, Leon. Just one last question. When Bren gave something like a million and a quarter or something, and once . . . which could be put into bringing together . . . bringing very prestigious faculty here, but also building buildings, as I understand it, on the inclusion area. That it would not actually sell products or make a product that's sold, but would be more in the R and D type of industry. I understand they can come through and build on our campus.

LS: There is a long history to your question, and I'll try and give you a brief summary on it. Up until this year, the Irvine Company felt that they had deed restrictions on our land that kept us from using this land for income producing purposes; and we've recently concluded an agreement with the Irvine Company that allows us to develop two million square feet of space, with certain restrictions. But it does not have to be university related purposes, but it can be strictly for income production. So, that change in the deed

restriction had some value to us and the request of Don Bren was that the proceeds from the income produced from that would be directed towards a series of Bren fellows. And Sam correctly described the broad nature of those Bren fellows, so there would be an income stream that . . . We're still a couple years away from seeing that income stream, but it will be directed for that purpose.

Now, in order to get the endowment started, Don Bren also gave a gift, and that's what Sam referred to: the \$1.5 million dollar gift. But that gift will be supplemented in the future by income that comes from the development of the land.

SM: Very good at boiling down an answer! I wish the students would do the same! Just one last question, what--I can't quite visualize--is it two million square feet, did you say? What would that be? Is it three buildings or four buildings, or what?

LS: Yes. To give you some context, the administration building is something like 100,000 square feet. So, you're talking about . . . you're talking about a lot of . . .

SM: (inaudible)

LS: You're talking about a lot of construction, yes.

SM: I figured twenty million feet. Well, thank you very much, Leon. That's just been super.

END OF INTERVIEW