

The Regents of the University of California

**SPECIAL COMMITTEE ON REGENTS' PROCEDURES**

November 18, 2004

The Special Committee on Regents' Procedures met on the above date at Covell Commons, Los Angeles campus.

Members present: Regents Dynes, Kozberg, Lansing, Marcus, Parsky, and Preuss

In attendance: Regents Anderson, Connerly, Johnson, Montoya, and Pattiz, Regent-designate Rosenthal, Faculty Representative Blumenthal, Secretary Trivette, General Counsel Holst, University Counsel Blair, Senior Vice President Darling, Vice President Gomes, Acting Chancellor Chemers, and Recording Secretary Nietfeld

The meeting convened at 10:35 a.m. with Special Committee Chair Marcus presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of September 22, 2004 were approved.

2. **STATEMENT OF EXPECTATIONS OF THE MEMBERS OF THE BOARD OF REGENTS**

Regent Marcus recommended that the Special Committee on Regents' Procedures recommend to The Regents the adoption of the following statement of the responsibilities of a Regent:

***Guidelines for Discharge of Regental Duties***

The responsibility of individual Regents is to serve as trustees for the people of the State of California and as stewards for the University of California, acting to govern the University in fulfillment of its educational, research, and public service missions in the best interests of the people of California.

Recognizing the broad authority and responsibility vested in the Board of Regents for the governance and operation of the University of California, there is a specific expectation that members of the Board become knowledgeable regarding the educational, research, and public service programs of the University of California as well as the duties, responsibilities, and obligations of Regents.<sup>1</sup>

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<sup>1</sup>Regents' policies are being updated and will be published and distributed to all Regents.

***Preparation***

Members of the Board are expected to devote adequate time to preparation regarding issues coming before the Board and to base votes on the information available and their best judgment.

***Attendance and Participation***

Members of the Board are expected to attend and participate in meetings of the Board and committees to which they are assigned.

***Cooperation***

It is expected that Board members will abide by Board decisions and policies in a manner consistent with the member's fiduciary duties. This is not intended to preclude either forthright expression of opposition or efforts to change such policies or decisions. Expression of opinion or position at variance with such policies or decisions should clearly indicate that it is not to be construed as a position of the Board and that the opinion expressed is personal.

***Confidentiality***

Board members are expected to maintain the confidential nature of Board deliberations held in closed session, including written and verbal communication.

***Ethics and Fiduciary Responsibilities***

Regents are expected to serve the public trust and to fulfill their responsibilities ethically in a manner consistent with that obligation. This means that decisions are to be made solely to promote the best interests of the University as a public trust and that Board members will disclose personal, familial, business relationships, or other potential conflicts of interest as appropriate.

***Support for the University***

Regents are expected to be active supporters and advocates for the University and to take opportunities to help with fund raising, legislative advocacy, and other efforts on behalf of the University.

It was recalled that at the September 2004 meeting Regent Connerly had proposed that the Special Committee consider recommending adoption of a statement that would clarify what is expected of an individual who is appointed as a member of The Regents. His proposal noted that inconsistent attendance suggests there may be varying levels of commitment among Board members. The proposed guidelines acknowledge the importance of consistent attendance, general levels of participation and contribution, and commitment to advocacy in local and expanded settings, as well as attention to matters of confidentiality.

Regent Preuss saw the need to clarify the statement with respect to ethics and fiduciary responsibilities by putting more emphasis on the fact that many decisions made by The Regents are based upon the best interests of the public, the state, and the nation. A case in

point is the upcoming decision as to whether or not the University should compete to manage the Los Alamos National Laboratory.

Regent Connerly believed that the statement regarding cooperation should be modified with respect to the ability to express an opinion. In his view, it should be emphasized that one is speaking as an individual Regent rather than making a personal statement.

Regent Johnson commented on the statement that the members of the Board are expected to attend and participate in the meetings of the Board and the committees to which they are assigned. She pointed out that service as a Regent involves other activities, such as campus visits, and asked that this service be recognized in the statement.

Regent Kozberg recalled that originally Regent Connerly has suggested the need for the Chairman to take action if a Regent misses a certain number of meetings. Committee Chair Marcus observed that realistically, due to the constitutional nature of a Regental appointment, there is little that can be done.

Regent Lansing noted that the policy addresses preferred practices in outlining the obligations of a Regent. She observed that it could be a useful tool for a Governor in helping potential appointees understand the obligations of the position.

Regent-designate Rosenthal suggested the policy statement include language that would address the Board's responsibility for oversight of the Office of the President and the campuses.

Regent Marcus explained that the proposed policy, which had been drafted by Regents working with the Office of the President and the General Counsel, was intended to be consistent with the concerns that had been initially raised by Regent Connerly.

With respect to the opinion expressed by Regent-designate Rosenthal, Regent Kozberg noted that these issues are addressed in the Standing Orders and thus do not need to be included in the policy statement. Concerning the issue of attendance, she suggested that in the future the Committee ask the Chairman to communicate with a Regent who fails to attend meetings.

Regent Pattiz did not feel that Regents had been failing to fulfill their responsibilities with respect to attendance at meetings. Those who have insufficient interest in serving tend to resign from the Board. Regent Connerly pointed out the need to acknowledge the fact that there had been a problem in this area, with no mechanism in place to address it. He emphasized the importance of the Chairman's being able to urge a Regent to improve his or her attendance.

Regent Marcus stressed that the intention of the proposal is to have general guidelines for Regental responsibilities. He was reluctant to formulate specific instructions to the Chair with respect to attendance.

Regent Lansing observed that the policy takes into account problems that have occurred in the past and proposes the minimum standards that a Regent is expected to meet. She saw the need for diversity on the Board, with Regents contributing in different ways and with many perspectives. Regent Lansing noted that in the past there had, in fact, been communication with Regents with poor attendance records.

Regent Montoya proposed that the Committee accept the modifications suggested by Regents Connerly and Preuss.

Following comments by Regent Johnson regarding attendance at functions other than meetings, Regent Lansing noted that the one intention of the policy statement was to clarify how attendance is recorded. She did not support the concept of adding more requirements.

Regent Kozberg pointed out that the issue of attendance could be addressed at the orientation session that is conducted for new Regents.

Consensus was reached to modify the statement on ethics and fiduciary responsibilities as follows: "This means that decisions are to be made solely to promote the best interests of the public and of the University as a public trust..." The statement on cooperation was amended as follows: "Expression of opinion or position at variance with such policies or decisions should clearly indicate that it is not to be constructed as a position of the Board and that the opinion expressed ~~is personal~~ is that of an individual Regent."

Upon motion duly made and seconded, the Special Committee approved the recommendation, as amended, and voted to present it to the Board.

### 3. **REPORT OF AD HOC WORKING GROUP TO CONSIDER OPTIONS FOR ADDRESSING PROPOSAL FOR A STAFF ADVISOR TO THE REGENTS**

It was recalled that following the July and September discussions concerning the feasibility of appointing a staff advisor to The Regents, Chairman Parsky had appointed an ad hoc working group to consider the range of options for addressing the issues. The members of that group are Regents Blum, Connerly, and Marcus, and Faculty Representative Blumenthal. Committee Chair Marcus reported that the ad hoc group had met and that there had been consensus that the issue of a staff advisor was an important one. While the group acknowledges the need for more input from the staff, the question being considered is how this improved communication should be implemented. As an example of the complicated nature of the issue, Regent Marcus explained that there are 160,000 staff employees consisting of four major components. Fifteen separate unions speak for represented employees, and there are another five to ten active advisory groups. The ad hoc working

group has agreed to work with the Office of the President in an effort to codify a practical way for the Board to have input from the staff but not necessarily have a "staff advisor" at the table. The momentum appears to support a more ad hoc opportunity for staff to participate.

President Dynes recalled that during his service as Chancellor he found that on numerous occasions he was not in a position to make a decision until he had received input from the staff. There is expertise among the staff on every campus on virtually every issue, and they are able to give professional advice on their area of specialization. The President believed that the members of the staff are as committed to the University of California as are the faculty and management. He suggested that the administration and the Regents had suffered because they had not taken advantage of this expertise. President Dynes acknowledged the myriad complications that arise from the number of unions and associations, but he believed that it would be possible to find a way to draw on this valuable resource.

Committee Chair Marcus stated the intention of the ad hoc working group to agree to a single position on the issue of staff advisor; if this is not feasible, there will be two competing positions for the Regents to consider.

Regent Preuss pointed out that the model of an outside advisory board such as The Regents had been successful in many venues. He believed there was value in retaining a detached approach to decision-making. The faculty are represented but do not vote, while the vice presidents provide information that is necessary for the Regents in making their decisions. He suggested staff should be involved similarly to the vice presidents. Regent Marcus noted that the majority of the ad hoc working group would endorse this position.

Regent Pattiz, who supports the concept of a staff advisor, suggested that when the ad hoc working group meets again to address the proposal, it would provide an opportunity to communicate with staff about what the Board is trying to accomplish and to ask them for their input. He believed it could serve as a dress rehearsal for how the staff would respond to this request.

Regent Connerly underscored the fact that the proposed position of staff advisor is intended to provide the staff with a voice at the Board table. He believed that it was appropriate for there to be a staff member with whom employees could share their concerns and who would then communicate these issues to the Regents.

#### 4. **THE YEAR IN ISSUES: PRIORITIZING THE COMMITTEE'S AGENDA FOR 2004-05**

Committee Chair Marcus asked that the Committee members be prepared to discuss its calendar for the remainder of the year in order to address the following issues:

- Continued discussion of options for a staff advisor to The Regents

- Procedural documentation and streamlining of executive search policies and amendments to clarify the role of faculty (tentatively in May 2005)
- Improving opportunities for broader, high-impact policy deliberations at regular meetings; for example, matters such as long-term financial requirements and recruitment and retention issues.
- Update of Regental policies. (Omnibus item from the Office of the President expected as early as January 2005)

Regent Marcus explained that he had sought advice from former UC Presidents and former Regents about how the Board should make the best use of its time. He stressed that the Regents must strive to work together in the best interests of both the University and the public in order to maintain quality and access.

Chairman Parsky urged consideration of scheduling one full day of concurrent Committee meetings, which would provide the opportunity for more detailed deliberation. It will be necessary to explore the type of staffing that is required. He expressed the expectation that each Committee chair would make a presentation to the full Board on the Committee's work. Regent Parsky also suggested that consideration be given to reducing the number of Committees on which Regents serve to as few as two; the number of members on each Committee should also be reduced so that each member of the Committee would understand that his or her attendance is necessary for a quorum.

Regent Marcus believed that the suggestions offered by Regent Parsky would result in more power for the Committee chairs, a move which he would support. Chair approval may be required before individual Regents are able to submit items for a Committee's agenda. He also suggested that consideration be given to a system under which Committee and Board Vice Chairs would succeed the respective Chair.

In response to a question from Regent Montoya regarding the role of faculty in executive searches, Regent Marcus recalled that he had served on a search committee that had been inundated with over 700 applications that the faculty had to evaluate. The intention is to streamline this process.

President Dynes expressed his support of the concept of having Committees meet concurrently, with the Chairs delivering to the Board the collective wisdom of the Committees.

Regent Marcus observed that, due to the nature of its work, the Committee on Grounds and Buildings will need to continue to hold its meetings separately from those of The Regents and its Committees; its members will be expected to devote extra time to the Committee's work.

Regent Lansing pointed out that each Regent has specific interests. The new structure will allow them to become more engaged in these issues. She saw the need for longer service on a reduced number of committees. When the Committee Chairs report to the Board, there will be ample opportunities to ask questions or to disagree. Regent Lansing urged that consideration be given to holding meetings on each of the campuses, regardless of the logistics that may be required.

Following up on the comments by Committee Chair Marcus, Regent Pattiz noted the expectation that the meetings of the Committee on Investments, which meets jointly with the Investment Advisory Committee, would continue to be held off-cycle. He believed, as expressed by Regent Lansing, that a reduction in the number of Committees on which a Regent sits would result in increased involvement.

Regent Connerly did not believe it would be wise to reduce the number of Regents serving on the Committee on Finance and the Committee on Educational Policy in order to streamline the meetings. Rather, he suggested that their charters may need to be revised by, for example, separating the budget from the Committee on Finance.

Regent-designate Rosenthal spoke in support of the suggestion that Board meetings should be held on the campuses. He agreed with Regent Connerly that the Committee on Finance could be divided into two Committees but was concerned that the Committee on Educational Policy remain intact because of the important issues that it must confront. Mr. Rosenthal believed that it would be dangerous to dilute the influence of Regents by reducing the number of positions on the Committee.

Regent Lansing pointed out that the opportunity would still exist for a Committee such as Educational Policy to meet at a time when all Regents could attend. If ten Regents desire to serve on a Committee, they should be permitted to do so.

Regent Montoya pointed out that some Committees address certain well-defined matters while others cover a wide range of topics. She saw the need to define the realm of issues that each Committee would address.

Regent Marcus concluded the meeting by noting the intention to delegate more authority to the President and to include more items as consent.

The meeting adjourned 11:40 a.m.

Attest:

Secretary