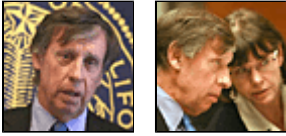


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UC regents' powerhouse chief, Richard Blum

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San Francisco financier Richard Blum has built his reputation - and his multimillion-dollar fortune - by swooping in and turning around troubled corporations. His first major coup was putting together a partnership in 1968 to buy the Ringling Bros. and Barnum & Bailey Circus for about \$8 million - and then selling it for \$40 million four years later.

So it surprised no one that Blum adopted an alpha dog approach when he became chairman of the UC Board of Regents last year in the aftermath of the university's widely publicized management meltdown.

And he's gotten results: the imminent departure of a university president who was seen as ineffective, support for streamlining the university's bloated headquarters structure and the hiring of a new president with a strong administrative resume.

Blum's gangbusters style, however, has ruffled some in the university community, where people are used to a softer, more collegial approach.

Take the impending departure of UC President Robert Dynes, who was urged to leave by Blum during a private dinner in August. Only a handful of the 26 regents knew beforehand of Blum's move to ease Dynes out.

"It is the most important decision a board can make," said one regent who spoke on condition of anonymity. "It is just not the way you are supposed to run these kinds of things. This is not a corporate board. I just wish he could tackle some of these same issues with a little bit more grace."

Graceful or not, Blum can't be faulted for indecisiveness.

"My view of consensus management is that it gives everybody a veto, and one of the reasons you often don't get things done is because there is always somebody who has a reason for not wanting to do things," Blum said during a recent interview. "There has never been any argument of whether these were the right things to do. Whether the tactics were correct, that's always a legitimate debate and that will continue."

"Let's face it," he added. "At the end of the day, all I am is one vote on the Board of Regents. And if I didn't have a consensus of people agreeing to what I wanted to do, I couldn't have got it done."

Democratic political force

Blum, 72, has been married to U.S. Sen. Dianne Feinstein, D-Calif., for nearly 30 years and counts the Dalai Lama and Al Gore among his good friends. He was a behind-the-scenes force in Democratic politics for years before being appointed in 2002 by then-Gov. Gray Davis to a 12-year term on UC's governing board.

He sat on the board somewhat quietly before becoming chairman at the beginning of 2007. Once in the power seat, however, Blum began digging into the daily workings of the university.

"Blum has a unique style," said Rory Hume, UC's executive vice president and provost. "He can be very demanding, and he has been very demanding during his time. But he has produced results."

The 10-campus university was just emerging from a scandal over its compensation practices, and the regents had vowed to take a stronger role in governing the huge system, which has 209,000 students and 170,000 employees.

Blum drew on his corporate experience, a style distinctly different from that of his immediate predecessor - Gerald Parsky.

Parsky was considered the consummate diplomatic leader - building support for board actions from his colleagues and the university's other constituents. But things moved at a relatively slow pace.

Forceful approach

That changed in a hurry when Blum took the gavel. Regent Norman Pattiz said it was predictable that the new chairman would rub some people the wrong way with his outspoken and forceful approach.

"Gerry was much less interested in laying out position papers and was much more interested in building consensus and getting the regents together," Pattiz said. "Then Dick came in and gave his personal opinion very forcefully and kind of focused his attention on what was right and wrong with the university. Since he has stepped out on his own with that, some people have assumed, 'Well, this is the way he operates,' ... but that does not mean he does not build consensus."

One of Blum's key moves was telling Dynes it was time to resign. Just months before, the Board of Regents had publicly expressed its support for the president after a series of revelations over excessive pay and perks given to top university officials without public disclosure. But behind the scenes, Dynes had been rendered powerless by the micromanagement of the regents.

Blum said it became clear the university could not move forward until Dynes, a highly regarded

physicist and academic, was replaced by someone with strong administrative credentials.

After his August meeting with Blum, Dynes announced he would step down by this June and return to a faculty and research position at UC San Diego. The regents quickly appointed UC Provost Rory Hume, Dynes' second in command, to take over the day-to-day operations of the university, effectively removing Dynes from leadership.

Blum then penned and released a scathing review of the university's administrative structure, calling it "outmoded" and "dysfunctional." The document outlined what Blum called a "strategically dynamic" plan for restructuring everything from planning and purchasing to communications and operations.

The public release of the document raised eyebrows. The association that accredits UC campuses later criticized Blum's action, saying it was inappropriate for the chairman to step out on his own with a critique without involving the entire board.

Others, however, give him high marks.

"I thought he did the right thing by being more forthright about the problems of the university than any other chairman or regent," said Patrick Callan, president of the nonprofit National Center for Public Policy and Higher Education. "This is a time when the university needs a board chairman who does not do it in the way so many have done it in the past. So far, he's been an unconventional chairman, but so far, he's gotten results."

Among other things, Blum has won changes to the cumbersome university and state policies that had made it difficult for private donors to finance buildings on university campuses. He also pushed for a study of the university's debt capacity, getting a boost of credit from about \$1 billion to \$10 billion that has allowed the university to move forward on additional new construction projects and to do some much-needed deferred maintenance.

He also pressed for an analysis of where the university could save money.

Vast personal wealth

Blum, who won't discuss his net worth but is considered one of San Francisco's wealthiest businessmen, pays a personal assistant to help him stay on top of UC administrative matters, management issues and problems. He has toured campuses, talking with faculty, deans and other administrators, in an attempt to get stalled projects moving such as the neurosciences building at UCSF.

Most recently, Blum led the search for a new president for the university, stepping outside the plodding selection process to personally woo Mark Yudof, chancellor of the highly regarded

University of Texas system.

As part of the courting, Blum struck a tentative deal with Yudof while keeping his negotiations secret from some members of the regents' official selection committee. Many members of the selection committee, made up of Blum and nine other regents, found out from news reports that Yudof was the leading candidate. Some met Yudof for the first time on the day they were asked to vote on his hiring. Blum's disregard for the process disturbed some.

"I think it is dangerous to be a cowboy. The regents need to be a consultative body where everyone participates," said one high-ranking UC official, who like many others interviewed about Blum asked to remain anonymous. "Yudof is a great choice, but the process was so bad that it almost blew up. There were people who almost resigned from the search committee."

Blum said that he encouraged every member of the search committee to go out and interview people on their own and to bring them back if they liked them. So he doesn't think he did anything wrong in going after Yudof, who was unanimously approved last month by the 10-person selection committee and the Board of Regents.

"They could have turned him down," Blum said. "Everybody enthusiastically endorsed him. So somehow the idea that I did this all by myself is just silly."

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