

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 16, 2003

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

Present: Regents Atkinson, Blum, Davies, Hopkinson, Kozberg, Lansing, Lee, Lozano, Marcus, Montoya, Moores, Preuss, Sainick, and Sayles (14)

In attendance: Regents-designate Bodine, Murray, and Seigler, Faculty Representatives Binion and Pitts, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice President Drake, Chancellors Bishop, Córdova, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Nietfeld

The meeting convened at 11:40 a.m.

1. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion duly made and seconded, the minutes of the meetings of November and December 2002 were approved.

2. REPORT OF THE PRESIDENT

President Atkinson presented the report concerning University activities and individuals. He noted that a message to the national laboratory community had been distributed to the Regents.

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 a copy is on file in the Office of the Secretary.]

3. REPORT OF THE COMMITTEE ON FINANCE**A. *Authorization to Amend UC Retirement and Benefit Plans and Programs as Necessary to Support Responses to the Current Budget Situation***

The Committee recommended that:

- (1) Authority be granted to allow amendments to University of California employee benefit plans and programs, including amendments to the University of California Retirement Plan (UCRP), Tax Deferred 403(b) Plan (403(b) Plan), and Defined Contribution Plan (DC Plan), in support of personnel strategies that respond to the immediate California state budget crisis. Authority is necessary to produce required savings in a timely manner to affect the current and, in some cases, continuing into the next fiscal year.
- (2) Authority for these amendments and implementation of these provisions be delegated to the President, with the concurrence of the Chairman of the Board and the Chair of the Committee on Finance, for program changes resulting in a cost not to exceed \$25 million per program annually.

B. *Incremental Funding of Fixed Price Construction Subcontracts for the FY 03 Facility and Infrastructure Recapitalization Program at Lawrence Livermore National Laboratory*

The Committee recommended that, as an exception to Standing Orders 100.4 (dd)(1) and (8), and subject to appropriate University pre-bid concurrence and approval of the Department of Energy, the Lawrence Livermore National Laboratory be authorized to solicit and execute incrementally funded fixed price construction subcontracts at LLNL for the FY 03 Facility and Infrastructure Recapitalization Program made up of the subprojects B298 Roof Replacement, B332 Ductwork Replacement, Support Services Equipment Rehabilitation, B511 Backlog Reduction, Replacement Building, Road Repair/Reroute of 5th Street, Site 300 High Explosives Lightning Protection, B801 Utilities and Support Systems Rehabilitation, B131 Backlog Reduction, HEPA Replacement, B871 Backlog Reduction, B222C&N Demolition, Trailer Demolition, B865 Demolition, and Roofing Assessment. These projects are authorized in connection with work done under the University's master operating contract for LLNL, where the total value of the individual subcontracts would exceed the amount appropriated for project work on a monthly basis.

C. ***Authorization to Enter Into an Agreement with the City of Merced to Annex Phase One of the Merced Campus to the City***

The Committee recommended that:

- (1) The President, on behalf of the Merced campus, be authorized to execute, subject to the concurrence of the Chairman of the Board and the Chairmen of the Committees on Finance and Grounds and Buildings, an agreement with the City of Merced which permits the City of Merced to annex the first phase of the Merced campus (102 acres) for the purpose of providing city water and sewer services for Phase 1 of the Merced campus.
- (2) The President, in consultation with the General Counsel, be authorized to execute all other related documents necessary in connection with the above.

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

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

The Committee presented the following from its meeting of December 13, 2002:

A. ***Request for a Feasibility Study and Policy Recommendation for a Systemwide Green Buildings Policy and Clean Energy Standard***

The Committee recommended that the Office of the President shall:

- (1) Develop a feasibility study, for presentation at the May 2003 Regents meeting, for the adoption of a Green Building policy and Clean Energy standard for all new and renovated buildings. The study shall consider the economic impact, including capital and maintenance, of all sustainability policies and standards.
- (2) Recommend a Green Building policy and Clean Energy standard for approval by The Regents at its May 2003 meeting. This recommendation shall include input from and coordination with students, faculty, staff, government agencies, and other higher education systems, as well as non-governmental organizations.

B. ***Adoption of Mitigated Negative Declaration and Approval of Design, Biomedical Library Renovation and Addition, San Diego Campus***

Upon review and consideration of the environmental consequences of the proposed project, the Committee reported its:

- (1) Adoption of the Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Mitigation Monitoring Report and Findings.
- (3) Provisional approval of the design of the Biomedical Library Renovation and Addition, San Diego campus.

[The Initial Study/Mitigated Negative Declaration, Mitigation Monitoring Report, and Findings were mailed to Committee members in advance of the meeting, and a copy is on file in the Office of the Secretary.]

C. ***Certification of Addendum to Environmental Impact Report and Approval of Design, Mission Bay Block 20 Housing Project, San Francisco Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Addendum No. 4 to the 1996 Long Range Development Plan Final Environmental Impact Report, (LRDP FEIR), the Committee reported its:

- (1) Certification of the Addendum No. 4 to the 1996 LRDP FEIR.
- (2) Adoption of the Findings.
- (3) Approval of the design of the Mission Bay Block 20 Housing Project, San Francisco campus.

[The Addendum No. 4 and Findings were mailed to Committee members in advance of the meeting, and a copy is on file in the Office of the Secretary.]

D. ***Certification of Environmental Impact Report and Approval of Design, Mathematical Sciences Building, Davis 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 Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program.

- (3) Approval of the design of the Mathematical Sciences Building, Davis campus.

[The Environmental Impact Report, Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program were mailed to Committee members in advance of the meeting, and a copy is on file in the Office of the Secretary.]

E. ***Certification of Environmental Impact Report, Amendment of the Long Range Development Plan, and Approval of Design, Surgery and Emergency Services Pavilion, Medical Center, Davis Campus***

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

- (1) Certification of the Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Considerations, and Mitigation Monitoring Plan.
- (3) Approval of the Amendment of the UCDCMC Long Range Development Plan to revise the land use designation to *Hospital Zone* for the project site.
- (4) Approval of the design of the UC Davis Surgery and Emergency Services Pavilion, Medical Center, Davis campus.

[The Environmental Impact Report, Findings, Statement of Overriding Considerations, and Mitigation Monitoring Plan were mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

F. ***Certification of Environmental Impact Report and Approval of Long Range Development Plan, Medical Center, Irvine Campus***

Upon review and consideration of the Environmental Impact Report, the Committee recommended:

- (1) Certification of the Environmental Impact Report for the 2003 Irvine Medical Center Long Range Development Plan.
- (2) Approval of the Mitigation Monitoring Program for the EIR.
- (3) Adoption of the Findings and Statement of Overriding Considerations.

- (4) Approval of the 2003 Long Range Development Plan, Irvine Medical Center.

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

G. ***Adoption of Findings and Approval of Design, UCI Medical Center Replacement Hospital, Irvine Campus***

Subject to approval of the Long Range Development Plan for the UCI Medical Center and certification of the associated Environmental Impact Report, the Committee recommended:

- (1) Adoption of the Findings and Statement of Overriding Considerations pursuant to the California Environmental Quality Act.
- (2) Approval of the design of the UCI Medical Center Replacement Hospital, Irvine campus.

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

Upon motion of Regent Marcus, duly seconded, the reports and recommendations of the Committee on Grounds and Buildings were approved.

5. **REPORT OF THE COMMITTEE ON INVESTMENTS**

The Committee presented the following from its meeting of January 7, 2003:

Approval of Asset Allocation Rebalancing Policy

The Committee recommended adoption of the revisions to the rebalancing policy as set forth in the [Attachment](#).

Upon motion of Regents Davies, duly seconded, the recommendation of the Committee on Investments was approved.

6. **REPORT OF THE COMMITTEE ON OVERSIGHT OF THE DEPARTMENT OF ENERGY LABORATORIES**

Authorization to Approve and Execute Modifications to the Department of Energy Contracts for Los Alamos National Laboratory and Lawrence Livermore National Laboratory to Amend Clauses

The Committee recommended that the President be authorized to approve and execute a modification to the provisions of contracts W-7405-ENG-36 and W-7405-ENG-48 in order to incorporate revisions to the following clauses:

H.034 PERFORMANCE DIRECTION

I.049 DEAR 952.204-2 SECURITY (MAY 2002) (DEVIATION)

I.051 DEAR 952.204-74 FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE OVER CONTRACTOR (APR 1984) (DEVIATION)

Upon motion of Regent Preuss, duly seconded, the recommendation of the Committee on Oversight of the Department of Energy Laboratories was approved.

7. **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 Davis Hall North Replacement Building, Berkeley Campus*

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program be amended to include:

From: Berkeley: CITRIS II – preliminary plans – \$6,300,000 to be funded by the State through the California Institutes for Science and Innovation program (\$6,200,000) and gift funds (\$100,000).

Berkeley: CITRIS Lifelong Learning Center – preliminary plans – \$700,000 to be funded from gift funds.

Berkeley: CITRIS Net – preliminary plans – \$100,000 to be funded from gift funds.

Berkeley: CITRIS I – preliminary plans – \$1,950,000 to be funded from gift funds.

To: Berkeley: Davis Hall North Replacement Building – preliminary plans, working drawings, construction, and equipment – \$117,650,000 total project cost, to be funded from the State through the California Institutes for Science and Innovation program (\$87,325,000) and gifts (\$30,325,000).

- (2) The Committee on Finance recommended that the President be authorized to obtain stand-by financing not to exceed \$15,325,000 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.
- (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 West Entry Parking Structure, Davis Campus*

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program be amended to include the following project:

Davis: West Entry Parking Structure – preliminary plans, working drawings, and construction – \$38,502,000; to be funded from external financing (\$34,688,000), campus funds (\$2,500,000), and parking reserves (\$1,314,000).

- (2) The Committee on Finance recommended that financing be obtained not to exceed \$34,688,000 to finance the West Entry Parking Structure 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 the debt is outstanding, parking fees for the Davis campus shall be established at levels which, together with other related income, will be sufficient to provide excess net revenues to pay the operating costs of the facility, to pay debt service, and to meet the 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.

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Multi-Use Stadium, Davis Campus***

With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program be amended to include the following project:

Davis: Multi-Use Stadium – preliminary plans – \$1,395,000 to be funded from campus funds.

D. ***Amendment of the Capital Improvement Program for UCI Medical Center Replacement Hospital, Irvine Campus***

With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2002-05 Capital Improvement Program be amended to include the following project:

Irvine: UCI Medical Center Replacement Hospital – preliminary plans and working drawings – \$27,653,000 to be funded from hospital reserves.

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for the Orthopaedic Hospital – J. Vernon Luck, Sr., M.D. Center, Los Angeles Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program be amended as follows:

From: Los Angeles: A. The Orthopaedic Hospital – J. Vernon Luck, Sr. M.D. Center – preliminary plans, working drawings, construction and equipment – \$37.7 million total project cost to be funded from 501(c)(3) bonds issued by Orthopaedic Hospital (\$30 million) and gift funds (\$7.7 million).

To: Los Angeles: A. The Orthopaedic Hospital – J. Vernon Luck, Sr. M.D. Center – preliminary plans, working drawings, construction and equipment – \$40.5 million total project cost to be funded from 501(c)(3) bonds issued by Orthopaedic Hospital (\$30 million) and external financing (\$10.5 million).

- (2) The President be authorized to obtain external financing not to exceed \$10.5 million, subject to the following conditions:
- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period;
 - b. Repayment of the debt shall be from the Los Angeles 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 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.

F. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Health Sciences Seismic Replacement Building 2, Los Angeles Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program be amended as follows:

From: Los Angeles: Health Sciences Seismic Replacement Building 2 – preliminary plans, working drawings, construction and equipment – \$58,705,000 total project cost to be funded from State funds (\$29,725,000) and gift funds (\$28,980,000).

To: Los Angeles: Health Sciences Seismic Replacement Building 2 – preliminary plans, working drawings, construction and equipment – \$60,105,000 total project cost to be funded from State funds (\$29,725,000) and gift funds (\$30,380,000).

- (2) The President be authorized to obtain interim financing not to exceed \$26,123,000 for any gift funds not received during the construction period 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 the debt shall be from gift funds and, in the event such gift funds are insufficient, from the School of Medicine quasi-endowments to be identified and confirmed with the President; and
 - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

G. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Mission Bay Cancer Research Building (17C), San Francisco Campus***

With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program be amended to include the following project:

San Francisco: Mission Bay Cancer Research Building (17C) – preliminary plans – \$5,966,000 to be funded from gift funds.

Upon motion of Regents Marcus, duly seconded, the recommendations of the Committees on Grounds and Buildings and Finance were approved.

8. **REPORT OF THE SPECIAL COMMITTEE ON REGENTS PROCEDURES**

A. ***Amendment of Policy on Design Approval to Include Issues Concerning Long Range Development Plans and the California Environmental Quality Act***

The Special Committee recommended that the Policy on Design Approval be amended as follows:

additions shown by underscoring, deletions by strikeout

~~POLICY ON CATEGORIES OF PROJECTS RESERVED FOR REGENTS'~~
~~APPROVAL OF DESIGN, LONG RANGE DEVELOPMENT PLANS, AND THE~~
~~ADMINISTRATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY~~
~~ACT~~

(1) The Regents designates the following categories of projects as requiring design approval by the Committee on Grounds and Buildings:

A.a. Building projects with a total project cost in excess of ~~\$5,000,000~~
\$10,000,000, except when such projects consist of the following:

(1) ~~i.~~ i. ~~Alterations or remodeling where the exterior of the building is not materially changed;~~

(2) ~~ii.~~ ii. ~~Buildings or facilities located on agricultural, engineering, or other field stations; or~~

(3) ~~iii.~~ iii. ~~Buildings or facilities located in agricultural areas of a campus.~~ agriculture-related buildings or facilities located in areas of a campus devoted to agricultural functions.

B.b. Capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.

- (2) The approval of building projects other than those subject to approval by the Committee on Grounds and Buildings as set forth above is governed by applicable Bylaws, Standing Orders, and delegations.
- (3) Consistent with applicable Bylaws and Standing Orders, the President shall determine the responsibility for unique project approvals and other actions significantly affecting land use that, given their nature, do not involve a design approval.
- (4) All building project approvals shall be generally in accordance with an applicable Long Range Development Plan. Adoption by The Regents is required for new and substantially updated LRDPs. All LRDP amendments or actions having the practical effect of an LRDP amendment shall be approved at the following level:
 - a. The Committee on Grounds and Buildings shall consider for approval all LRDP amendments except those delegated in b. below:
 - b. The President is authorized to approve minor LRDP amendments, provided that the amendment preserves the fundamental planning principles of the LRDP and is limited to:
 - i. siting a building project of \$10,000,000 or less;
 - ii shifting less than 30,000 gross square feet of allocated building space; and/or
 - iii. changing land-use boundaries and designations for 4 acres or less of land.
- (5) The President has the responsibility for the administration of the University's compliance with the California Environmental Quality Act. As provided by CEQA, the certification or adoption of environmental documents is undertaken at the level of the associated project approval. The modification of environmental documents, including mitigation measures, may occur at the same level as the original certification or adoption, provided that the President is authorized to modify an environmental document certified or adopted by The Regents so long as the modification does not result in new or increased significant impacts.
- (6) Notwithstanding the foregoing, the approval of the Committee on Grounds and Buildings, or in appropriate circumstances The Regents, may be required for any project or other action addressed by this policy when, in the judgment of the President, an action merits review and approval by The Regents

because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.

B. *Dates of Regents Meetings for 2004*

The Special Committee recommended that the following dates of Regents meetings for 2004 be approved.

January 14-15
March 17-18
May 19-20
July 14-15
September 15-16
November 17-18

Upon motion of Regent Davies, duly seconded, the recommendations of the Special Committee on Regents' Procedures were approved, Regent Montoya voting "no" on Item A.

9. REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY AND THE COMMITTEE ON FINANCE

Delegation of Authority to the President to Act in Connection with an Application to the National Institutes of Health for the Establishment of a National Biocontainment Laboratory, Davis Campus

The Committees recommended that The Regents:

- (1) Authorize the filing of an application to the National Institutes of Health/National Institute of Allergy and Infectious Diseases (NIH/NIAID) for the establishment of a National Biocontainment Laboratory on the Davis campus.
- (2) Delegate authority to the President to submit and promote the application, provide such additional information to the NIH/NIAID as may be required, and otherwise act in connection with the application.

Upon motion of Regent Hopkinson, duly seconded, the recommendation of the Committees on Educational Policy and Finance were approved.

10. REPORT OF INTERIM ACTIONS

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

- A. The Chairman of the Board and the President of the University approved the following recommendations:

(1) ***Technical Amendment for Appendix F of the University of California Retirement Plan***

That the following technical amendment to Appendix F of the University of California Retirement Plan be approved.

Appendix F.....University of California Retirement Plan
UCSF Stanford Health Care – Pension Plan
Transfer

(2) ***Proposed Establishment of the School of Information and Computer Science, Irvine Campus***

That effective immediately, Section 11 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

* * *

11. Academic Schools at Irvine

- (a) There are established at Irvine the following academic schools, with curricula based on two or more years of undergraduate work:

* * *

School of Information and Computer Science, with curricula leading to the Degrees of Bachelor of Science, Master of Science, and Doctor of Philosophy.

- B. The Chairman of the Board, the Chairs of the Committees on Grounds and Buildings and Finance, and the President of the University concurred in the following recommendation:

- (1) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Central Plant Phase II, Medical Center, Davis Campus***

Pursuant to Standing Order 100.4(q)

That the President amend the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program to include the following project:

Davis: Central Plant Phase II – preliminary plans, working drawings, construction, and equipment – \$12.4 million to be funded from hospital reserves.

- (2) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Wooden West Addition, Los Angeles Campus***

a. **Pursuant to Standing Order 100.4(q)**

That, subject to the concurrence of the Chairman of the Board, the Chairman of the Committee on Grounds and Buildings, and the Chairman of the Committee on Finance, the President amend the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program to include the following project:

From: Los Angeles: Wooden West Addition – preliminary plans, working drawings, and construction – \$12,685,000 to be funded from Student Registration Fees (\$1,208,000) and external financing (\$11,477,000).

To: Los Angeles: Wooden West Addition – preliminary plans, working drawings, and construction – \$13,855,000 to be funded from Student Registration Fees (\$1,208,000) and external financing (\$12,647,000).

b. **Pursuant to Bylaw 21.4(d) and Standing Order 100.4(nn)**

That the President be authorized to obtain financing not to exceed \$12,647,000, subject to the following conditions:

- i. interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - ii. repayment of the debt shall be from the Student Programs, Activities, and Resource Complex Fee approved by student vote in May 2000 and by The Regents in July 2001 and a portion of the Los Angeles campus' University Registration Fee, which shall generate net revenue sufficient to pay debt service and to meet all related financing requirements; and
 - iii. the general credit of The Regents shall not be pledged.
- c. That 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.
 - d. That the Officers of The Regents be authorized to execute all documents necessary in connection with the above.

11. **REPORT OF COMMUNICATIONS**

Secretary Trivette presented summaries of communications received subsequent to the November 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.

12. **REPORT OF THE PRESIDENT**

The President 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. Annual Report on Insurance and Self-Insurance Programs. November 18, 2002. (Schedule of Reports)
- B. Annual Financial Report of the University of California Retirement System. December 18, 2002. (Schedule of Reports)

To Members of the Committee on Health Services

- C. Final Medical Center Activity and Financial Status Report for the fourth quarter and the year ended June 30, 2002, and the Medical Center Activity and Financial Status

Report for the first quarter ended September 30, 2002. November 6, 2002. (Schedule of Reports)

- D. Activity and Financial Status Report for the UC Medical Centers as of October 31, 2002. December 2, 2002. (Schedule of Reports)

The Regents of the University of California

- E. The California Master Plan for Education report issued by the Joint Committee to Develop a Master Plan for Education, a summary of the report's recommendations, and President Atkinson's letter to Senator Dede Alpert providing UC's response to the report. November 5, 2002.
- F. Methodologies used by the University to benchmark its salaries for faculty, administrators, and staff members to comparable salaries in the private and public sector. November 8, 2002.
- G. Overview of California's physician workforce and a description of several new initiatives under consideration. November 12, 2002.
- H. UC Press' Fall 2002 catalog and the most recent issue of the Press' newsletter *Imprints*. November 18, 2002.
- I. Report on referendum-based student fees approved for 2002-03. November 21, 2002.

The meeting adjourned at 11:45 a.m.

Attest:

Secretary