

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

March 14, 2002

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

Present: Regents Atkinson, Blum, Davies, T. Davis, Hopkinson, Johnson, Kozberg, Lansing, Lee, Marcus, Montoya, Moores, Morrison, Parsky, Pattiz, Preuss, Saban, and Seymour (18)

In attendance: Regents-designate Ligot-Gordon and Terrazas, Faculty Representatives Binion and Viswanathan, Associate Secretary Shaw, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Gurtner, and Hershman, Chancellors Berdahl, Bishop, Cicerone, Dynes, and Vanderhoef, and Recording Secretary Bryan

The meeting convened at 11:40 a.m. with Interim Chairman Moores presiding.

## 1. **READING OF NOTICE OF MEETING**

For the record, it was confirmed that notice had been given in compliance with the Bylaws and Standing Orders for a Special Meeting of the Board to be held concurrently with the regularly scheduled meeting for the purpose of presenting the *Supplemental Report on Executive Compensation: Treasurer's Office Compensation: Annual Incentive Plan Proposal*.

## 2. **APPROVAL OF MINUTES**

Upon motion of Regent Davies, duly seconded, the minutes of the meeting of January 17, 2002 were approved.

## 3. **REPORT OF THE PRESIDENT**

President Atkinson presented the report concerning University activities and individuals. He noted that five University faculty had been elected to the National Academy of Engineering, an important honorary society, and that Chancellor Cicerone has received the 2002 Roger Revelle Medal of the American Geophysical Union.

Regent Preuss noted the death of Mr. Matt Lyon, Assistant Vice Chancellor for Public Affairs at the Berkeley campus, who contributed in many ways to the University.

Upon motion of Regent Davies, 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 copies are on file in the Office of the Secretary.]

At the invitation of President Atkinson, Faculty Representative Viswanathan commented on retirement benefits for domestic partners, recalling that the subject was discussed at the January meeting. Subsequently, the Committee on Faculty Welfare voted to support the extension of retirement benefits to domestic partners of both sexes. Then he discussed the process of having the existing Vice Chair of the Academic Senate become the Chair. He explained that the process begins in November or December, when all divisional chairs are asked to nominate faculty members who could serve as Chair of the Senate. This year the Academic Council elected a nominee in February whose name will be put before the Assembly of the Academic Senate in May. The nominee is Dr. Larry Pitts, a professor of medicine from the San Francisco campus. His appointment, if approved, is expected to be reported to the Regents at their July meeting.

#### 4. **REPORT OF THE COMMITTEE ON FINANCE**

##### A. ***Establishment of Loan Portfolio Sale Program for the University of California Mortgage Origination Program***

The Committee recommended that The Regents authorize the establishment of a program for the periodic sale of all or portions of the Mortgage Origination Program (MOP) loan portfolio to increase the level of MOP liquidity for the purpose of providing additional loans for the recruitment and retention of faculty and other employees in support of projected student enrollment growth, subject to the following:

- (1) The MOP Portfolio Sale Program shall be conducted to provide additional funding for future MOP loans, within the following parameters authorized by The Regents:
  - a. Proceeds from the MOP Sale Portfolio Program shall be deposited in the Short Term Investment Pool (STIP) and shall be available for additional funding for new mortgage loan originations within the limits already established by The Regents for MOP. MOP loans sold shall be deducted from the total MOP funding provided by STIP;
  - b. If the sale of any portion of MOP results in proceeds less than the outstanding receivables of the MOP loans sold (par value), a funding source must be approved by the President if the

funding source is within Presidential control or by The Regents if the proposed fund source is not within Presidential control;

- c. No sale of MOP Portfolio loans shall extend the term of any individual MOP loan or modify the interest rate to be charged under MOP parameters; and
  - d. Purchasers of MOP loans shall have no recourse to Regental funds and shall be repaid only from individual mortgage loan repayments and/or property securing each individual loan, except that any such sale of MOP Portfolio loans may include terms that: (i) provide for The Regents to make monthly remittances of principal and interest to the purchaser for all loans sold which are not in arrears in excess of three months by an agreed time each month, and (ii) provide for the exchanging of any loan sold to the purchaser that becomes non-performing for more than an agreed to time period with another MOP loan of similar size and characteristics at the same discount rate, if any, as that applied to the original loan sale.
- (2) Each sale pursuant to the MOP Portfolio Sale Program shall be reported to The Regents, together with information related to the loans sold, fund source used if the sale results in less than the par value of loans sold, and an update of unused funding for the MOP authorized by The Regents.
  - (3) The President, after consultation with the General Counsel, shall be authorized to execute such documents as may be necessary to effect any sale pursuant to the MOP Portfolio Sale Program.

**B. *Approval of Liability, Stanford University Affiliation Agreement, San Francisco Campus***

The Committee recommended that the San Francisco campus be authorized to execute an Affiliation Agreement with Stanford University Hospital and Clinics that contains liability language that would provide for assumption by each institution of third-party liability for the other's students, residents, and fellows (trainees) when they are performing under the direction and control of that institution's faculty.

C. ***Proposed Continuation of Transit Fee, Berkeley Campus***

The Committee recommended that effective fall 2002 and continuing for four years through summer 2006:

- (1) All students enrolled at the Berkeley campus during the regular academic year be assessed a mandatory transit fee of \$34.20 per student per semester from fall 2002 through spring 2004, and up to \$37.20 per student per semester from fall 2004 through spring 2006.
- (2) Students enrolled in the summer, but not enrolled during the previous spring semester, be assessed a mandatory transit fee of \$17.10 per student for summer 2003 and summer 2004, and up to \$18.60 per student for summer 2005 and summer 2006.

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

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

A. ***Certification of Environmental Impact Report, Amendment of Long Range Development Plan, and Approval of Design, Conference Center, Hotel, and Graduate School of Management Building, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Final Environmental Impact Report, the Committee recommended:

- (1) Certification of the Final Tiered Environmental Impact Report for the Conference Center, Hotel, and Graduate School of Management Building.
- (2) Adoption of the Findings and Mitigation Monitoring Plan.
- (3) Amendment of the 1994 UC Davis Long Range Development Plan to change approximately two acres designated for *Support to Teaching and Research Fields*.
- (4) Approval of the design of the Conference Center, Hotel, and Graduate School of Management Building, Davis campus.

[The Final Tiered Environmental Impact Report, Findings, and Mitigation Monitoring Plan were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

**B. *Certification of Environmental Impact Report, Amendment of Long Range Development Plan, and Approval of Design, East Campus Apartment Project, Phase 1, Irvine Campus***

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

- (1) Certification of the Final Environmental Impact Report.
- (2) Adoption of the Findings and Statement of Overriding Considerations.
- (3) Adoption of the Mitigation Monitoring Program.
- (4) Amendment of the 1989 Irvine campus Long Range Development Plan (LRDP) to reflect proposed changes in the alignment of Palo Verde Road, and to combine “graduate/family” and “undergraduate” student housing LRDP land use designations for areas covered by the project site in order to accommodate both types of student housing across the site.
- (5) Approval of the design of the East Campus Apartment Project, Phase 1, Irvine campus.
- (6) Authorization of the President to approve any required design changes, if such changes do not materially alter the scope of Phase 1 of the project.

[The Final Environmental Impact Report, Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

**C. *Adoption of Mitigated Negative Declaration and Approval of Design, Natural Sciences Unit 2, Irvine Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Tiered Initial Study/Mitigated Negative Declaration, the Committee recommended:

- (1) Adoption of the Tiered Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the design of Natural Sciences Unit 2, Irvine campus.

[The Tiered Initial Study/Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

D. ***Adoption of Negative Declaration and Approval of Design, Biological Sciences Building, Riverside Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Negative Declaration, the Committee reported its:

- (1) Adoption of the Final Initial Study/Negative Declaration.
- (2) Adoption of the Findings.
- (3) Approval of the design of the Biological Sciences Building, Riverside campus.

[The Final Initial Study/Negative Declaration and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

E. ***Adoption of Mitigated Negative Declaration and Approval of Design, Pharmaceutical Sciences Building, San Diego Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Mitigated Negative Declaration, the Committee reported its:

- (1) Adoption of the Mitigated Negative Declaration.
- (2) Adoption of the Mitigation Monitoring and Reporting Program and Findings.
- (3) Approval of the design of the Pharmaceutical Sciences Building, San Diego campus.

[The Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program, and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

F. ***Certification of Addendum to Environmental Impact Report and Approval of Design, California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3) Building at Mission Bay, San Francisco Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in Addendum 3 to the 1996 Long Range Development Plan Environmental Impact Report, the Committee reported its:

- (1) Certification of Addendum 3 to the 1996 Long Range Development Plan Environmental Impact Report.
- (2) Adoption of the Findings.
- (3) Approval of the design of the California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3) Building at Mission Bay, San Francisco campus.

[Addendum 3 to the 1996 Long Range Development Plan Environmental Impact Report and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

G. ***Certification of Environmental Impact Report and Approval of Design, Engineering Building, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Environmental Impact Report, the Committee reported its:

- (1) Certification of the Focused Tiered Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program.
- (3) Approval of the design of the Engineering Building, Santa Cruz campus.

[The Focused Tiered Environmental Impact Report, Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Committee on Grounds and Buildings were approved and the reports were accepted. In order to avoid the appearance of a conflict of interest, Regent Blum abstained from

voting on any of the recommendations, and Regent Davies abstained from voting on Item F, *Certification of Addendum to Environmental Impact Report and Approval of Design, California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3) Building at Mission Bay, San Francisco Campus.*

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

- A. *Approval to Establish and Participate in the Combined Association for Research in Millimeter-Wave Astronomy (CARMA) with the University of Illinois, the University of Maryland, and the California Institute of Technology, Berkeley Campus*

The Committee recommended the establishment of and the Berkeley campus' participation in a consortium to be known as the Combined Association for Research in Millimeter-Wave Astronomy (CARMA).

- B. *Proposed Establishment of College Nine, Santa Cruz Campus*

The Committee recommended that College Nine be established on the Santa Cruz campus, effective immediately, and that Section 13 of The Regents' provisions as covered under Standing Order 110.1 - Academic Units and Functions, Affiliated Institutions, and Related Activities of the University, be amended as follows:

**Additions shown by underlining**

13. Academic Colleges at Santa Cruz

\* \* \*

- (g) There is established at Santa Cruz College Nine with undergraduate curricula leading to degrees of Bachelor of Arts and Bachelor of Science.

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Upon motion of Regent Montoya, duly seconded, the recommendations of the Committee on Educational Policy were approved.



**7. REPORT OF THE COMMITTEE ON AUDIT*****Approval of External Audit Plan for the Year Ending June 30, 2002***

The Committee recommended that the Annual Audit Plan for the year ending June 30, 2002 be approved.

[The Plan was mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

Upon motion of Regent Morrison, duly seconded, the recommendation of the Committee on Audit was approved.

**8. REPORT OF THE NOMINATING COMMITTEE**

The Committee recommended the following, effective immediately through June 30, 2002:

- A. The appointment of Regent Moores as Chairman of The Regents.
- B. The appointment of Regent Johnson as Vice Chairman of The Regents.
- C. The appointment of Regent Saban to the Committee on Educational Policy and the Committee on Investments.
- D. The appointment of Regent Wesson to the Committee on Educational Policy and the Committee on Finance.
- E. The appointment of Regent Seymour as Chair of the Committee on Oversight of the Department of Energy Laboratories.

Upon motion of Regent Preuss, duly seconded, the recommendation of the Nominating Committee was approved.

**9. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS AND THE COMMITTEE ON FINANCE****A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing for Channing-Bowditch Student Housing, Berkeley Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

Berkeley: Channing-Bowditch Student Housing – preliminary plans, working drawings, construction, and equipment – \$23,436,000 to be funded from external financing (\$20,530,000) and the Berkeley campus' share of the University of California Housing System Net Revenue Fund (\$2,906,000).

- (2) The Committee on Finance recommended that the Treasurer be authorized to obtain financing not to exceed \$20,530,000 to finance the Channing-Bowditch Student Housing 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. 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 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 to the lender 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 necessary in connection with the above.

**B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing for Units 1 and 2 Infill Student Housing and Common Areas, Berkeley Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

Berkeley: Units 1 and 2 Infill Student Housing and Common Areas – preliminary plans, working drawings, construction, and equipment – \$123,370,000 to be funded from external financing (\$112,200,000) and the Berkeley campus' share of

the University of California Housing System Net Revenue Fund (\$11,170,000).

- (2) The Committee on Finance recommended that the Treasurer be authorized to obtain financing not to exceed \$112,200,000 to finance the Units 1 and 2 Infill Student Housing and Common Areas 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. 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 debt service and related requirements of the proposed financing;
  - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender 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 necessary in connection with the above.

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing for Quantitative Biosciences and Bioengineering Facility, Berkeley Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include:

Berkeley: Stanley Quantitative Biosciences and Bioengineering Facility – preliminary plans, working drawings, construction, and equipment – \$143,296,000 total project cost, to be funded from gifts (\$93,421,000), the State through the California Institutes for Science and Innovation (\$34,875,000), and external financing using the Garamendi funding mechanism (\$15,000,000).

- (2) The Committee on Finance recommended that the Treasurer be authorized to obtain external financing not to exceed \$15,000,000 to finance the Stanley Quantitative Biosciences and Bioengineering Facility 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. Repayment of the debt shall be from the Berkeley campus' share of the University Opportunity Fund; and
  - c. The general credit of The Regents shall not be pledged.
- (3) The Treasurer be authorized to obtain stand-by financing not to exceed \$22,675,000, and interim financing not to exceed \$70,746,000, for a total of \$93,421,000, prior to awarding a construction contract for any gift funds not received by that time and 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 financing shall be from gift funds and, in the event such gift funds are insufficient, from the Berkeley campus' share of the University Opportunity Fund; and
  - c. The general credit of The Regents shall not be pledged.
- (4) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (5) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

D. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, UCDCMC Surgery and Emergency Services Pavilion, Davis Campus***

With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

Davis: UCDCMC Surgery and Emergency Services Pavilion – preliminary planning – \$5,250,000 to be funded from hospital reserves.

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, UCIMC Replacement Hospital, Irvine Campus***

With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

Irvine: UCI Medical Center Replacement Hospital – preliminary plans – \$14,538,000 to be funded from hospital reserves.

F. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Northwest Campus Student Housing and Parking, Los Angeles Campus***

With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2001-02 Budget for Capital Improvements and 2001-04 Capital Improvement Program be amended to include preliminary plans funding for the following project:

Los Angeles: Hedrick North Residence Hall – preliminary plans – \$3,200,000 to be funded from University of California Housing System (UCHS) Los Angeles campus reserves.

Los Angeles: Rieber North and West Residence Halls – preliminary plans – \$5,600,000 to be funded from UCHS Los Angeles campus reserves.

Los Angeles: Hedrick Hall First Floor Renovation – preliminary plans – \$400,000 to be funded from UCHS Los Angeles campus reserves.

Los Angeles: Sproul Hall First Floor Renovation – preliminary plans – \$500,000 to be funded from UCHS Los Angeles campus reserves.

Los Angeles: Rieber Hall First Floor Renovation – preliminary plans – \$400,000 to be funded from UCHS Los Angeles campus reserves.

Los Angeles: Dykstra Parking Structure – preliminary plans – \$682,000 to be funded from UCLA Parking Services capital reserves.

G. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing for Commons Expansion, Riverside Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

Riverside: Commons Expansion – preliminary plans, working drawings, construction, and equipment – \$47,803,000 to be funded from external financing.
- (2) The Committee on Finance recommended that the Treasurer be authorized to obtain external financing not to exceed \$47,803,000 to finance construction and related costs of the Commons Expansion, Riverside campus, subject to the following conditions:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the preliminary plans, working drawings, and construction period;
  - b. Repayment of the debt shall be from Commons Expansion Referendum student fees approved by student vote in April 2001 and by The Regents in July 2001, which shall generate net revenues sufficient to pay debt service and to meet all related financing requirements of the proposed funding; and
  - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender 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 necessary in connection with the above.

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Committee on Grounds and Buildings and the Committee on Finance were approved. In order to avoid the appearance of a conflict of interest, Regent Blum abstained from voting on the recommendations.

## 10. SPECIAL COMMITTEE ON REGENTS' PROCEDURES

*Amendment of Bylaws and Standing Orders Related to Banking and External Financing Authority, Office of the Treasurer and Office of the President*

The Special Committee recommended that:

- A. Service of notice be waived.
- B. The relevant Bylaws and Standing Orders concerning banking and external financing authority in the Office of the Treasurer and the Office of the President be amended as follows:

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

BYLAW 21.

DUTIES AND RESPONSIBILITIES OF OFFICERS  
OF THE CORPORATION

\* \* \*

21.4 Treasurer.

\* \* \*

- ~~(e) The Treasurer is authorized to provide for external financing for amounts up to and including \$10 million for the construction, acquisition, equipping, and improvement of projects approved by the President. The Treasurer is also authorized to provide for external financing for amounts in excess of \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board, the Chairman of the Committee on Finance, and the Chairman of the Committee on Investments, and also provided that all actions taken in excess of \$10 million up to and including \$20 million under this authority be reported at the next following meeting of the Board. External financing in excess of \$20 million requires Board consideration. The Treasurer, in general, shall be the manager of all external financing of the Corporation and, except as otherwise provided in the Bylaws and Standing Orders, subject to control and direction of the Board and its Committee on Finance, which may include provisions for reserve funds and payment of costs of issuance of such projects.~~

(f) (e)

(g) (f)

(h) (g)

(i) (h)

(j) (i)

(k) (j)

(l) (k)

(m) (l)

(n) ~~The Treasurer shall be the representative of the Corporation in, and is authorized to execute agreements in connection with, all matters relating to bank accounts and bank services; banking relationships; financial and banking type services provided by entities other than banks, including but not limited to, the following:~~

(1) ~~The Treasurer shall select the banks in which funds of the Corporation are deposited and from which funds are disbursed.~~

(2) ~~The Treasurer is authorized to transfer to the name of the Corporation all bank accounts, including time certificates of deposit, received as gifts to the Corporation, and to make withdrawals from or close such accounts.~~

(3) ~~The Treasurer, on recommendation of the President of the University, is authorized to designate representatives of the University who may sign checks, drafts or other orders for the payment of money or initiate electronic transfers of funds against University checking accounts, provided that all such representatives are covered by fidelity bond. The Treasurer is authorized to approve the use of and to direct banks or other depositories to honor facsimile signatures.~~

(4) ~~The Treasurer is authorized to designate a list of representatives of the Corporation who may sign~~



~~checks, drafts or other orders for the payment of money or initiate electronic transfers of funds against bank accounts used for deposit of Treasurer's General Cash and to make withdrawals from savings accounts, provided that all such actions have been approved by two such representatives, including one from the Office of the President and one from the Office of the Treasurer, and provided further that all such representatives are covered by fidelity bond, and provided that nothing herein shall be construed as empowering the Treasurer to direct banks or other depositories to honor facsimile signatures except on authority of the Committee on Finance.~~

- (5) ~~The Treasurer is authorized to make arrangements for lockbox, electronic transfer of funds, escrow services, credit card and other services to facilitate the collection or disbursement of funds.~~

(o) (m)

(p) (n)

(q) (o)

(r) (p)

(s) (q)

(t) (r)

(u) (s)

(v) (t)

(w) (u)

## STANDING ORDER 100.

## OFFICERS OF THE UNIVERSITY

## 100.4 Duties of the President of the University

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~~(mm) The President is authorized to approve external financing for amounts up to and including \$10 million for the construction, acquisition, equipping, and improvement of projects in the President's areas of responsibility. The President is also authorized to approve external financing for amounts in excess of \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken in excess of \$10 million up to and including \$20 million under this authority be reported at the next following meeting of the Board. External financing in excess of \$20 million requires Board approval.~~

(nn) The President is authorized to provide for external financing for amounts up to and including \$10 million for the construction, acquisition, equipping, and improvement of projects. The President is also authorized to provide for external financing for amounts in excess of \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken in excess of \$10 million up to and including \$20 million under this authority be reported at the next following meeting of the Board. External financing in excess of \$20 million requires Board consideration. The President, in general, shall be the manager of all external financing of the Corporation and, except as otherwise provided in the Bylaws and Standing Orders, subject to control and direction of the Board and its Committee on Finance, which may include provisions for reserve funds and payment of costs of issuance of such projects.

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(pp) The President shall be the representative of the Corporation in, and is authorized to execute agreements in connection with, all matters relating to bank accounts and bank services; banking relationships; financial and banking type services provided by

entities other than banks, including but not limited to, the following:

- (1) The President shall select the banks in which funds of the Corporation are deposited and from which funds are disbursed.
- (2) The President is authorized to transfer to the name of the Corporation all bank accounts, including time certificates of deposit, received as gifts to the Corporation, and to make withdrawals from or close such accounts.
- (3) The President is authorized to designate representatives of the University who may sign checks, drafts or other orders for the payment of money or initiate electronic transfers of funds against University checking accounts, provided that all such representatives are covered by fidelity bond. The President is authorized to approved the use of and to direct banks or other depositories to honor facsimile signatures.
- (4) The President is authorized to designate a list of representatives of the Corporation who may sign checks, drafts or other orders for the payment of money or initiate electronic transfers of funds against bank accounts used for deposit of Treasurer's General Cash and to make withdrawals from savings accounts, provided that all such actions have been approved by two such representatives, including one from the Office of the President and one from the Office of the Treasurer, and provided further that all such representatives are covered by fidelity bond, and provided that nothing herein shall be construed as empowering the President to direct banks or other depositories to honor facsimile signatures except on authority of the Committee on Finance.
- (5) The President is authorized to make arrangements for lockbox, electronic transfer of funds, escrow services, credit card and other services to facilitate the collection or disbursement of funds.

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

11. **REPORT OF THE COMMITTEE ON FINANCE AND THE COMMITTEE ON INVESTMENTS**

***Treasurer's Office Compensation: Annual Incentive Plan Proposal***

The Committees recommended approval of the Annual Incentive Plan for the Office of the Treasurer presented in Attachments A, B, and C for the 2002-03 fiscal year. The Committees also recommended the approval of a target award opportunity of 50 percent of base salary for David H. Russ, Treasurer and Vice President for Investments. Mr. Russ's maximum award opportunity under the terms of the Plan would be 75 percent of base salary.

Upon motion of Regent Hopkinson, duly seconded, the recommendation of the Committee on Finance and the Committee on Investments was approved.

12. **SUPPLEMENTAL REPORT ON EXECUTIVE COMPENSATION**

***Salary for David H. Warren as Acting Chancellor, Riverside Campus***

The Committee on Finance recommended that, contingent upon confirmation of his appointment by The Regents as Acting Chancellor, Riverside campus, 100 percent, an annual base salary rate of \$202,200 plus an administrative stipend of \$63,000 (31.2 percent), for a total annual salary of \$265,200, be approved for David H. Warren.

***Treasurer's Office Compensation: Annual Incentive Plan Proposal***

The Committees on Finance and Investments recommended approval of the award opportunity level and performance objectives for Treasurer David H. Russ under the proposed Annual Incentive Plan for the Office of the Treasurer as shown in Attachment D for the 2002-03 fiscal year.

Upon motion of Regent Preuss, duly seconded, the recommendations of the Committee on Finance and the Committee on Investments were approved.

13. **REPORT OF PERSONNEL ACTIONS**

In accordance with Bylaw 14.7(b), Associate Secretary Shaw reported the following personnel actions taken at the January 2002 meeting. There were no roll call votes on these actions.

- A. Appointment of Winston C. Doby as Vice President–Educational Outreach, Office of the President, effective January 1, 2002.
- B. Appointment of Alexandre J. Chorin as University Professor, Department of Mathematics, Berkeley campus, effective immediately upon approval by The Regents.

- C. Appointment of Shu Chien as University Professor, Departments of Bioengineering and Medicine, San Diego campus, effective immediately upon approval by The Regents.

14. **REPORT OF COMMUNICATIONS**

Associate Secretary Shaw presented summaries of communications received subsequent to the January 2002 meeting. The residency appeals will be referred to General Counsel Holst, and the remaining communications will be referred to President Atkinson for response as appropriate.

15. **NEW BUSINESS**

*Report of the President*

President Atkinson reported that on the dates indicated, the following informational reports were mailed to The Regents or to Committees:

**To Members of the Committee on Finance**

- A. Report on an Increase in the Threshold of Delegated Authority for Leasing. January 10, 2002.

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

- B. Activity and Financial Status Report on Hospitals and Clinics as of November 30, 2001. January 10, 2002. (Schedule of Reports)
- C. Activity and Financial Status Report on Hospitals and Clinics for the six months ended December 31, 2001. February 14, 2002. (Schedule of Reports)

**The Regents of the University of California**

- D. Report on Fee Levels for Self-Supporting Professional Degree Programs for 2001-02. January 10, 2002.
- E. Publications from the Office of Research highlighting research on UC campuses. January 24, 2002.
- F. Guidelines for Student Housing Eligibility. January 29, 2002.
- G. BOARS Report on the Use of Standardized Testing in UC Admissions. January 30, 2002.
- H. Major Capital Projects Implementation Report. February 4, 2002.

The meeting adjourned at 11:55 a.m.

Attest:

Associate Secretary