

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 18, 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, Huerta, Johnson, Kozberg, Lozano, Marcus, Montoya, Moores, Murray, Pattiz, Preuss, Sayles, and Seigler (17)

In attendance: Regents-designate Anderson, Novack, and Ornellas, Faculty Representatives Blumenthal and Pitts, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Doby, Drake, Gomes, and Hershman, Chancellors Cicerone, Córdova, Dynes, Greenwood, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Nietfeld

The meeting convened at 11:55 a.m. with Chairman Moores presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

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

2. PRESIDENT'S REPORT

President Atkinson presented the report concerning University activities and individuals.

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, students, 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.]

At President Atkinson's invitation, Faculty Representative Pitts commented that the Academic Senate anticipated a busy year, particularly in light of the budget situation. He expressed the Senate's gratitude to President Atkinson for his relationship with the faculty, noting that he embodies the concept of shared governance.

3. RESOLUTION IN APPRECIATION - RICHARD C. ATKINSON

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

WHEREAS, on October 2, 2003, Richard C. Atkinson will have retired as the seventeenth President of the University of California, the fifth longest serving president in the University's rich history, and a president whose dynamic and courageous leadership has enhanced UC's stature as the world's leading research university of the twenty-first century; and

WHEREAS, in the tradition of Benjamin Franklin and Vannevar Bush, he has contributed brilliantly to the nation and this state as an inventor, public servant, and visionary leader, advancing the frontiers of science through his pathbreaking explorations of human cognition, through his successful efforts to build new bridges between universities and industry, through his vigorous advocacy of academic measures that are equal to the complexity of human talent, and in defining and defending the role of the scientific enterprise in the American Century and beyond; and

WHEREAS, his distinguished contributions as a member of the academy were instrumental in his appointment by President Jimmy Carter as the director of the National Science Foundation, a position he used to breathe new life into the Foundation at a time when it had lost the confidence of Congress, initiating the first US-China student and scholar exchange program, establishing engineering as an area for funding on a par with the sciences, and revitalizing the Foundation's efforts with respect to science education, thus renewing the Foundation as a national treasure for generations of scientists to come; and

WHEREAS, the Regents of the University of California recognized an unparalleled combination of outstanding administrative skills, clear vision, and scientific brilliance when, in 1980, he was selected as the fifth chancellor of UC San Diego, where he set an unparalleled standard of excellence, leading the campus with vigor and determination, recruiting and building a sterling faculty, greatly increasing student enrollment, providing faculty and students with world class facilities, and building innovative university-industry relationships, all of which served to transform the campus from a well-respected center of learning into a world-class institution of higher education; and

WHEREAS, in 1995, he became the seventeenth president of the University of California, and as such, has been a dynamic and imaginative leader, boldly guiding the University to new heights of greatness through his unceasing devotion to expanding access to the University for an increasingly diverse population, forging historic new admissions policies in order to make the University, as he has said, demonstrably inclusive and fair, enhancing the excellence of its faculty, advancing

pioneering research initiatives that were begun under his thoughtful guidance, building enrollment in fields vital to the future of the state, and making the dream of UC Merced a reality; and

WHEREAS, a dominant force nationally and internationally in higher education, his uncommon skill in identifying and solving complex and difficult problems has led to his successful efforts in revolutionizing standardized testing in the United States and beyond, providing a myriad of opportunities for all those who seek to better themselves through education, improving and enhancing classroom and administrative skills for K-12 teachers and administrators, thus making the State of California a place where in the future each child will be afforded a greater opportunity of a sound education;

NOW, THEREFORE BE IT RESOLVED, that the Regents of the University of California express to Richard C. Atkinson their lasting gratitude and heartfelt appreciation for his extraordinary stewardship of the University, his steadfast adherence to excellence, and his unfailing commitment to the highest ideals of the academic enterprise and to his wife, Rita, for her thoughtful contributions to the life of the University, as well as for the indispensable role she has played as presidential partner and counselor;

AND BE IT FURTHER RESOLVED that the Regents extend to Rita and Dick Atkinson their best wishes as they leave the presidency for a life rich in the company of family and good friends and further direct that a suitably inscribed copy of this resolution be presented to them as a token of the Board's high regard and genuine affection for these valued friends, who will be greatly missed and affectionately remembered.

President Atkinson noted that his farewell remarks had been presented to the Board in written form. He expressed his thanks to the Regents for their leadership, their support, and their thoughtful consideration of the issues that have come before the Board over the past eight years, noting that he had always respected the diversity of views held by the Regents. The President expressed his appreciation to the faculty of the University of California for their steadfast commitment to academic excellence in teaching, research, and public service. He stated that the staff also deserve an equally fervent thank you for their daily contributions to the institution. With regard to the students, Mr. Atkinson commented on their outstanding qualifications and their accomplishments at the University. He expressed special thanks to the chancellors, laboratory directors, and vice presidents for their effective leadership. He recognized the efforts of the staff in the immediate Office of the President, and finally he expressed his great regard for his wife Rita and her contributions to the University.

The President observed that the UC system is one of the world's leading centers of higher education, and its accomplishments as a public university are unsurpassed. It uses its resources and talents to make a deep impact on society. Research universities are on center

stage in today's knowledge-based culture, and they take the lead in producing well-educated people who drive the economy in the development of new ideas. President Atkinson commented that the University faces great risks as a result of the State's budget crisis. There is no doubt that the UC community will weather this budget storm and emerge stronger for it. The question is whether or not the University will continue to have the ability to provide access and quality. He hoped that these effects would be carefully considered in Sacramento as next year's budget is developed.

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

A. *Adoption of Final 2003-04 Budget for Current Operations*

The Committee recommended that the 2003-04 Budget for Current Operations, as modified by actions of the Legislature and the Governor, be adopted.

B. *Proposed Seismic/Life Safety Fee, Santa Cruz Campus*

The Committee recommended that a new compulsory seismic/life safety fee of \$25 per student per quarter be assessed to all UC Santa Cruz students enrolled in the fall, winter, and spring terms and to students enrolled in State-funded summer programs, beginning winter quarter 2004 through spring quarter 2007.

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

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

The Committee presented the following from its meeting of September 4, 2003:

A. *Adoption of Initial Study and Tiered Mitigated Negative Declaration and Approval of Design, Central Plant Phase II, Medical Center, Davis Campus*

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

- (1) Adoption of the Initial Study and Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Plan.

- (3) Approval of the design of the UC Davis Central Plant Phase II, Medical Center, Davis campus.

[The Initial Study, Mitigated Negative Declaration, 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. *Adoption of Mitigated Negative Declaration and Approval of Design, Geffen Playhouse Expansion and Renovation, Los Angeles 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 Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the design of the UCLA Geffen Playhouse Expansion and Renovation project, Los Angeles campus.

[The Initial Study/Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to the Committee 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, Student Center Expansion – Phase 4, Irvine Campus*

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

- (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 the Student Center Expansion, Phase 4, Irvine campus.

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

Upon motion of Regent Marcus, duly seconded, the report of the Committee on Grounds and Buildings was accepted.

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

The Committee presented the following from its meeting of August 26, 2003.

Performance Benchmark Calculation Methodology

The Committee recommended that The Regents approve the proposed calculation methodology for policy performance benchmark returns as described below:

- A. For the University of California Retirement Plan (UCRP), the General Endowment Pool (GEP), and the 403(b) total fund policy benchmarks, a one-quarter lag will be incorporated retroactively for FY 2003 for the private equity benchmark, and this benchmark will be weighted using the actual weight of private equity in the respective fund.
- B. For the UCRP and GEP total fund policy benchmarks, there will be a prospective FY 2004 incorporation of the real estate benchmark and weighting of this benchmark in a manner similar to that of private equity.
- C. For the GEP total fund policy benchmark, there will be a prospective FY 2004 incorporation of the 5 percent policy weight to absolute return investments and the increase of non-U.S. equity from 7 percent to 10 percent. Correspondingly, the GEP total fund policy benchmark allocation to fixed income will decrease by 5 percent and the allocation to U.S. equity will decrease by 3 percent.

Upon motion of Regent Montoya, duly seconded, the recommendation of the Committee on Investments 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 East Asian Library, Berkeley 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:

Berkeley: C. V. Starr East Asian Library – study, preliminary plans, working drawings, construction, and equipment – \$39,675,000 to be funded from gifts.

- (2) The Committee on Finance recommended that:
 - a. The President be authorized to obtain standby financing not to exceed \$5.9 million, and interim financing not to exceed \$13.9 million, for a total of \$19.8 million, prior to awarding a construction contract for any gift funds not received by that time and 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 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
 - (iii) 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 for Viticulture and Enology Research and Teaching Winery and Food Science Laboratory, Davis Campus***

The Committees recommended that the 2003-04 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Viticulture and Enology Research and Teaching Winery, and Anheuser Busch Brewing and Food Science Laboratory – preliminary plans – \$700,000 to be funded from gifts.

C. *Approval of External Financing for Biological Sciences Unit 3, Irvine Campus*

The Committee on Finance recommended that:

- (1) The President be authorized to obtain external financing not to exceed \$4 million to finance the Biological Sciences Unit 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. Repayment of the debt shall be from the Irvine campus' share of the University Opportunity Fund; and
 - c. The general credit of The Regents shall not be pledged.
- (2) 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.
- (3) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

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

8. **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:

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

Change of Dates for the September 2004 Regents Meeting

That the dates for the September 2004 Regents meeting be changed from September 15-16, 2004 to September 22-23, 2004. The location, UCSF-Laurel Heights, is anticipated to remain the same for the new dates.

9. REPORT OF PERSONNEL ACTIONS

In accordance with Bylaw 14.7(b), Secretary Trivette reported that the following personnel actions were taken at the July 2003 meeting. There were no roll call votes taken on these actions.

- A. Appointment of George P. Nanos as Director of Los Alamos National Laboratory, 100 percent, effective July 1, 2003.
- B. Reappointment of C. Judson King as Provost and Senior Vice President–Academic Affairs, 100 percent, Office of the President, effective September 2, 2003, until the appointment of a new Provost and Senior Vice President–Academic Affairs.

10. REPORT OF COMMUNICATIONS

Secretary Trivette presented summaries of communications received subsequent to the July 2003 meeting. Unless instructed otherwise, the residency appeals will be referred to General Counsel Holst, and the remaining communications will be referred to President Atkinson for response as appropriate.

11. AMENDMENT OF STANDING ORDER 103.4 – SABBATICAL LEAVES

Pursuant to notice served at the July 17, 2003 meeting of The Regents of the University of California, Regent Kozberg moved amendment of Standing Order 103.4 – Sabbatical Leaves, as follows:

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.~~

The motion, duly seconded, was approved, Regent Montoya voting "no."

12. SUPPLEMENTAL REPORT ON COMPENSATION

A. *Salary for Marsha A. Chandler as Acting Chancellor of the San Diego Campus*

The Committee on Finance recommended that, contingent upon approval of her appointment by The Regents as Acting Chancellor, 100 percent, an annual base salary rate of \$212,600 plus an administrative stipend of \$68,100 (32 percent), for

a total annual salary of \$280,700, be approved for Marsha A. Chandler, effective October 2, 2003, and continuing until the appointment of a new Chancellor.

B. ***Approval of 2002-03 Incentive Award for David H. Russ as Treasurer of The Regents and Vice President-Investments, Office of the President***

The Committee on Finance recommended approval of a 2002-03 incentive award for David H. Russ, Treasurer of The Regents and Vice President-Investments, Office of the President, of \$171,600, to be paid in equal installments over the next three years, subject to the terms and conditions of the Annual Incentive Plan.

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

13. **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 Health Services

- A. The Activity and Financial Status Report for the UC Medical Centers as of May 31, 2003. July 8, 2003. (Schedule of Reports)
- B. The unaudited Activity and Financial Status Report on Hospitals and Clinics for the year ended June 30, 2003. August 14, 2003. (Schedule of Reports)

The Regents of the University of California

- C. Update on the status of the budget. July 2, 2003.
- D. Office of Research publication reporting on federally funded research at UC: Edition focuses on research funded by the USDA. July 15, 2003.
- E. Annual report on the Composition of the Career Staff Workforce by Race and Sex for 2002. July 23, 2003.
- F. Overview of a Proposed Income-Contingent Fee Surcharge. July 23, 2003.
- G. Assessment of the impact of the 2003-04 State budget on the University and plans for coping with it. July 30, 2003.
- H. Notification that the University of California Police Departments' 2002 Annual Report and Crime Statistics is now available on-line for review. August 4, 2003.

- I. UCLA Healthcare Annual Report for 2002. August 6, 2003.
- J. Report of appointed Task Force to review the work of the Academic Senate Task Force on Course Descriptions. August 26, 2003.

The meeting adjourned at 12:15 p.m.

Attest:

Secretary