

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 19, 1997

The Regents of the University of California met on the above date at UCSF - Laurel Heights, San Francisco.

Present: Regents Atkinson, Bagley, Brophy, Clark, Connerly, Davies, Davis, del Junco, Johnson, Khachigian, Leach, Lee, Levin, McClymond, Montoya, Nakashima, Parsky, Preuss, and Soderquist (19)

In attendance: Regents-designate Miura and Willmon, Faculty Representatives Dorr and Weiss, Secretary Trivette, General Counsel Holst, Treasurer Small, Provost King, Senior Vice President Kennedy, Vice Presidents Darling, Gomes, and Gurtner, Chancellors Berdahl, Carnesale, Debas, Dynes, Wilkening, and Yang, Laboratory Director Hecker, and Recording Secretary Bryan

The meeting convened 9:20 a.m. with Chairman del Junco presiding.

## 1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion of Regent Montoya, duly seconded, the minutes of the meeting of July 18, 1997 were approved.

## 2. REPORT OF THE PRESIDENT

President Atkinson presented the report concerning University activities and individuals.

Professor Weiss, Chair of the Academic Council, introduced Professor Aimée Dorr, Vice Chair of the Academic Council. Ms. Weiss noted that Ms. Dorr is a third-generation Californian who has a Ph.D. in Developmental Psychology. Her expertise is in educational technology, specifically the social behavior of children and teenagers in response to mass media and technology. In addition to her extensive teaching and research accomplishments, she has served as Chair of the Academic Senate at UCLA and has been a member of the Universitywide Academic Council and Chair of its Coordinating Committee on Graduate Affairs. She has worked as a consultant to the producers of Sesame Street since the program's inception. Professor Dorr noted that her two other areas of expertise are setting admissions standards and policies and establishing policies in the workplace that can make individuals good employees and parents.

Then, upon motion of Regent Clark, duly seconded, the President's report was accepted, and it was directed that notes of thanks be sent to the donors of the gifts

mentioned in the report, that congratulations be extended to those faculty and staff members who have been awarded honors, and that notes of sympathy and regret be sent to the families of those whose deaths were reported.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

3. **RESOLUTION IN MEMORY OF HARRY R. WELLMAN**

Upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, the Regents of the University of California are deeply saddened by the death of Vice President Emeritus and Professor Emeritus Harry R. Wellman, who devoted forty-three years of service to the University, including a year as Acting President; and

WHEREAS, during a remarkable association with the University of California spanning nearly seventy-two years, he earned the first Ph.D. in Agricultural Economics ever awarded on the Berkeley campus, and displayed such uncommon talent and skill that he was selected for posts of increasing responsibility, beginning as an Extension Specialist, continuing as a gifted teacher and scholar of the first rank, and culminating in his appointment as Vice President--Agricultural Sciences and, in 1958, as the Vice President of the University, the first person ever to hold this position; and

WHEREAS, his exceptional work as an agricultural economist brought him national recognition, including service in the Roosevelt Administration, while his diligent efforts on behalf of the University's agricultural activities throughout the length and breadth of this state made lasting contributions to the welfare of California agriculture; and

WHEREAS, he earned a special place in the University's history when, in 1967, the Regents turned to him to fill the vacancy left by President Kerr's departure, and he and his beloved wife, Ruth, unselfishly postponed their personal plans and priorities so that Dr. Wellman could assume the stewardship of the University while the Board searched for a new President; and

WHEREAS, as Acting President he held the University on a steady course through the soundness of his judgment, the clarity of his vision, and the strength of his devotion to his alma mater; and

WHEREAS, his unshakable integrity, his notable achievements in agriculture and higher education, and his loyal commitment to this institution enriched the University of California immeasurably, and in 1968 led the University to express its appreciation by renaming the Agricultural Hall at Berkeley as Harry R.

Wellman Hall, linking his name forever with that of the university he served so well;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their sincere and abiding gratitude for Harry Wellman's countless contributions, not the least of which were his efforts to ensure that the business of the University continued smoothly and uninterrupted during one of the most emotional and turbulent times in the University's history;

AND BE IT FURTHER RESOLVED that the Regents convey to his daughter, Nancy Parmelee and her family, their heartfelt condolences and direct that a suitably inscribed copy of this resolution be sent to them as a token of the Regents' lasting regard, respect, and esteem for Harry R. Wellman, treasured friend.

4. **RESOLUTION TO COMMEMORATE THE FIFTIETH ANNIVERSARY OF THE ESTABLISHMENT OF THE UNIVERSITY OF CALIFORNIA POLICE**

Upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, in celebration of the fiftieth anniversary of the establishment of the University of California Police, the Regents wish to pay well-deserved tribute to all those courageous men and women who have served and continue to serve the University with dedication and distinction as members of its police force; and

WHEREAS, from the first night watchmen hired to patrol the fledgling Berkeley campus to the more than 300 sworn peace officers and hundreds of other officers and administrative staff of today, the University Police have remained ever vigilant in their efforts to ensure a safe and secure campus environment, to protect their varied constituencies against violence and disorder, to promote the highest respect for individual rights, and to attain public trust and cooperation; and

WHEREAS, while each campus operates its own police force, all nine departments coordinate their efforts and provide mutual aid whenever called upon to ensure that the University's missions of teaching, research, and public service continue to flourish, even throughout the most difficult periods of social and political upheaval and change; and

WHEREAS, in 1947, University Police were empowered to earn the designation of law enforcement officers and were entrusted to enforce California law after meeting the rigorous State-mandated training and performance standards required of all municipal police officers, and in their role

as law enforcement officers, they have striven to maintain the highest standards of public service and the highest ideals of law enforcement worldwide;

NOW, THEREFORE, BE IT RESOLVED that the Regents extend to the women and men of UC's nine Police Departments their deepest appreciation for their exemplary service and innumerable contributions to the University and the State;

AND BE IT FURTHER RESOLVED that the Regents extend to its peace officers their sincere gratitude and direct that suitably inscribed copies of this resolution be presented to the University Police Chiefs as a token of the Regents' lasting esteem and gratitude.

5. **RESOLUTION IN APPRECIATION OF SIEGFRIED S. HECKER**

Upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, Siegfried S. Hecker will step down on October 1 as Director of the Los Alamos National Laboratory following nearly twelve years of dedicated service, marked by dynamic and committed leadership deeply rooted in the ideals of scientific inquiry and integrity, which has earned him the respect of the Regents and colleagues at the Laboratory and throughout the world, as well as the esteem of those at the highest levels of government; and

WHEREAS, during a career at the Laboratory which spanned more than three decades, beginning with his arrival as a summer graduate student, he has steadfastly advanced the Laboratory's highly complex and vitally important mission, which is driven by national security needs but which also encompasses research and development in earth and environmental science, bioscience and biotechnology, and materials and computer science, and partnerships with industry and academic institutions worldwide; and

WHEREAS, during his tenure as Director, the Laboratory and the world entered into one of the most significant periods in history, an era that saw the successful end to the Cold War, unprecedented interactions and collaborations among scientists in this country and their counterparts in Russia, in which he played a leading role, and a new direction for the Laboratory in support of the Department of Energy's Stockpile Stewardship Program, and, most importantly, efforts to reduce global nuclear danger; and

WHEREAS, an eminent materials scientist, he enjoys a reputation worldwide as an authority in the most difficult and challenging field of plutonium metallurgy and has earned numerous awards and accolades for his accomplishments, including the E.O. Lawrence Award for Materials Science,

induction as a Fellow of The Materials Society, and the Department of Energy's Distinguished Associate Award, the highest honor that agency can bestow; and

WHEREAS, in concert with his scientific contributions and his devotion to the Los Alamos National Laboratory, he has been a strong and insightful advocate for the use of science and technology to ensure world peace and to improve the human condition, an inspirational force who has placed high priority on attracting students to the Laboratory and training them for careers in science and technology, an eloquent champion of the University's management of the Los Alamos, Livermore, and Berkeley National Laboratories, and a caring, energetic representative of the University of California in the State of New Mexico and beyond;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their heartfelt gratitude to Siegfried S. Hecker for his valuable service to the Laboratory, the University, and the nation, and extend their warmest best wishes as he undertakes his new responsibilities as a Senior Fellow of the Laboratory and a Senior Advisor to the President of the University;

AND BE IT FURTHER RESOLVED that a suitably inscribed copy of this resolution be presented to Nina and Sig Hecker as a symbol of the Regents' high regard and appreciation.

Director Hecker thanked the Regents for their support over the years. He believed that the University's management of the Los Alamos Laboratory has allowed its employees more freely to conduct work that protects the freedom of peoples across the world. He observed that the death toll from wars worldwide has diminished dramatically since the atomic bombs were dropped that ended World War II. Since their development and deployment, no other weapon of mass destruction has been used. There is no denying that the invention of the atomic bomb caused a discontinuity in the affairs of mankind. He pointed out, however, that maintaining world peace has been and will continue to be an uneasy task, because the powers of the world have produced and stored nearly 100,000 nuclear weapons. The University's role is to help decrease the size of this arsenal and to make remaining weapons safe. He emphasized the importance of the University in helping him, as Director of the laboratory, gain the trust of Russian officials and scientists so as to be able to help them implement modern safeguards to protect their stores of nuclear weapons. He believed that the University could do no higher service to the country than to manage the Department of Energy laboratories.

In closing, Director Hecker thanked the Regents for allowing him to perform the job of Laboratory Director. He noted that only in America could a person of foreign birth be entrusted with some of the country's most important secrets.

Regent Khachigian praised Director Hecker for improving relations with the pueblos that border the Los Alamos Laboratory. Regent Clark noted that the Board has developed a clearer understanding of the function of the laboratories during the past decade and through that understanding has built strong support for the work that is done there. Regents Preuss, Johnson, Leach, Davis, and Montoya and President Atkinson praised Mr. Hecker for his dedicated service to the University and to world peace.

6. **REPORT OF THE COMMITTEE ON FINANCE**

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program***

The Committee reported its concurrence with the recommendations of the Committee on Grounds and Buildings that:

(1) The 1997-98 Budget for Capital Improvements and the 1997-2000 Capital Improvement Program be amended to include the following projects: Berkeley: B. University Village Redevelopment, Step 1 and Santa Cruz: A. Bay Tree Bookstore.

(2) The 1997-98 Budget for Capital Improvements and the 1997-2000 Capital Improvement Program be amended as follows:

From: Santa Cruz: C. College Nine Apartments -- preliminary plans, working drawings, construction, and equipment -- \$10,280,000 to be funded from external financing (\$9,377,000) and Group A Housing System Net Revenue Funds (\$903,000).

To: Santa Cruz: B. College Nine Apartments --preliminary plans, working drawings, construction, and equipment -- \$16,493,000 to be funded from external financing (\$14,171,000) and Housing System Net Revenue Fund (\$2,322,000).

B. ***External Financing for Safety Improvements Program, Phase 3, Berkeley Campus***

The Committee recommended that:

(1) The Treasurer be authorized to obtain a standby loan commitment not to exceed \$5 million to finance, if necessary, a portion of the Safety Improvements Program, Phase 3, Berkeley campus, subject to the following conditions:

- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. Repayment of any debt service and fees shall be from the Berkeley Campus Fee; and
  - c. The general credit of The Regents shall not be pledged.
- (2) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is exempt from federal income taxation under existing law.
  - (3) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

C. ***External Financing for Equine Analytical Chemistry Laboratory, Davis Campus***

The Committee recommended that:

- (1) Funding for the Equine Analytical Chemistry Laboratory be approved as follows:

External Financing	\$ 6,560,000
Accumulated Parimutuel Reserves	<u>4,814,000</u>
	\$11,374,000

- (2) Contingent upon Assembly Bill 874 becoming law, the Treasurer be authorized to obtain external financing not to exceed \$7,165,000 to finance part of the cost of construction of, and a debt service reserve for, the Equine Analytical Chemistry Laboratory, Davis campus, subject to the following conditions:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. Repayment of the debt shall be from the Davis campus' share of the University Opportunity Fund; and
  - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.

- (4) The Officers of The Regents be authorized to execute all documents in connection with the above.

D. *Establishment of Medical School Student Association Fee, San Francisco Campus*

The Committee recommended that, effective fall 1997, a Medical School Student Association Fee of \$5 per medical school student per quarter be established at the San Francisco campus.

E. *Amendment of Acquisition of and Financing for Property and Water Rights for Potential Development of Faculty and Student Housing, Santa Barbara Campus*

The Committee recommended that the financing actions approved by The Regents in September 1992 and March 1993 authorizing and amending the acquisition of and financing for property and water rights for potential development of faculty and student housing at the Santa Barbara campus be amended as shown below, with the understanding that all other terms of said action remain unchanged:

**deletions shown by strikeout, additions by shading**

The Regents authorize the purchase of real property consisting of up to, at the University's option, 174 acres of land adjacent to the southwest intersection of Storke and Whittier Roads, Santa Barbara County, commonly referred to as the West Devereux parcel (Real Property), together with a water entitlement of up to, at the University's option, ~~250~~ 200 acre feet per year (Water Entitlement), from The University Exchange Corporation (seller), for a purchase price not to exceed ~~\$13,375,000~~ \$11,875,000, plus closing costs estimated at \$30,000, said Real Property to be held for potential development, after appropriate planning and environmental review, as faculty for-sale housing and student rental housing.

\* \* \*

- (4) Funding for the purchase of the Real Property and Water Entitlement be approved as follows:

<u>Funding Source</u>	<u>Amount</u>
External financing	\$10,875,000
University of California Housing System Net Revenues	1,000,000



Campus funds	<u>30,000</u>
Total	<u>\$11,905,000</u>

(4)(5) Subject to the approval of the President in consultation with the Chairman of the Committee on Finance and the Chairman of the Board, the Treasurer be authorized to obtain financing not to exceed ~~\$12,405,000~~ \$10,875,000 to finance a portion of the purchase cost of the Real Property and Water Entitlement, subject to the following conditions:

- a. Repayment of ~~80~~ 54 percent of the debt as of June 30, 1997 shall be from ~~otherwise unencumbered discretionary funds available to the Chancellor of the Santa Barbara campus and the President the Santa Barbara campus' share of the University Opportunity Fund to be held in the Office of the President in amounts sufficient to pay allocable debt service;~~
- b. Repayment of ~~20~~ 46 percent of the debt as of June 30, 1997 shall be from net revenues of ~~Group A Housing System~~ the University of California Housing System, with the condition that so long as such portion of the debt is outstanding, ~~Group A Housing~~ University of California Housing System fees at the Santa Barbara campus shall be established at levels sufficient to meet all requirements of the ~~Group A Housing System~~ University of California Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the debt service and related requirements of this portion of the proposed financing, with the understanding that any amounts from the Net Revenue Fund used shall be reimbursed to the Net Revenue Fund by the campus if, for any reason, a University of California Housing System facility is not constructed on the Real Property to be acquired; and
- c. The general credit of The Regents shall not be pledged.

~~(5) The President be authorized to allocate an amount not to exceed \$1,000,000 from the Group A Housing System Net Revenue Fund to finance a portion of the purchase cost of the Real Property and Water Entitlement, with the understanding that said amount shall be reimbursed to the Net Revenue Fund by the campus if, for any reason,~~

~~a Group A Housing System facility is not constructed on said Real Property.~~

- ~~(6) The President be authorized to allocate excess net revenues from the Group A Housing System Net Revenue Fund sufficient to pay the debt service and related requirements on the external loan component noted in (4)b. above, with the understanding that any amounts from the Net Revenue Fund used for this purpose shall be reimbursed to the Net Revenue Fund by the campus if, for any reason, a Group A Housing System facility is not constructed on the Real Property to be acquired with such loan.~~

~~(7)~~(6) ...

~~(8)~~(7) ...

F. *Increase in Transit System Fee, Santa Barbara Campus*

The Committee recommended that:

- (1) Effective with the fall quarter 1997, the mandatory Transit System Fee for undergraduate and graduate students at the Santa Barbara campus be increased from \$5.90 to \$7.50 per student per quarter.
- (2) For the duration of the contract between the Santa Barbara Metropolitan Transit District (SBMTD) and The Regents, the Chancellor of the Santa Barbara campus be authorized to approve any future fee increases required by the contract, as authorized by student referendum, to be indexed to the regular adult transit fares charged by the SBMTD.

G. *Amendment of External Financing for Bay Tree Bookstore, Santa Cruz Campus*

The Committee recommended that the actions approved by The Regents in November 1990 with respect to financing for the Bay Tree Bookstore, Santa Cruz campus, be amended as shown below, with the understanding that all other actions approved in November 1990 in connection with said project remain unchanged:

**Deletions shown by strikeout, additions by shading**

- (1) ~~Financing~~ Funding for the Bay Tree Bookstore project, Santa Cruz campus, at an estimated total cost of ~~\$6,290,000~~ \$11,332,000, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>	<u>Amount</u>
Bay Tree Bookstore reserves	<del>\$1,290,000</del>	\$ 3,366,000
External financing	5,000,000	6,966,000
Registration Fee reserves		<u>1,000,000</u>
	<del>\$6,290,000</del>	\$11,332,000

(2) The Treasurer be authorized to obtain funds not to exceed ~~\$5,000,000~~ ~~\$6,966,000~~ to finance the construction of the project, subject to the following conditions:

- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
- b. ~~With regard to \$5,217,000 of the financing, Debt service and related requirements of the debt shall be repaid from revenues of the Bay Tree Bookstore operations; and~~
- c. ~~With regard to \$1,749,000 of the financing, repayment of the debt shall be from University Registration Fees; and~~
- ed. The general credit of The Regents shall not be pledged.

H. *Increase in Project Scope, Cost, and External Financing for College Nine Apartments, Santa Cruz Campus*

The Committee recommended that the financing actions approved by The Regents in January 1991, September 1991, and May 1992 with respect to College Nine Apartments, Santa Cruz campus, be amended as shown below, with the understanding that all other financing actions by The Regents regarding said project remain unchanged:

**Deletions shown by strikeout, additions by shading**

(1) ~~Financing~~ Funding for the College Nine Apartments, Santa Cruz campus, at an estimated total cost of ~~\$10,280,000~~ ~~\$16,493,000~~, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>	<u>Amount</u>
External financing	<del>\$9,377,000</del>	\$14,171,000
<del>Group A</del> University of California		
Housing System Net Revenue Fund	<u>903,000</u>	<u>2,322,000</u>
Total	<del>-\$10,280,000</del>	\$16,493,000

- (2) ~~College Nine Apartments, Santa Cruz campus, consisting of 256 bed spaces, auxiliary areas, and 3,800 assignable square feet of student activity space, at a total cost of \$10,280,000, be added to the Group A Housing System and be administered in accordance with the terms and conditions of the Group A Housing System Revenue Bond Indenture of November 1, 1958, and with all other Regents' policies governing Group A Housing System operations.~~
- (3)(2) The Treasurer be authorized to obtain financing not to exceed ~~\$9,377,000~~ \$14,171,000 to finance a portion of the construction and related costs of College Nine Apartments, Santa Cruz campus, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. As long as the housing portion of the debt (~~\$8,505,000~~) is outstanding, ~~Group A~~ University of California Housing System fees for the Santa Cruz campus shall be established at levels sufficient to meet all requirements of the ~~Group A~~ University of California Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the debt service and related requirements on this amount of the proposed financing; and;
  - c. ~~As long as the student activities portion (\$872,000) of the debt is outstanding, the Student Activities Fee shall be established at a level sufficient to meet all debt service and related requirements on this amount of the proposed financing; and~~
  - dc. The general credit of The Regents shall not be pledged.
- (4) ~~The President be authorized to allocate \$703,000 from the Group A Housing System Net Revenue Fund to pay a portion of the project costs, said amount to be in addition to the \$200,000 allocated in July 1989 for planning studies.~~
- (5)(3) ...
- (6)(4) ...
- (7) ~~The President be authorized to allocate excess net revenues from the Group A Housing System Net Revenue Fund sufficient to pay the debt service and related requirements of the proposed loan.~~

I. *External Financing for Graduate Commons Project, Santa Cruz Campus*

The Committee recommended that:

- (1) Funding for the Graduate Commons project, Santa Cruz campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External financing	\$ 814,000
Chancellor's Funds	187,000
Graduate Student Facilities Fee Reserves	1,190,000
Registration Fee Reserves	<u>16,000</u>
	\$ 2,207,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$814,000 to finance the Graduate Commons project, Santa Cruz campus, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. Repayment of the debt service and related requirements of the proposed financing and payment of the operating and maintenance expenses of the facility shall be from the Graduate Student Facilities Fee charged to each enrolled graduate student at the Santa Cruz campus, Santa Cruz campus Registration Fees, and rental income; and
  - c. The general credit of The Regents shall not be pledged.
- (3) The Regents approve an increase in the Graduate Student Facilities Fee of \$16 per quarter per enrolled graduate student for the construction and operation of the Graduate Commons project, said fee increase to commence when the facilities are built and available for use and ending 27 years thereafter.
- (4) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is exempt from gross income for purposes of federal income taxation under existing law.
- (5) The Officers of The Regents be authorized to execute all documents and agreements in connection with the above.

J. ***External Financing for University Village Redevelopment, Step 1, Berkeley Campus***

The Committee recommended that, subject to approval by The Regents of amendment of the Budget for Capital Improvements and the Capital Improvement Program to include this project:

- (1) Funding for University Village Redevelopment, Step 1, at an estimated total cost of \$55,400,000, be approved as follows:

<u>Fund Sources</u>	<u>Amount</u>
External financing	\$45,400,000
University of California Housing System Net Revenue Fund	<u>10,000,000</u>
	\$55,400,000

- (2) The Treasurer be authorized to obtain financing not to exceed \$45.4 million for University Village Redevelopment, Step 1, Berkeley campus, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. As long as this debt is outstanding, University of California Housing System fees for the Berkeley campus shall be established at levels sufficient to meet all requirements of the University of California Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the operating expenses and the debt service and related requirements of the proposed financing; and
  - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is exempt from federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

K. ***Amendment of University of California Tax-Deferred 403(b) Plan--UCSF-Stanford Transfer Provisions***

The Committee recommended that the University of California Tax-Deferred 403(b) Plan (UC 403(b) Plan or Plan) be amended to allow Participants terminating from the University of California, San Francisco (UCSF), Medical Center and hiring at UCSF Stanford Health Care, to elect either to leave their assets in the UC 403(b) Plan or transfer all or a portion of their assets to the UCSF Stanford Health Care 403(b) plan. Participants with a promissory note may elect to repay the loan in full or transfer the promissory note and the assets in the fund(s) from which the loan was taken. In keeping with current Plan rules, Participants with UC 403(b) Plan balances of less than \$2,000 will be required to transfer their balances to the UCSF Stanford Health Care 403(b) plan. Proposed Plan language is attached.

Upon motion of Regent Johnson, duly seconded, the report of the Committee on Finance was accepted and the recommendations approved.

7. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS**

A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program*

The Committee recommended that, subject to the concurrence of the Committee on Finance:

- (1) The 1997-98 Budget for Capital Improvements and the 1997-2000 Capital Improvement Program be amended to include the following projects:

Berkeley: B. University Village Redevelopment, Step 1 -- preliminary plans, working drawings, construction, and equipment -- \$55,400,000 to be funded from external financing (\$45,400,000) and University of California Housing System (UCHS) Net Revenue Fund (\$10,000,000).

Santa Cruz: A. Bay Tree Bookstore -- preliminary plans, working drawings, construction, and equipment -- \$11,332,000 to be funded from external financing (\$6,966,000), Bay Tree Bookstore reserves (\$3,366,000), and registration fee reserves (\$1,000,000).

- (2) The 1997-98 Budget for Capital Improvements and the 1997-2000 Capital Improvement Program be amended as follows:

From: Santa Cruz: C. College Nine Apartments -- preliminary plans, working drawings, construction, and equipment -- \$10,280,000

to be funded from external financing (\$9,377,000) and Group A Housing System Net Revenue Funds (\$903,000).

To: Santa Cruz: B. College Nine Apartments -- preliminary plans, working drawings, construction, and equipment -- \$16,493,000 to be funded from external financing (\$14,171,000) and Housing System Net Revenue Fund (\$2,322,000).

**B. *Certification of Environmental Impact Report and Approval of Design, Parking Structure 4 Expansion, Phase II, Los Angeles Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Supplemental Environmental Impact Report, the Committee reported the following:

- (1) Certification of the Supplemental Environmental Impact Report.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the design of Parking Structure 4 Expansion, Phase II, Los Angeles campus.

[The Supplemental Environmental Impact Report, Findings, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting.]

**C. *Certification of Environmental Impact Report, Amendment of Long Range Development Plan, and Approval of Design, Student Recreation Center, Irvine Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Environmental Impact Report, The Committee recommended that The Regents:

- (1) Certify the Final Environmental Impact Report.
- (2) Adopt the Findings and Mitigation Monitoring Program.
- (3) Amend the 1989 Long Range Development Plan, Irvine campus, to accommodate the project as proposed.
- (4) Approve the design of the Student Recreation Center, Irvine campus.



[The Final Environmental Impact Report, Findings, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting.]

Upon motion of Regent Nakashima, the report of the Committee on Grounds and Buildings was accepted and the recommendations approved.

8. **REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY**

*Authorization for Continued Planning for and Development of a Tenth University of California Campus*

The Committee recommended that, in order to enable the University to maintain overall undergraduate access at the levels contemplated in the California Master Plan for Higher Education and to fulfill its teaching, research, and public service mission in the San Joaquin Valley, The Regents authorize continued planning for and development of a tenth campus of the University of California at the previously approved Lake Yosemite site in Merced County. This authorization recognizes the need to continue academic program planning in coordination with planning of the physical site and the adjacent campus community. In addition, this authorization will enable the University of California to proceed with the formal steps of the statewide approval process. It is understood that exercise of the option agreement to acquire the campus site and commencement of construction at the site is contingent on further action by The Regents and on the provision of State resources adequate both to develop the new campus and to ensure the continued health and enrollment expansion of the University's existing campuses.

Upon motion of Regent Johnson, duly seconded, the recommendation of the Committee on Educational Policy was approved.

9. **REPORT OF THE COMMITTEE ON HEALTH SERVICES**

A. *UCSF-Stanford Merger: Authorization to Execute Agreements*

The Committee recommended that the President, in consultation with the General Counsel and the Vice President for Clinical Services Development, be authorized to execute agreements necessary to effectuate the merger between the clinical enterprises of the University of California, San Francisco and Stanford Health Services.

B. *UCSF-Stanford Merger: Appointment of University of California Director to UCSF-Stanford Health Care Board*

The Committee recommended that subsection 1(b)(1) of Article IV of the Bylaws of UCSF-Stanford Health Care be amended to provide for the

following: (1) another University Director of UCSF-Stanford Health Care during the period that Haile T. Debas, M.D. is Chancellor and Dean of the School of Medicine at UCSF; and (2) designate Charles Wilson, M.D. to serve as a Director of USHC during the period that Dr. Debas is both Chancellor and Dean of the School of Medicine.

C. ***UCSF-Stanford Merger: Authorization to Appoint Regents to Act for the University as Member of UCSF-Stanford Health Care***

The Committee recommended that the Chairman of the Board of Regents, the Chairman of the Committee on Finance, the Chairman of the Committee on Health Services, the President, or any one of them as designated by both the President and the Chairman of the Board, is authorized to act as the representative of The Regents of the University of California, as a statutory member of UCSF-Stanford Health Care, in voting on any matter requiring a vote of the members of UCSF-Stanford Health Care. Exercise of any power under Article III, Section 9(b) or Section 12 of the Bylaws of UCSF-Stanford Health Care relating to involuntary dissolution and reserved powers shall be taken only after a vote of the full Board of Regents.

D. *Approval of UCSD Medical Group Participation in Alliance Renal Care, Inc., San Diego Campus*

The Committee recommended that the President, in consultation with the General Counsel and the Vice President for Clinical Services Development, be authorized to execute documents necessary to enter into service agreements with Alliance Renal Care Medical Group, Inc. The service agreements will allow individual faculty members to participate in, and to hold Board of Director positions with, the Alliance Renal Care Medical Group, Inc., a specialty independent practice association.

Upon motion of Regent Davies, duly seconded, the recommendations of the Committee on Health Services contained in items B., C., and D. were approved. The recommendation contained in item A. was then moved and approved, Regents Clark, Davis, McClymond, and Nakashima voting "no," and Regents del Junco and Montoya abstaining.

10. **REPORT OF THE SPECIAL COMMITTEE ON REGENTS' PROCEDURES**

*Amendment of Procedures for Appearances Before the Board and Committees -- Public Comment Period*

The Special Committee recommended that Procedures for Appearances Before the Board and Committees -- Public Comment Period be amended as follows, effective immediately:

**deletions shown by strikeout, additions by shading**

- (1) For matters on the agendas of Committees, ~~the~~ <sup>the</sup> first open session meeting of the morning and of the afternoon will be a meeting of the Committee of the Whole for the purpose of receiving comment pertaining to matters on the open session agendas of the morning and afternoon committees, respectively.
- (2) A sign-up sheet is used to record those who wish to address the Committee of the Whole. The sign-up sheet is made available at the meeting location at least one hour before the first open session is scheduled. Anyone who wishes to speak may call the Secretary in advance of the meeting or sign up to do so the day of the meeting. Callers are encouraged by the Secretary to provide their comments in writing.
- (3) Depending on the day's overall schedule and the number of people who wish to address the Board, speakers may be asked to limit the length of their remarks when the session is convened. The usual limit is for three minutes per speaker. ~~Individual speakers may not pool their time to provide a larger amount of time for a group representative.~~ <sup>Three or more speakers may pool their time to</sup>

provide up to seven minutes for a group representative. Those intending to do so must be present at the meeting when their names are called to confirm their willingness to yield their time.

- (4) Speakers are cautioned to keep their remarks on point for the item referenced in their requests. They are reminded that their comments may not extend to matters which are the subject of collective bargaining, individual appeals, or litigation.
- (5) For University-related matters not on the agendas of committees at the current meeting, speakers may address a meeting of the Committee of the Whole that will be convened for no more than ten minutes immediately before the open session meeting of the Board or at the beginning of Thursday's open session proceedings when there are no Friday sessions slated. The procedures described in paragraphs (2) and (3) above shall apply to this public comment period.

Upon motion of Regent Connerly, duly seconded, the recommendation of the Special Committee on Regents' Procedures was approved.

Chairman del Junco noted that Regent Connerly had resigned as chair of the Special Committee on Regents' Procedures and that he had appointed Regent Levin as the new chair.

## 11. SUPPLEMENTAL REPORT ON EXECUTIVE COMPENSATION

### *Recommended Salary Increases as Required by Standing Order 101.2*

The Committee on Finance recommended that:

- (1) The 1997-98 salary rate be approved for the President of the University, as shown below, effective November 1, 1997.

<u>Name and Title</u>	<u>October 1, 1996 Salary Rate</u>	<u>November 1, 1997 Salary Rate</u>
Richard C. Atkinson President of the University	\$253,300	\$263,500

- (2) Salary rates be approved for certain Officers of the University and Officers of The Regents, pursuant to Standing Order 100.3(b) and Bylaw 12.3(m)(1), as shown on Attachment 2, effective November 1, 1997.

Upon motion of Regent Johnson, duly seconded, the recommendations of the Committee on Finance were approved.

**12. REPORT OF INTERIM ACTIONS**

Secretary Trivette reported that, in accordance with authority previously delegated by The Regents, interim action was taken on routine or emergency matters as follows:

The Chairman of the Board and the President of the University approved the following recommendation:

***Waiver of the University's Right to File Claims for Negligence Against Federal Agencies and Foreign Entities***

That the President be authorized to execute necessary documents in connection with an agreement for "Land Surface Temperature Measurements from EOS MODIS Data" involving the National Aeronautics and Space Administration, The Regents, the Government of China, and the Chinese Academy of Sciences by which each party would waive any claim for negligence it might have against any other party.

**13. REPORT OF PERSONNEL ACTIONS**

In accordance with Bylaw 14.7(b), Secretary Trivette reported that the following personnel actions were taken at the May (A., B.), June (C., D., E.), and July (F.) 1997 meetings. There were no roll call votes on these actions.

- A. Appointment of Alvin J. Glasky as Regents' Professor, Department of Developmental and Cell Biology, Irvine campus, for the fall quarter of the 1997-98 academic year.
- B. Appointment of Nikolay N. Vorontsov as Regents' Professor, Department of Ecology and Evolutionary Biology, Irvine campus, for one quarter during the 1997-98 academic year.
- C. Appointment of Vladimir Keilis-Borok as Regents' Professor, Department of Earth and Space Sciences and the Institute of Geophysics and Planetary Physics, Los Angeles campus, for the winter quarter of the 1997-98 academic year.
- D. Appointment of Frank Gehry as Regents' Professor, Department of Architecture and Urban Design, Los Angeles campus, for the fall quarter of the 1997-98 academic year.
- E. Appointment of Andrew Hargreaves as Regents' Professor, Department of Education, Santa Cruz campus, for the winter quarter of the 1997-98 academic year.

- F. Appointment of Pandit Ravi Shankar as Regents' Professor, Department of Music, San Diego campus, for a renewable five-year term, effective July 1, 1997.

14. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary Trivette presented summaries of communications received subsequent to the July meeting. The communications were referred to the President and General Counsel for review and response as appropriate.

[A copy of the Report of Communications Received is on file in the Office of the Secretary.]

15. **REPORT OF THE PRESIDENT**

On the dates indicated, the following information reports were mailed to The Regents or to Committees:

**To Members of the Committee on Educational Policy**

- A. Report on Student Financial Support for the 1995-96 year. August 28, 1997.

**To Members of the Committee on Health Services**

- B. The unaudited Activity and Financial Status Report on Hospitals and Clinics for the fiscal year ended June 30, 1997. August 12, 1997.
- C. Activity and Financial Status Report on Hospitals and Clinics as of July 31, 1997. August 29, 1997.

**To The Regents of the University of California**

- D. Final report of the University of California Commission on the Future of Medical Education. August 12, 1997.
- E. Status report from Chancellor Laurel Wilkening concerning UCI Medical Center business affiliation discussions. August 13, 1997.
- F. Executive Summary of the report of the UCSD Task Force on K-12 Outreach. September 4, 1997.

The meeting adjourned at 10 a.m.

Attest:

Secretary