

# THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

July 17, 2003

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

Present: Regents Atkinson, Blum, Bodine, Davies, Hopkinson, Johnson, Kozberg, Lansing, Lee, Marcus, Montoya, Moores, Murray, Pattiz, Sayles, and Seigler (16)

In attendance: Regents-designate Novack and Ornellas, Faculty Representatives Binion and Pitts, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Gomes and Hershman, Chancellors Berdahl, Carnesale, Cicerone, Córdova, Dynes, Greenwood, Tomlinson-Keasey, and Yang, and Recording Secretary Nietfeld

The meeting convened at 11:30 a.m. with Chairman Moores presiding.

## 1. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion of Regent Johnson, duly seconded, the minutes of the meetings of May 2003 were approved.

## 2. PRESIDENT'S REPORT

President Atkinson noted that the President's Report had not been included in the agenda packet because it was undergoing a revision. The intention would be to distribute the new version at the September meeting. He added that a report of deaths that had occurred since the May meeting had been distributed to the Regents.

At the President's invitation, Ms. Maggie Souder, the Chair of the Council of University of California Staff Assemblies (CUCSA), presented its annual report. She introduced Mr. David Bell, the incoming Chair, and Mr. David Miller, the Chair-elect. Ms. Souder recalled that CUCSA's mission is to maintain and enhance communication within the University community on matters of interest to staff. She believed that fostering an atmosphere in which staff may collaborate and contribute is an important factor in ensuring the University's success. In discussing the meetings held by CUCSA during 2002-03, she acknowledged the contributions of the Regents who had been in attendance. Ms. Souder reported that the Council had established three work groups for 2002-03: Communication, Faculty-Staff Partnering, and Educational Fee Waiver. Copies of the annual reports of each of the work groups were distributed to the Regents in the informational packet prepared by CUCSA. The goal of the communication work group, now established as a standing committee, is to improve communication practices for information affecting the lives of staff in order to improve employee satisfaction, morale, and commitment, and to better develop staff as informed ambassadors for the University of California. The Council continues to

support the goal of improving communications with The Regents, including the possibility of appointing a non-voting staff adviser to the Board. The work group distributed an opinion poll regarding communications to its delegates, and best practices were identified. The faculty-staff partnering work group conducted a poll to determine what activities had occurred as a result of the 1999 faculty-staff report and put forward proposals for improvement. The fee waiver proposal would implement a full waiver of the Educational Fee for qualified dependents of UC employees. The President and the chancellors have determined that this proposal, which originated in the Academic Council, could not be supported at this time due to budgetary concerns. The Office of the President estimates the annual cost of the proposal to be \$6.5 million.

At the President's invitation, Faculty Representative Binion presented her remarks as the outgoing chair of the Academic Council. Professor Binion observed that of her professional opportunities and experiences, none had been more challenging, or a greater honor, than serving as the Vice Chair and Chair of the Academic Senate. Representing the faculty to the Board of Regents allowed her the opportunity to work with a dedicated group of people who give generously of their time, expertise, and resources to the common cause of ensuring that the University of California will maintain its preeminence in higher education. She acknowledged in particular the fuller integration of the faculty representatives into the Board's committee structure. Professor Binion commented that many of the issues before The Regents over the past two years had been problematic; problems invite controversy and disagreement, and a measure of an institution's strength is its ability to weather challenges and emerge stronger for the effort. Difficult issues considered by The Regents have included admissions, domestic partner retirement benefits, academic freedom, and the propriety of racial and ethnic research. The civility of the conversations amid the knowledge that the Regents have thoroughly reviewed the matter before them serves the institution well; this sense of comity may prove critical to weathering the constrained State budget. How the institution will negotiate the financial exigencies in the face of increasing enrollments, deferred maintenance, and the need for fair compensation is unclear at the time, but that the Regents will ensure that it happens is not open to question. In closing her remarks, Faculty Representative Binion stated her pleasure of having worked with President Atkinson as well as her pride in the role of the Academic Advisory Committee in the selection of Chancellor Dynes as the next President.

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

#### A. ***Proposed Increases in Student Fees for 2003-04***

The Committee recommended that student fees be increased as follows to ensure that quality of the University's instructional programs is maintained to the extent possible:

- (1) Effective with summer 2003, mandatory systemwide student fees be increased by 25 percent above the levels previously approved by The

Regents, with the full increase reflected in the Educational Fee, as shown in Table 1, below. It is recommended that the University Registration Fee remain at its current level for 2003-04. It is also recommended that the President be given the authority to increase mandatory systemwide student fees by another 5 percent, for a total increase of 30 percent, if the President determines that the final outcome of the 2003-04 State budget for the University warrants a further increase. The President shall consult with the Chairman of the Board and the Chairman of the Committee on Finance before taking this action.

**Table 1**

|                                       | 25% Increase in Educ/Reg Fee |                           | 30% Increase in Educ/Reg Fee          |                                       |
|---------------------------------------|------------------------------|---------------------------|---------------------------------------|---------------------------------------|
|                                       | Fee Increase per Quarter     | Fee Increase per Semester | Educ/Reg Fees Total Annual Fee Levels | Educ/Reg Fees Total Annual Fee Levels |
| Resident Undergraduate students       | \$320                        | \$480                     | <i>\$4,794</i>                        | <i>\$4,984</i>                        |
| Resident Graduate students            | \$335                        | \$502                     | <i>\$5,019</i>                        | <i>\$5,219</i>                        |
| Professional and Nonresident students | \$352                        | \$528                     | <i>\$5,260</i>                        | <i>\$5,464</i>                        |

A portion of the revenue generated from the increases in the Educational Fee will be set aside to ensure that all grant-eligible students receive a UC grant or Cal Grant to offset the full increase in the Educational Fee and that other needy students receive a grant to cover a portion of the approved increase.

- (2) Effective fall 2003, Fees for Selected Professional School Students be increased by 25 percent, as shown in Table 2, below. It is also recommended that the President be given the authority to increase the Fees for Selected Professional School Students by another 5 percent, for a total increase of 30 percent, if the President determines that the final outcome of the 2003-04 State budget for the University warrants a further increase. The President shall consult with the Chairman of the Board and the Chairman of the Committee on Finance before taking this action.

**Table 2**

| Professional Degree Program                       | 25% Increase in Fees for Selected Professional School Students |                           |                                      | 30% Increase                         |
|---|--|---------------------------|--------------------------------------|--------------------------------------|
|   | Fee Increase per Quarter                                       | Fee Increase per Semester | Total Annual Professional Fee Levels | Total Annual Professional Fee Levels |
| Law (JD/LLM)                                      | N/A  | \$948                     | <i>\$9,472</i>                       | <i>\$9,894</i>                       |
| Business (MBA) at Berkeley, Davis, Irvine, and LA | \$600  | \$900                     | <i>\$9,000</i>                       | <i>\$9,360</i>                       |
| Business (MBA) at Riverside                       | \$933  | N/A                       | <i>\$9,000</i>                       | <i>\$9,360</i>                       |
| Medicine (MD)                                     | \$548  | \$822                     | <i>\$8,220</i>                       | <i>\$8,549</i>                       |
| Dentistry (DDS)                                   | \$517  | N/A                       | <i>\$7,750</i>                       | <i>\$8,060</i>                       |
| Veterinary Medicine (DVM)                         | \$421  | N/A                       | <i>\$6,313</i>                       | <i>\$6,565</i>                       |
| Pharmacy (Pharm D)                                | \$313  | N/A                       | <i>\$4,689</i>                       | <i>\$4,875</i>                       |
| Optometry (OD)                                    | N/A  | \$313                     | <i>\$4,689</i>                       | <i>\$4,875</i>                       |
| Nursing (MS/MN)                                   | \$188  | N/A                       | <i>\$2,814</i>                       | <i>\$2,925</i>                       |
| Theater, Film, & TV (MFA at UCLA only)            | \$204  | N/A                       | <i>\$3,062</i>                       | <i>\$3,185</i>                       |

Consistent with past practice, an amount equivalent to one-third of the revenue generated from the increases in the Fees for Selected Professional School Students will be set aside for financial aid to mitigate the effect of the fee increases on needy students.

- (3) The Nonresident Tuition fee be increased by 10 percent for 2003-04, as shown in Table 3, below.

**Table 3**

|                        | Fee Increase per Quarter | Fee Increase per Semester | Total Annual Nonresident Tuition Fee |
|------------------------|--------------------------|---------------------------|--------------------------------------|
| Undergraduate students | \$417                    | \$625                     | <i>\$13,730</i>                      |
| Graduate students      | \$371                    | \$556                     | <i>\$12,240</i>                      |

It is proposed that one-third of the nonresident tuition revenue generated from the graduate student increase be set aside for financial support for graduate students.

B. ***Authorization to Establish Indenture for General Revenue Bonds to Finance and Refinance Debt for UC Projects***

The Committee recommended that:

- (1) The President be authorized to establish a new indenture to refinance existing debt of the University of California and to finance debt for new University projects, subject to the following:
  - a. General revenues of the University of California be used to secure and repay debt service on bonds issued under the indenture, provided that the following shall be excluded from General revenues:
    - i. appropriations from the State of California, except as permitted under Section 28 of the State Budget Act or as authorized by other legislative action; and
    - ii. monies which are restricted as to expenditure by granting agency, donor, or University designation.
  - b. Bonds may be issued as fixed-rate bonds or variable-rate bonds, or as taxable or tax-exempt bonds or with other such terms and conditions as may be determined in supplemental indentures.
- (2) The President be authorized, when appropriate and subject to the concurrence of the Chairman of the Board and the Chair of the Committee on Finance, to approve interest rate swaps to achieve a lower synthetic fixed borrowing rate for the bonds issued or otherwise to achieve the University's desired interest rate risk profile.
- (3) The Officers of The Regents be authorized to execute all documents necessary, including the indenture and supplemental indentures, in connection with the above.

Upon motion of Regent Hopkinson, duly seconded, the recommendations of the Committee on Finance were approved, with the exception of item 3.A., ***Proposed Increases in Student Fees for 2003-04***.

Then, upon motion duly made and seconded, item 3.A., ***Proposed Increases in Student Fees for 2003-04***, was approved, Regents Atkinson, Blum, Bodine, Davies, Hopkinson, Johnson, Kozberg, Lansing, Marcus, Montoya, Moores, Pattiz, and Seigler voting "aye" (13), and Regents Lee, Murray, and Sayles voting "no" (3).

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

The Committee presented the following from its meeting of June 11, 2003:

**A. *Update on Feasibility Study to Recommend a Systemwide Green Building Policy and Clean Energy Standard***

The Committee recommended that the President be authorized to:

- (1) Adopt, as University policy for all capital projects, the principles of energy efficiency and sustainability in the planning, financing, design, construction, renewal, maintenance, operation, space management, facilities utilization, and decommissioning of facilities and infrastructure to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.
- (2) With the overarching goals of improving the University's effect on the environment and reducing the University's dependence on non-renewable energy, implement programs to reduce consumption of non-renewable energy by creating a portfolio approach to energy use, including energy efficiency, local renewable power, and green power purchases from the electrical grid, with the intent of minimizing increased use of non-renewable energy for the University's built environment during this next decade of growth.
- (3) Develop and implement this policy for all proposed and existing University facilities, and provide an annual report to The Regents that examines impacts on energy utilization and building design and the effects of this policy on capital and operating costs.

**B. *Adoption of Mitigated Negative Declaration, Approval of Site, and Amendment of Long Range Development Plan, Parking Lot Expansion, Medical Center, Davis Campus***

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

- (1) Adoption of the Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the site of the Parking Lot Expansion.

- (4) Amendment of the UC Davis Medical Center 1989 Long Range Development Plan to designate 11.4 acres as Administrative and Parking.

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

Committee on Grounds and Buildings Chair Marcus commented on the important step being taken by adopting green building standards and a clean energy process. He acknowledged the work undertaken by various environmental organizations and student groups on this issue. Regent Marcus suggested that particular credit should go to Senior Vice President Mullinix for leading the collaborative effort. The University of California will become a leader in the nation with these new building and energy standards.

(For speakers' comments regarding Item A. above, see the minutes of the July 17, 2003 meeting of the Committee of the Whole.)

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

## 5. REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY

### A. *Adoption of Academic Senate Recommendations Regarding Freshman Admissions Testing*

The Committee recommended that changes in the requirements for freshman eligibility recommended by the Board of Admissions and Relations with Schools and adopted by the Assembly of the Academic Senate on May 28, 2003 be approved as follows:

Effective for students entering UC as freshmen for Fall 2006, each applicant for admission must submit scores on an approved core test of Mathematics, Language Arts, and Writing. The applicant must also submit scores on approved supplementary subject matter tests to be taken in two different "a-f" subject areas: History/Social Science, English, Mathematics, Laboratory Science, Language other than English, or Visual and Performing Arts. Approval of tests shall be determined by the Board of Admissions and Relations with Schools, with the concurrence of the Academic Council and the Assembly of the Academic Senate. The minimum scores acceptable shall be determined by the Board of Admissions and Relations with Schools and may vary depending upon the overall grade-point record of the applicant.

### B. *Revision and Simplification of Standing Order 103.4 and Policy on Sabbatical Leaves*

The Committee recommended that:

- (1) Service of notice be waived.
- (2) Revision of Standing Order 103.4, Sabbatical Leaves, be approved as shown below.

**deletions shown by ~~strikeout~~, additions by underscore**

STANDING ORDER 103.

SPECIAL PROVISIONS CONCERNING OFFICERS, FACULTY  
MEMBERS, AND EMPLOYEES OF THE UNIVERSITY

\* \* \*

103.4 Sabbatical Leaves.

~~Professors, Associate Professors, Assistant Professors, persons of equivalent rank, and Cooperative Extension Specialists, Advisors, and Agronomists shall be entitled, upon approval of the President, to the privilege of a sabbatical leave of absence from regular schedule duties, following a prescribed period of service in the University as academic appointees with the rank of Instructor or higher, or equivalent rank, or with such other titles as the Board may approve.~~

Sabbatical leaves are granted, in accordance with regulations established by the President, to enable recipients to be engaged in intensive programs of research and/or study, thus to become more effective teachers and scholars and to enhance their services to the University.

~~A regular sabbatical leave of absence, within policies established by the Board, may be granted by the President, provided, however, that the recipient of a regular leave of absence at less than full salary may receive an additional salary such that total salary does not exceed the recipient's regular salary: (1) by appointment to the Miller Institute for Basic Research in Science, the Institute for Creative Arts, or the Humanities Institute, or such organized research programs as the Board may approve for this purpose; or (2) for limited service on a research or teaching project in a foreign university or for work on a research project, provided such research or teaching project is administered by the University with funds from government or private grant or contract, and provided further that the terms of such grant or contract specifically authorize such usage of such funds and when the work to be performed by the recipient will promote the purpose of the leave.~~



~~A sabbatical leave of absence in residence at the University may be granted, provided that, in addition to a program of research, writing, or equivalent activity at one of the University campuses, such person will teach at a University campus one class, meeting regularly at least three hours each week, or will perform an equivalent amount of instructional service in a course or courses regarded as essential to the program of that campus. An appointee on sabbatical leave of absence in residence shall be freed from all other teaching obligations and from all committee and administrative work.~~

~~A sabbatical leave of absence may be taken at varying percentages of regular salary in accordance with regulations established by the President.~~

~~A sabbatical leave of absence shall be granted and accepted only with the understanding that the recipient, following leave of absence, will continue service at the University for a period at least equal to the period of the leave, unless specifically approved by the President.~~

- (3) Revision of the Policy on Sabbatical Leaves of Absence be approved as shown below.

**deletions shown by strikeout**

Policy on Sabbatical Leaves of Absence

The Regents of the University of California hereby reaffirm the following principles with respect to sabbatical leaves of absence:

1. ~~“The university exists for the sake of carrying on certain functions. The committee [that is, the Special Committee on Educational Policy of the Academic Senate] has already defined the aims and ends to be served by the fundamental activities of the university. It follows that the individual members of the faculty and the individual departments of the University are the instruments and servants of those ideal ends for the sake of which the university exists, such as the advancement of learning, the spread of knowledge, and the cultivation of capacities for intelligent and significant living.” (University Regulation No. 3, issued February 15, 1935.)~~
2. ~~“Sabbatical leave of absence is a privilege accorded to qualified members of the faculty to facilitate special study, research or other creative activity. The ultimate objects are the enhancement of service to the University, and increase of the University’s distinction.~~

~~“Accordingly, sabbatical leave of absence is granted subject to the following conditions (among others):~~

~~“(a) Applications will be accompanied by a statement ... of the program which the applicant proposes to follow while on leave (which statement shall include, among other things):~~

~~“(1) A detailed description of the sabbatical project and its significance as a contribution to knowledge, art or the professions.~~

~~“(2) The present state of the project, time of commencement, progress to date, and expectation as to completion and publication.~~

~~“(3) The place where the project will be carried on, and the authorities, if any, with whom it will be conducted.~~

~~“... ”~~

~~“(b) Applicants will continue their services at the University after the termination of sabbatical leave, unless otherwise specifically provided by The Regents.~~

~~“(c) On return to regular duty a prescribed report on the results of sabbatical leave will be submitted ....” (University Regulation No. 24, as revised June 1, 1955.)~~

~~3. “The Chief Campus Officer has authority to approve requests for sabbatical leave from appointees under his jurisdiction if the approval is consistent with the sabbatical leave policies and requirements established by The Regents and the President ....” (Administrative Manual, Section 171-24.)~~

~~From the foregoing, it is manifest that:~~

- ~~(1) Research and scholarly endeavor are and have long been recognized as essential to the furtherance of the educational purposes for which the University of California exists;~~
- ~~(2) The University can succeed in accomplishing such purposes only if it can maintain an able and proficient faculty;~~

- (3) Ability and proficiency in university teaching and scholarly endeavor require that present knowledge and skills be supplemented by continuing research, deliberation, and experimentation;
- (4) At the University of California sabbatical leaves of absence are not and have not been granted as a matter of individual right; rather they are and have been accorded to qualified members of the academic staff to enable them to enhance their service to the University and thereby increase its distinction;
- (5) At the University of California sabbatical leaves are granted and in the past have been granted to permit faculty members to maintain and improve teaching skills and scholarly ability and proficiency by engaging in periodic and intensive programs of research and study;
- (6) Sabbatical leaves of absence have been and continue to be granted in recognition of the fact that they are appropriate, helpful, and necessary to enable faculty members to fulfill their professional obligations to the University; and
- (7) Research or other academic accomplishment is and has long been expected of those members of the academic staff of the University of California who are given sabbatical leaves of absence.

C. ***Revision of Faculty Code of Conduct - Academic Personnel Manual 015: Faculty-Student Relations Policy***

The Committee recommended that The Regents adopt revisions to the Academic Personnel Manual Section 015, the Faculty Code of Conduct, Part II - Professional Responsibilities, Ethical Principals, and Unacceptable Faculty Conduct - Section A. Teaching and Students, as shown below, effective immediately.

**deletions shown by strikeout, additions by underscore**

## The Faculty Code of Conduct

## II.A. Teaching and Students

Ethical Principles. “As teachers, the professors encourage the free pursuit of learning of their students. They hold before them the best scholarly standards of their discipline. Professors demonstrate respect for students as individuals and adhere to their proper roles as intellectual guides and counselors. Professors make every reasonable effort to foster honest academic conduct and to assure that their evaluations of students reflects each student’s true merit. They respect the confidential nature of the relationship between professor and student. They avoid any exploitation, harassment, or discriminatory treatment of students. They acknowledge significant academic or scholarly assistance from them. They protect their academic freedom.” (AAUP Statement, 1966; Revised, 1987) ~~In this section, the term student refers to all individuals under the academic supervision of faculty.~~

The integrity of the faculty-student relationship is the foundation of the University’s educational mission. This relationship vests considerable trust in the faculty member, who, in turn, bears authority and accountability as mentor, educator, and evaluator. The unequal institutional power inherent in this relationship heightens the vulnerability of the student and the potential for coercion. The pedagogical relationship between faculty member and student must be protected from influences or activities that can interfere with learning consistent with the goals and ideals of the University. Whenever a faculty member is responsible for academic supervision of a student, a personal relationship between them of a romantic or sexual nature, even if consensual, is inappropriate. Any such relationship jeopardizes the integrity of the educational process.

In this section, the term student refers to all individuals under the academic supervision of faculty.

Types of unacceptable conduct:

1. Failure to meet the responsibilities of instruction, including:
  - (a) arbitrary denial of access to instruction;
  - (b) significant intrusion of material unrelated to the course;

- (c) significant failure to adhere, without legitimate reason, to the rules of the faculty in the conduct of courses, to meet class, to keep office hours, or to hold examinations as scheduled;
  - (d) evaluation of student work by criteria not directly reflective of course performance;
  - (e) undue and unexcused delay in evaluating student work.
2. Discrimination, including harassment, against a student on political grounds, or for reasons of race, religion, sex, sexual orientation, ethnic origin, national origin, ancestry, marital status, medical condition, status as a covered veteran, or, within the limits imposed by law or University regulations, because of age or citizenship or for other arbitrary or personal reasons.
  3. Violation of the University policy, including the pertinent guidelines, applying to nondiscrimination against students on the basis of disability.
  4. Use of the position or powers of a faculty member to coerce the judgment or conscience of a student or to cause harm to a student for arbitrary or personal reasons.
  5. Participating in or deliberately abetting disruption, interference, or intimidation in the classroom.
  6. Entering into a romantic or sexual relationship with any student for whom a faculty member has, or should reasonably expect to have in the future<sup>1</sup>, academic responsibility (instructional, evaluative, or supervisory).
  7. Exercising academic responsibility (instructional, evaluative, or supervisory) for any student with whom a faculty member has a romantic or sexual relationship.

---

<sup>1</sup>A faculty member should reasonably expect to have in the future academic responsibility (instructional, evaluative, or supervisory) for (1) students whose academic program will require them to enroll in a course taught by the faculty member, (2) students known to the faculty member to have an interest in an academic area within the faculty member's academic expertise, or (3) any student for whom a faculty member must have academic responsibility (instructional, evaluative, or supervisory) in the pursuit of a degree.

D. *Establishment of the School of Engineering; School of Natural Sciences; School of Social Sciences, Humanities, and Arts; Graduate Division; and College One, Merced Campus*

The Committee recommended that effective immediately, Section 14(a) 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 underscore**

\*\*\*

[new]14. Academic Schools and College at Merced

There are established at Merced three (3) academic schools and one (1) undergraduate college, in each of which there is an undergraduate curriculum, as follows:

- School of Engineering, leading to the degree of Bachelor of Science.
- School of Natural Sciences, leading to the degrees of Bachelor of Arts and Bachelor of Science.
- School of Social Sciences, Humanities, and Arts, leading to the degrees of Bachelor of Arts and Bachelor of Science.
- College One, leading to the degrees of Bachelor of Arts and Bachelor of Science.

[subsequent provisions to be renumbered]

[15.] Graduate Divisions

- (a) There are established the following Graduate Divisions with curricula leading to the degrees: Master of Arts, Master of Sciences, Candidate in Philosophy, and Doctor of Philosophy:

\*\*\*

Graduate Division, Merced

- (b) There are established, in the hereinafter designated graduate divisions, additional curricula leading to the following degrees:

\*\*\*

Graduate Division, Merced -- Master of Engineering, Doctor of Engineering.

\*\*\*

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Committee on Educational Policy were approved, Regents Bodine, Montoya, and Murray voting “no” on item C. Regent Kozberg noted that the required number of Regents was not present to approve the waiving of service of notice, and she therefore served notice on item B.(2).

## 6. REPORT OF THE NOMINATING COMMITTEE

The Nominating Committee recommended the following appointments:

- A. Regent-designate Novack be appointed as an advisory member to the Committees on Educational Policy, Health Services, and Finance, effectively immediately through June 30, 2004.
- B. Regent-designate Ornellas be appointed as an advisory member to the Committees on Educational Policy, Investments, and Oversight of Department of Energy Laboratories, effectively immediately through June 30, 2004.
- C. Faculty Representative Pitts be appointed as an advisory member to the Committees on Audit, Finance, Grounds and Buildings, and Health Services, effective September 1, 2003 through August 31, 2004.
- D. Incoming Faculty Representative Blumenthal be appointed as an advisory member to the Committees on Educational Policy, Investments, and Oversight of the Department of Energy Laboratories, effective September 1, 2003 through August 31, 2004.

Upon motion of Regent Johnson, duly seconded, the recommendations of the Nominating Committee were 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 Amendment of External Financing for Student Center Expansion, Phase 4, Irvine Campus*

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2003-04 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Irvine: Student Center Expansion, Phase 4 – preliminary plans, working drawings, construction, and equipment – \$61,500,000 total project cost to be funded from external financing.

To: Irvine: Student Center Expansion, Phase 4 – preliminary plans, working drawings, construction, and equipment – \$68,467,000 total project cost to be funded from external financing (\$65,281,000) and housing reserves (\$3,186,000).

- (2) The Committee on Finance recommended that financing be obtained not to exceed \$65,281,000 to finance the Student Center Expansion, Phase 4 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 Student Center, Phase 4 Expansion Referendum student fees approved by student vote in April 2001 and by the President on October 8, 2002, registration fees, and net revenues of the Student Center, which shall generate net revenues sufficient to pay debt service and to meet all related financing requirements of the proposed funding;
  - 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 Francisco Torres Seismic Corrections and Renovation, Santa Barbara Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2003-04 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Santa Barbara: Francisco Torres Seismic Corrections and Renovation – preliminary plans, working drawings, and construction – \$25,714,000 to be funded from external financing.
- (2) The Committee on Finance recommended that financing be obtained not to exceed \$25,714,000 to finance the Francisco Torres Seismic Corrections and Renovation 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, University of California Housing System fees for the Santa Barbara 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 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 and Approval of External Financing for Campus Parking Structure 3, Santa Barbara Campus***

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 2003-04 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Santa Barbara: Campus Parking Structure 3 – preliminary plans, working drawings, construction, and equipment - \$20,250,000 to be funded from external financing (\$16,750,000) and parking reserves (\$3,500,000).
- (2) The Committee on Finance recommended that the President be authorized to obtain financing not to exceed \$16,750,000 for the Campus Parking Structure 3 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 at the Santa Barbara campus will generate sufficient net revenues to pay debt service and to meet the related requirements of debt 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.

D. ***Adoption of Mitigated Negative Declaration and Approval of Lease, Mathematical Sciences Research Institute, Berkeley Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Tiered Initial Study and Negative Declaration, the Committees recommended that The Regents:

- (1) Adopt the Tiered Initial Study and Negative Declaration.
- (2) Approve and incorporate into the project all project elements and relevant mitigation measures identified in the project's Negative Declaration.
- (3) Adopt the Findings in their entirety.
- (4) Authorize the Secretary to execute a lease between The Regents as landlord and the Mathematical Sciences Research Institute (MSRI) as tenant. Pursuant to the lease, the University will construct an addition of 14,000 gross square feet and will renovate the existing building at 17 Gauss Way, Berkeley. The addition and the renovated existing building will comprise the leased premises. The lease will supersede the current MSRI lease, which will terminate upon commencement of the lease. The lease shall have the following provisions:
  - a. The term of the lease shall be 25 years, commencing on the date of substantial completion of the addition;
  - b. MSRI will pay all costs of design and construction for the addition and renovations in the existing building, estimated at \$7.5 million;
  - c. MSRI will pay no rent for its lease of the premises;
  - d. The University will design and construct the addition and the renovations to the existing building in accordance with established University procedures for capital projects. The University will own

and operate the premises subject to the obligations of MSRI under the lease;

- e. MSRI will pay for all utilities and will provide all necessary maintenance and repair for the premises, except for exterior maintenance of the roof, structural elements, exterior windows, and siding;
- f. The University will continue to make parking adjacent to the site available for MSRI's staff and visitors.

- (5) Direct that amendments or ancillary documents to the lease may be approved and executed in accordance with the authority granted under then-current Standing Orders and Delegations of Authority.

[The Tiered 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.]

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

#### 8. **SUPPLEMENTAL REPORT ON COMPENSATION**

##### ***Salary for C. Judson King as Provost and Senior Vice President—Academic Affairs, Office of the President***

The Committee on Finance recommended that, contingent upon approval of his reappointment by The Regents as Provost and Senior Vice President—Academic Affairs, 100 percent, an annual salary rate of \$281,600 be approved for C. Judson King, effective September 2, 2003.

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

#### 9. **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) ***Approval of Indemnification, Questcor Pharmaceuticals, Inc., Agreement, San Diego Campus***

That the President be authorized to execute an agreement with Questcor Pharmaceuticals, Inc., providing for indemnification by the University of Questcor in connection with claims of third parties resulting from Questcor's gift to the University of its remaining supply of the experimental agent dichloroacetate (DCA), and use thereof by the University.

(2) ***Approval of Donor Request for Indemnification, San Diego Campus***

That the request of the Stuart Foundation for indemnification with regard to a proposed gift to the San Diego campus of a sculpture collection, related models, and drawings, appraised for the donor at \$8,047,500, be approved.

(3) ***Technical Amendments: University of California Retirement Plan (UCRP)***

That the following technical amendments be approved:

- a. Article 8, Section 8.18(c) of UCRP be amended to reflect operational procedures for the payment of Duty Disability Income under a qualified domestic relations order (QDRO).
- b. Article 10, Section 10.08 of UCRP be amended correctly to reflect operational procedures for the distribution of the Capital Accumulation Payment. Upon a break in service, a vested Member may request a distribution of the Capital Accumulation Payment and maintain Inactive UCRP Membership status.
- c. Article 5, Section 5.11(c); Article 6, Section 6.10(c); Article 7, Section 7.10(c); and Article 8, Section 8.09(c) of UCRP be amended to remove the capitalization from the words "service credit" in the second paragraph since the reference is to service credit earned in the reciprocal retirement plan, not University of California Retirement Plan Service Credit.
- d. Article 12, Section 12.08 of UCRP be amended to clarify that in order to be eligible for reciprocity, a Member must retire under UCRP and the Public Employees' Retirement Plan of the State of California (PERS) on the same date. The current Plan language, which states that the Member must retire "concurrently" under both plans, is less specific.

- (4) ***Authorization to Approve and Execute Modifications to the Department of Energy Contracts for the Los Alamos National Laboratory and Lawrence Livermore National Laboratory to Amend Clause H.014–Program Performance Fee***

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 amend Clause H.014–Program Performance Fee by adding the following paragraph:

H.014 PROGRAM PERFORMANCE FEE

\* \* \*

- (h) Nothing in paragraph (g) above or elsewhere in this contract is intended to prohibit the Contractor from applying fee to any costs associated with planning for or responding to any solicitation for the future and/or continued operation of the Los Alamos National Laboratory, the Lawrence Livermore National Laboratory, or the Lawrence Berkeley National Laboratory.

- (5) ***University of California Tax-Deferred 403(b) Plan and Defined Contribution Plan – Amendments to Include Domestic Partner in the Definition of Beneficiary***

That the Tax-Deferred 403(b) Plan and the Defined Contribution Plan be amended effective July 1, 2003 to include Domestic Partner in the definition of Beneficiary and that implementation of these provisions be delegated to the President.

- (6) ***Correction of May 2003 J Report to Add Omitted Language***

That the following addition to a list of Laboratory external audit procedures be approved to correct its omission in the Committee on Audit's J Report presented to The Regents for adoption at its May 15, 2003 meeting:

- Review of results of Inspector General or internal audits at Livermore and Berkeley in areas of property management, sensitive property, procurement card transactions, and review of corrective actions.

- B. The Chairman of the Board, the Chair of the Committee on Finance, and the President of the University approved the following recommendation:

***Approval of UCRP Amendments to Amend the Buyback Provisions and the Normal Retirement Date***

- (1) That UCRP be amended to allow a Member who is unexpectedly separating from service as a result of California State budget issues, and who has completed at least one year of the buyback agreement through monthly pre-tax payroll deductions, to complete the buyback with an after-tax lump sum payment.
  - (2) That UCRP be amended to change the Normal Retirement Date to age 60 with five or more years of Service Credit.
- C. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, the Chair of the Committee on Finance, and the President of the University concurred in the following recommendation:

***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for UCSF Medical Center M, L-Operating Room Expansion, San Francisco Campus***

- (1) That the President amend the 2002-03 Budget for Capital Improvements and the Capital Improvement Program to include the following project:  
  
San Francisco: UCSF Medical Center M, L-Operating Room Expansion – preliminary plans, working drawings, construction, and equipment – \$18,506,000 to be funded from hospital reserves.
- (2) That the Officers of The Regents be authorized to execute all documents necessary in connection with the above.

**10. REPORT OF PERSONNEL ACTIONS**

In accordance with Bylaw 14.7(b), Secretary Trivette reported personnel actions taken at the May 14, 2003 meeting and a personnel action taken at a Special Meeting on June 11, 2003. Roll call votes were not taken on items A.-C. A roll call vote was taken (roll call vote required by State law on all actions taken in meetings held by teleconference) on item D.

- A. Appointment of Francisco J. Ayala as University Professor, Department of Ecology and Evolutionary Biology, Irvine campus, effective May 14, 2003.
- B. Appointment of Ming T. Tsuang as University Professor, Department of Psychiatry, School of Medicine, San Diego campus, effective May 14, 2003.

- C. Appointment of Erich Sackmann as Regents' Professor, Department of Physics and Astronomy and Department of Chemistry and Biochemistry, Los Angeles campus, for the Winter Quarter of the 2003-04 academic year.
- D. Appointment of Robert C. Dynes as President of the University of California, 100 percent, effective October 2, 2003. The roll call vote was as follows: Regents Atkinson, Connerly, Davies, Hopkinson, Johnson, Kozberg, Lee, Ligot-Gordon, Lozano, Marcus, Montoya, Moores, Pattiz, Preuss, Saban, Sainick, Sayles, and Terrazas voting "aye" (18).

#### 11. **REPORT OF COMMUNICATIONS**

Secretary Trivette presented summaries of communications received subsequent to the May 2003 meeting. The residency appeals will be referred to General Counsel Host, and the remaining communications will be referred to President Atkinson for response as appropriate.

#### 12. **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 Educational Policy

- A. Report on the California State University/University of California Joint Education Doctorates (Ed.D.). May 22, 2003.

To Members of the Committee on Finance

- B. UC Technology Transfer Annual Report for 2002. May 12, 2003. (Schedule of Reports)
- C. Annual Report on Compensation: Principal Officers of The Regents and Officers of the University. June 2, 2003. (Schedule of Reports)
- D. Report on Health Sciences Compensation Plan participants' compensation that exceeds the reporting threshold of \$595,200 for calendar year 2002. June 12, 2003.

To Members of the Committee on Grounds and Buildings

- E. Report on UC and Building Owners and Managers Association International (BOMA) Measurements of Building Area. May 28, 2003.

To Members of the Committee on Health Services

- F. The Activity and Financial Status Report for the UC Medical Centers as of the third quarter ended March 31, 2003. May 12, 2003. (Schedule of Reports)
- G. The Activity and Financial Status Report for the UC Medical Centers as of April 30, 2003. June 2, 2003. (Schedule of Reports)

To The Regents of the University of California

- H. Series of topics proposed by President Atkinson for discussion with the Assembly of the Academic Senate. May 29, 2003.
- I. Annual summary of University-operated housing fees to be charged in fiscal year 2003-04. June 24, 2003.
- J. Update on the status of the California state budget and possible proposals concerning the University that will be discussed at the July 2003 Regents meeting. July 2, 2003.

The meeting adjourned at 12:00 noon.

Attest:

Secretary