

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

September 21, 2006

The Regents of the University of California met on the above date at the UCSF–Mission Bay Community Center, San Francisco.

Present: Regents Blum, Coombs, De La Peña, Dynes, Gould, Hopkinson, Island, Johnson, Kozberg, Lansing, Ledesma, Moores, Parsky, Preuss, Ruiz, Schilling, and Schreiner (17)

In attendance: Regents-designate Brewer and Bugay, Faculty Representatives Brown and Oakley, Acting Secretary Shaw, Acting General Counsel Blair, Chief Investment Officer Berggren, Provost Hume, Executive Vice President Darling, Vice President Broome, Chancellors Fox, Vanderhoef, and Yang, Acting Chancellor Blumenthal, and Recording Secretary Nietfeld

The meeting convened at 12:45 p.m. with Chairman Parsky presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion of Regent Blum, duly seconded, the minutes of the meetings of July 2006 were approved.

2. REPORT OF THE PRESIDENT

President Dynes presented the report concerning University activities and individuals.

Upon motion of Regent Blum, duly seconded, the President's report was accepted, and it was directed that 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. *Establishment of a Non-Profit 501(c)(3) Corporation for Immune Tolerance Network and Diabetes Center, San Francisco Campus*

The Committee recommended that:

- (1) The Regents authorize the establishment of an affiliated, non-profit corporation to be called the Immune Tolerance Institute, Inc. (ITI) the

purpose of which includes providing comprehensive research core support capabilities and facilities to support:

- a. Immunogenotyping and immunophenotyping.
- b. Bioinformatics.
- c. Development of intellectual property for the prevention and treatment of diseases caused by abnormal function of the immune system, and to accelerate the translation of discoveries into therapeutic treatments.

(2) The Regents authorize the President, in consultation with the General Counsel, to execute all documents necessary to establish ITI and a Research Services (RSS) Agreement, such documents and agreement to include the following provisions:

- a. ITI shall be organized exclusively for nonprofit purposes; specifically, its primary purpose shall be to support, benefit, and further the charitable, scientific, and education purposes of UCSF by providing clinical trial support services for UCSF and its Immune Tolerance Network (ITN) and Diabetes Center.
- b. The University shall make initial working capital contributions to ITI, such contributions to be identified in the RSS Agreement.
- c. Strategic business decisions for ITI shall be prescribed by the Board of Directors. The ITI shall not have the authority to approve or amend its Articles of Incorporation, sell or exchange substantially all of its assets, or change its primary line of activity without the prior written consent of the President of the University.
- d. The Chairman of the ITI Board of Directors, as approved by the Chancellor of UCSF, shall be Dr. Jeffrey Bluestone, Director, UCSF Diabetes Center; A.W. and Mary Clausen Distinguished Professor of Medicine, Pathology, Microbiology and Immunology, UCSF; Director, Immune Tolerance Network.
- e. A President of the ITI will be appointed by the Chairman of the ITI Board of Directors, with the advice and consent of the UCSF Chancellor. The President will also be a Director of the ITI.
- f. There shall be no fewer than 7 and no more than 15 Directors of ITI, all of whom (other than as set forth above) shall be appointed

by the directors of ITI, with the advice and consent of the Chancellor of UCSF.

- g. The Board of Directors, excluding the Chairman, shall be composed of 50 percent UCSF employees (UCSF Directors) and 50 percent persons other than UCSF employees. The UCSF Directors shall include at least one member from the Executive Vice Chancellor's Office, at least one from the Senior Vice Chancellor Finance and Administration's Office, and at least one from the School of Medicine's Dean's Office with academic standing.
 - h. ITI will establish and maintain its own business procedures, processes, and administrative structure, subject to the RSS Agreement that defines the working relationship with the University.
 - i. The initial term of the RSS Agreement shall be through January 31, 2014, or, if sooner, the final expiration of the ITN contract between UCSF and the National Institutes of Health. The RSS Agreement would be renewable thereafter for one year intervals by agreement of the parties. Either party could terminate the RSS Agreement at any time with 180 days' written notice.
 - j. The Office of the President or UCSF would have the right to conduct both management and financial audits of the ITI's activities. The ITI will prepare and provide audited financial statements to UCSF annually.
- (3) The Regents authorize The President, in consultation with the General Counsel, to take such additional actions as shall be reasonably required to accomplish the actions referred to in paragraphs (1) and (2) above.

B. *Approval of Indemnification Terms Relating to Data Licensed from the New York Stock Exchange, Los Angeles and Berkeley Campuses*

The Committee recommended that:

- (1) The President be given authorization to execute a license agreement with New York Stock Exchange, Inc. (NYSE) that contains indemnification language that might require assumption by the University of third-party liability, an action for which approval by The Regents is required under Standing Order 100.4(dd)(9).

- (2) The Regents authorize, retroactively, the execution of a NYSE–Haas School of Business, Berkeley campus agreement that was signed in August 2005.

C. ***Approval of Expanded Use of Student Facilities Safety Fee Revenue, Davis Campus***

The Committee recommended that revenue remaining at the end of each fiscal year from the mandatory Student Facilities Safety Fee of \$66 per student per year at the Davis campus, beyond the required debt service for the Memorial Union and North and South Halls, be used for other needed life safety improvements in student services facilities, and that 25 percent of the total fee be set aside for financial aid.

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

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

A. ***Certification of Environmental Impact Report and Approval of the 2005-2020 Long Range Development Plan, Santa Cruz Campus***

Upon review and consideration of the Environmental Impact Report (EIR), the Committee recommended that The Regents:

- (1) Certify the Final EIR for the UC Santa Cruz 2005 Long-Range Development Plan.
- (2) Adopt the Mitigation Monitoring Program for the Final EIR as revised by the September 19, 2006 supplement to Item 102.
- (3) Adopt the Statement of Overriding Considerations included in the Findings.
- (4) Adopt the Findings pursuant to the California Environmental Quality Act.
- (5) Approve the Final Draft 2005 Long-Range Development Plan (September 2006) as revised by the Santa Cruz campus to be consistent with the Environmentally Superior Alternative identified in Final EIR Alternative 2, the Reduced Enrollment Growth Alternative, which accommodates a three-quarter-average, on-campus enrollment of 19,500 FTE through 2020-21.
- (6) Direct the UC Santa Cruz Campus to report at a regularly scheduled Regents meeting by September 2010, and every five years thereafter, the

following information which is in addition to the existing requirement that all campuses annually submit a five-year capital improvement program:

- a. Status of undergraduate and graduate enrollment and development of new academic programs, including projections for the next five years;
- b. Status of completed or approved physical projects since adoption of the 2005 LRDP, and the development program and plans for the following five years, which shall include campus expansion outside the City's jurisdictional limits and potential off-campus development; and
- c. Implementation status of mitigation measures in the 2005 LRDP EIR.

[The Final EIR, Mitigation Monitoring Program, Findings, and Final Draft 2005 Long Range Development Plan were mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Surgery and Emergency Services Pavilion, Davis Medical Center, Davis Campus*

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Surgery and Emergency Services Pavilion – preliminary plans, working drawings, construction, and equipment – \$281,277,000, to be funded from hospital reserves (\$138,687,000), State Lease Revenue Bonds (\$102,590,000) and capitalized leases (\$40,000,000).

To: Davis: Surgery and Emergency Services Pavilion – preliminary plans, working drawings, construction and equipment – \$424,475,000, to be funded from hospital reserves (\$256,885,000), State Lease Revenue Bonds (\$102,590,000), and external financing (\$65,000,000).

Additions shown by underscore

- (2) The President be authorized to obtain external financing not to exceed \$65,000,000 to finance the Surgery and Emergency Services Pavilion 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 gross revenues of the UC Davis Medical Center funds.
 - 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 Sproul Hall Repairs and Refurbishment, Los Angeles Campus***

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
- From: Los Angeles: Sproul Repairs and Refurbishment – preliminary plans, working drawings, and construction – \$18,843,000 to be funded from the Los Angeles campus’ share of University of California Housing System Net Revenue Fund Reserves.
- To: Los Angeles: Sproul Repairs and Refurbishment – preliminary plans, working drawings, and construction – \$25,925,000 to be funded from the Los Angeles campus’ share of University of California Housing System Net Revenue Fund Reserves.
- (2) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

D. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for UCSF Mission Bay Hospital, San Francisco Campus***

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: UCSF Mission Bay Hospital – preliminary plans – \$34 million, to be funded from hospital reserves.

- (2) The San Francisco campus return to the Committee on Grounds and Buildings, at the March 2008 meeting, to present a status of planning efforts, a completed schematic design, gift campaign, and financing plans for the UCSF Mission Bay Hospital.

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Mission Bay Cardiovascular Research Building (17 A/B), San Francisco Campus***

The Committee recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

San Francisco: Mission Bay Cardiovascular Research Building (17 A/B) – preliminary plans – \$6.4 million to be funded from gift funds.

F. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for North Campus Housing, San Diego Campus***

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego North Campus Housing – preliminary plans – \$5,000,000 to be funded from the San Diego campus' share of University of California Housing System Net Revenue Reserves.

To: San Diego North Campus Housing – preliminary plans, working drawings, construction, and equipment – \$122,220,000 to be funded from external financing (\$119,000,000) and Bookstore Reserves (\$3,220,000).

- (2) The President be authorized to obtain external financing not to exceed \$119,000,000 to finance the North Campus Housing project, subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. As long as the debt is outstanding, University of California Housing System fees for the San Diego campus shall be established at levels sufficient to provide excess net revenues sufficient to pay the debt service and meeting the related 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.

G. ***Adoption of Addendum to Negative Declaration, Adoption of Findings, and Approval of Design, Logistical Support/Service Facilities Building, Merced Campus***

The Committee recommended that The Regents:

- A. Adopt the Addendum to the Negative Declaration for the Logistical Support/Service Facilities Building.
- B. Adopt the Findings in their entirety.
- C. Approve the design of the Logistical Support/Service Facilities Building, Merced campus.

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

With respect to Item A., ***Certification of Environmental Impact Report and Approval of the 2005-2020 Long Range Development Plan, Santa Cruz Campus***, Acting General Counsel Blair stated for the record that the Santa Cruz campus and the Office of the General Counsel had received correspondence from the City of Santa Cruz. The Office of the General Counsel and the campus have responded to that letter, and the campus recommends that the LRDP be approved

and the EIR be certified, with the additional supplemental of that correspondence and the University's response, copies of which were distributed to the Regents.

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

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

Ratification of Trustees, Jules Stein Eye Institute, Los Angeles Campus

The Committee recommends that the appointment of Nelson C. Rising to the Board of Trustees of the Jules Stein Eye Institute, Los Angeles campus, be ratified, and that the appointment of Andrea Rich to the Board of Trustees of the Jules Stein Eye Institute, Los Angeles campus, be approved.

Upon motion of Regent Marcus, duly seconded, the recommendation of the Committee on Educational Policy was approved.

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

A. *Real Estate Portfolio Investment Guidelines*

The Committee recommended that the [attached Investment Guidelines for Real Estate investments for the University of California Retirement Plan and the General Endowment Pool](#) be approved. These revised guidelines are to be effective immediately.

B. *Absolute Return Strategies Investment Guidelines*

The Committee recommended that the [attached Investment Guidelines for Absolute Return Strategies for the University of California General Endowment Pool](#) be approved. These revised guidelines are to be effective immediately.

C. *Proposed Policy on Legal Proceedings Related to Investments of the University of California*

The Committee recommended that a policy be adopted regarding the initiation of legal proceedings relating to investments of or managed by the University of California. In the proposed policy, jurisdiction over initiation of litigation relating to investments of or managed by the University of California will be shifted from the Committee on Finance to the Committee on Investments.

Upon motion of Regent Schilling, duly seconded, the recommendations of the Committee on Investments were approved.

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

A. *Approval to Participate in a Response to a Department of Energy/National Nuclear Security Administration Request for Proposal to Manage and Operate the Lawrence Livermore National Laboratory*

The Committee recommended that:

- (1) The University be authorized to participate in submitting a proposal in response to the Department of Energy/National Nuclear Security Administration (DOE/NNSA) Request for Proposal, dated July 14, 2006, for the management and operation of the Lawrence Livermore National Laboratory.
- (2) Chairman of The Regents, Gerald L. Parsky, supported by appropriate University personnel, be authorized to enter into such agreements and execute such other documents as are necessary in the course of submission of such proposal, or as a consequence of DOE/NNSA acceptance of such proposal.

B. *Approval of a University Procedure for Appropriating Net Fee Income Received as Owner of a Limited Liability Company Managing a Department of Energy National Laboratory*

The Committee recommended that:

- (1) Net fee income from the University's ownership of a limited liability company (LLC) holding a contract to manage and operate a Department of Energy (DOE) national laboratory be expended for the limited purposes of funding scientific research, defraying University liabilities associated with its ownership interest in the LLC and/or any other obligations directly between the University and DOE (including reserves for future claims), and supplementing income for certain LLC employees who, consistent with the LLC Agreement, are recruited to the laboratory by the University.
- (2) The President develop, in consultation with the chancellors, laboratory director(s), and the Academic Senate, an annual plan for funding scientific research from net fee income.
- (3) The President submit the annual plan to The Regents for approval in advance each year.

- (4) The President report annually to The Regents on the net fee income received and expenditures made therefrom.
- (5) Any expenditure of net fee income for purposes other than those identified above shall be presented by the President to The Regents for approval in advance.

C. *Appointments to the Executive Committee of the Board of Governors of Lawrence Livermore National Security, LLC*

The Committee recommended that Chairman Gerald L. Parsky and Chancellor Marye Anne Fox be appointed as Governors of the Executive Committee of the Board of Governors of the limited liability company to be formed and known as Lawrence Livermore National Security, LLC, and that Executive Vice President Bruce B. Darling be likewise so appointed in an acting capacity pending the permanent filling of the Executive Vice President positions approved at the July 20, 2006 meeting of The Regents.

Upon motion of Regent Gould, duly seconded, the recommendations of the Committee on Oversight of the Department of Energies were approved.

8. **REPORT OF THE NOMINATING COMMITTEE**

The Nominating Committee recommended the following appointments, effective immediately through June 30, 2007:

- A. Appointment of Regent-designate Allen as an Advisory Member of the Committees on Educational Policy, Grounds and Buildings, and Investments.
- B. Appointment of Regent De La Peña as a member of the Committees on Health Services and Investments.
- C. Appointment of Regent Varner as a member of the Committees on Audit, Compensation, and Oversight of the Department of Energy Laboratories.

Upon motion of Regent Kozberg, duly seconded, the recommendations of the Nominating Committee were approved.

9. REPORT OF THE COMMITTEE ON COMPENSATION**A. *Individual Salary Actions*****(1) *Appointment Salary for Howard K. Hatayama as Division Director–Environment, Health, and Safety, Lawrence Berkeley National Laboratory***

The Committee recommended approval of the following items in connection with the appointment of Howard K. Hatayama, Lawrence Berkeley National Laboratory (LBNL):

- a. To the title of Division Director–Environment, Health, and Safety, LBNL Salary Grade 197.1.
- b. At a salary of \$214,200, 100 percent time.
- c. An effective date of October 1, 2006.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The source of funds for payment of this compensation item is DOE funds as provided under the University's contract with the DOE. DOE approval of this appointment is pending.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(2) *Promotional Increase for Bill W. Colston, Jr., as Chemical and Biological Countermeasures Division Leader for the Nonproliferation, Homeland and International Security Directorate, Lawrence Livermore National Laboratory*

The Committee recommended approval of a promotional increase for Bill W. Colston, Jr., as Chemical and Biological Countermeasures Division Leader for the Nonproliferation, Homeland and International Security Directorate, Lawrence Livermore National Laboratory of \$15,504 (8.3 percent), to increase his salary from \$186,096 to \$201,600. This appointment is at 100 percent time, and the promotional increase is effective retroactive to August 1, 2006. Lawrence Livermore National

Laboratory conducted a search to fill the position of Chemical and Biological Countermeasures Division Leader for the Nonproliferation, Homeland and International Security (NHI) Directorate.

The source of funds for payment of this compensation item is DOE funds as provided under the University's contract with the DOE. Lawrence Livermore National Laboratory has received DOE approval for this appointment compensation.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(3) ***Promotional Increase for Kathryn Craft Rogers as Principal Deputy Associate Director for Administration and Human Resources Directorate, Lawrence Livermore National Laboratory***

The Committee recommended approval of a promotional increase for Kathryn Craft Rogers as Principal Deputy Associate Director for the Administration and Human Resources Directorate, Lawrence Livermore National Laboratory, of \$23,400 (13 percent), to increase her salary from \$180,000 to \$203,400. This appointment is at 100 percent time, and the promotional increase is effective August 21, 2006. Lawrence Livermore National Laboratory conducted a search to fill the position of Principal Associate Director for the Administration and Human Resources Directorate.

The source of funds for payment of this compensation item is DOE funds as provided under the University's contract with the DOE. Lawrence Livermore National Laboratory has received DOE approval for this appointment compensation.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(4) ***Promotional Increase for Patricia A. Damkroger as Deputy Department Head for Computing Applications and Research Department in the Computation Directorate, Lawrence Livermore National Laboratory***

The Committee recommended approval of a promotional increase for Patricia A. Damkroger as Deputy Department Head for Computing Applications and Research (CAR) Department, Computation Directorate, Lawrence Livermore National Laboratory of \$14,400 (7.6 percent), to bring her salary from \$189,600 to \$204,000. This appointment is at 100 percent time, and the promotional increase is effective August 1, 2006. Lawrence Livermore National Laboratory conducted a search to fill the position of Deputy Department Head for the CAR Department, Computation Directorate.

The source of funds for payment of this compensation item is DOE funds as provided under the University's contract with the DOE. Lawrence Livermore National Laboratory has received DOE approval for this appointment compensation.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(5) ***Promotional Increase for Charles W. Spain as Division Leader, International Assessments and Knowledge Discovery Program and the Director, Field Intelligence Element for the Nonproliferation, Homeland and International Security Directorate, Lawrence Livermore National Laboratory***

The Committee recommended approval of a promotional increase for Charles W. Spain as Division Leader, International Assessments and Knowledge Discovery Program and the Director, Field Intelligence Element for the Nonproliferation, Homeland and International Security Directorate, Lawrence Livermore National Laboratory, of \$17,820 (10 percent), to bring his salary from \$178,200 to \$196,020. This appointment is at 100 percent time, and the promotional increase is effective August 15, 2006. Lawrence Livermore National Laboratory conducted a search to fill the position of Division Leader, International Assessments and Knowledge Discovery Program and the Director, Field

Intelligence Element for the Nonproliferation, Homeland and International Security.

The source of funds for payment of this compensation item is DOE funds as provided under the University's contract with the DOE. Lawrence Livermore National Laboratory has received DOE approval for this appointment compensation.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(6) ***Promotional Increase for Page O. Stoutland as Radiological and Nuclear Countermeasures Division Leader for the Nonproliferation, Homeland and International Security Directorate, Lawrence Livermore National Laboratory***

The Committee recommended approval of a promotional increase for Page O. Stoutland as Radiological and Nuclear Countermeasures Division Leader for the Nonproliferation, Homeland and International Security Directorate, Lawrence Livermore National Laboratory of \$13,500 (7.2 percent), to increase his salary from \$188,100 to \$201,600. This appointment is at 100 percent time, and the promotional increase is effective August 1, 2006. Lawrence Livermore National Laboratory conducted a search to fill the position of Radiological and Nuclear Countermeasures Division Leader for the Nonproliferation, Homeland and International Security Directorate.

The source of funds for payment of this compensation item is DOE funds as provided under the University's contract with the DOE. Lawrence Livermore National Laboratory has received DOE approval for this appointment compensation.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

- (7) ***Promotional Increase for P. Derek Wapman as Weaponization/Defense Technologies Engineering Division Leader, Engineering Directorate and Defense and Nuclear Technologies Directorate, Lawrence Livermore National Laboratory***

The Committee recommended approval of a promotional increase for P. Derek Wapman as Weaponization/Defense Technologies Engineering Division Leader, Engineering Directorate and Defense and Nuclear Technologies Directorate, Lawrence Livermore National Laboratory, of \$11,700 (5.9 percent), for a total annual salary of \$210,000. This appointment is at 100 percent time, and the promotional increase is retroactive to May 15, 2006. Lawrence Livermore National Laboratory conducted a search to fill this position.

The source of funds for payment of this compensation item is DOE funds as provided under the University's contract with the DOE.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

- (8) ***Stipend for Victoria Harrison as Chief of Police–Public Safety and Transportation Services, Berkeley Campus***

The Committee recommended approval of the following items in connection with the appointment Victoria Harrison as Special Assistant to the Vice Chancellor–Administration, Berkeley campus:

- a. Administrative stipend of 15 percent (calculated against current salary, the stipend is \$23,900) to increase her base salary of \$159,100, for a total annual salary of \$183,000.
- b. Effective July 1, 2006 through June 30, 2007.
- c. Standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

- d. Per policy, continuation of 3 percent contribution to the Senior Management Supplemental Benefit Program

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(9) ***Stipend for Albert F. Bennett as Acting Dean–School of Biological Sciences, Irvine Campus***

The Committee recommended approval of an administrative stipend for Albert F. Bennett as Acting Dean–School of Biological Sciences, Irvine campus, of \$15,500 (7.8 percent above current base salary), for total annual compensation of \$213,700. This appointment is at 100 percent time, and the administrative stipend is effective August 1, 2006 through July 31, 2007, or until this responsibility is transferred to the new Dean of Biological Sciences, whichever occurs first.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits
- Eligible for Sabbatical Credits

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(10) ***Stipend Extension for Ronald Rogowski as Acting Dean and Vice Provost–International Studies, Los Angeles Campus***

The Committee recommended approval of extension of an administrative stipend for Ronald Rogowski as Acting Dean and Vice Provost–International Studies, Los Angeles campus, of \$2,600 (1.2 percent), for a total annual salary of \$221,000. This appointment is at 100 percent time, and the extension of the administrative stipend is effective July 1, 2006 through June 30, 2007 or until the appointment of a new Dean and Vice Provost–International Studies, whichever occurs first. This position is slotted on an interim basis at SLCG Grade 106; minimum \$146,100, midpoint \$184,900, maximum \$223,700.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, Executive Salary Continuation for Disability

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(11) ***Stipend for Judith L. Smith as Vice Provost for Undergraduate Education and Dean of Honors and Undergraduate Programs for the College of Letters and Science, Los Angeles Campus***

The Committee recommended approval of an annual administrative stipend for Judith L. Smith as Vice Provost for Undergraduate Education and Dean of Honors and Undergraduate Programs for the College of Letters and Science, Los Angeles campus of \$19,300 (10 percent), to increase her total annual salary from \$193,200 to \$212,500. This appointment is at 100 percent time, and the administrative stipend is for the additional temporarily assigned duties as UCLA's Accreditation Liaison Officer with the Western Association of Schools and Colleges (WASC) which will begin effective September 1, 2006 through 2009, when the WASC review is completed.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits and Standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(12) ***Stipend for Anil B. Deolalikar as Acting Dean—A. Gary Anderson Graduate School of Management, Riverside Campus***

The Committee recommended approval of an annual administrative stipend for Anil B. Deolalikar as Acting Dean—A. Gary Anderson School of Management, Riverside campus, of \$28,922 (14.5 percent), to increase his annualized salary from \$199,078 to \$228,000. This appointment is at 100 percent time. The administrative stipend is effective retroactive to July 17, 2006 and will continue through June 30, 2007, or until the appointment of a permanent Dean, whichever occurs first.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(13) ***Stipend for Jean Marie Scott as Acting Vice Chancellor–Student Affairs, Santa Cruz Campus***

The Committee recommended approval of an administrative stipend for Jean Marie Scott as Acting Vice Chancellor–Student Affairs, Santa Cruz campus, of \$22,968 (15 percent), to increase her annual base salary from \$153,122 to \$176,090. This appointment is at 100 percent time, and the administrative stipend is effective August 1, 2006 for a period of one year or until the appointment of a permanent Vice Chancellor, whichever occurs first.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(14) ***Stipend for Eric K. Behrens as Assistant Deputy Counsel, Office of the President***

The Committee recommended approval of an administrative stipend for Eric K. Behrens as Assistant Deputy Counsel at the Office of the President of \$22,425 (15 percent) in addition to his base salary of \$149,500, for a total annual salary of \$171,925, effective retroactively to August 1, 2006 through July 31, or upon the appointment of a leadership team by the permanent General Counsel, whichever occurs first.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(15) ***Stipend for David Birnbaum as Assistant Deputy Counsel, Office of the President***

The Committee recommended approval of an administrative stipend for David M. Birnbaum as Assistant Deputy Counsel at the Office of the President of \$23,175 (15 percent) in addition to his base salary of \$154,500, for a total annual salary of \$177,675. This appointment is at 100 percent time, and the administrative stipend is effective retroactively to August 1, 2006 for a period of one year or upon the appointment of a leadership team by the permanent General Counsel, whichever occurs first.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(16) ***Stipend for Christopher M. Patti as Acting Deputy Counsel, Office of the President***

The Committee recommended approval of an administrative stipend for Christopher M. Patti as Acting Deputy Counsel at the Office of the President of \$22,575 (15 percent) in addition to his base salary of \$150,500, for a total annual salary of \$173,075. This appointment is at 100 percent time, and the administrative stipend is effective retroactively to August 1, 2006 for a period of one year or upon the appointment of a leadership team by the permanent General Counsel, whichever occurs first.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(17) ***Summer Salary for Dennis M. Levi as Dean–School of Optometry, Berkeley Campus***

The Committee recommended approval of a 1/12th, one-time additional compensation payment for Dennis M. Levi as Dean–School of Optometry, Berkeley campus, of \$16,041, for total annual compensation of \$208,541. This additional compensation is for one month during July and will be paid from a five-year grant from the National Eye Institute. July is a standard vacation period and, per policy, Mr. Levi will forfeit 21 days of his accrued vacation.

The compensation described above shall constitute the University’s total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(18) ***Summer Salary for Stephen M. Shortell as Dean–School of Public Health, Berkeley Campus***

The Committee recommended approval of a one-time additional compensation payment for eight days for Steven M. Shortell as Dean–School of Public Health, Berkeley campus, of \$8,654, for total annual compensation of \$281,254. This additional compensation is for eight days in July 2006 and will be paid from a multiple-year grant from the Robert Wood Johnson Foundation. July is a standard vacation period and, per policy, Mr. Shortell will forfeit eight days of his accrued vacation.

The compensation described above shall constitute the University’s total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(19) ***Summer Salary for Nicolaos G. Alexopoulos as Dean–School of Engineering, Irvine Campus***

The Committee recommended approval of a one-time additional compensation payment for 12 days for Nicolaos G. Alexopoulos as Dean–School of Engineering, Irvine campus, of \$9,621, for total annual compensation of \$214,621. This additional compensation is for ten days in July and two days in August 2006 and will be paid from the discretionary research allowance he receives as dean. July and August are standard vacation periods and, per policy, Mr. Alexopoulos will forfeit 12 days of his accrued vacation.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

- (20) ***Summer Salary for David B. Marshall as Executive Dean–College of Letters and Science and Dean–Division of Humanities and Fine Arts, Santa Barbara Campus***

The Committee recommended approval of a 1/12th, one-time additional compensation payment for David B. Marshall as Executive Dean–College of Letters and Science and Dean–Division of Humanities and Fine Arts, Santa Barbara campus, of \$16,442, for total annual compensation of \$243,742. This additional compensation is for the month of August 2006 and will be paid from unrestricted gift funds income while Mr. Marshall works on a new book. August is the standard vacation period and, per policy, Mr. Marshall will forfeit one month of his accrued vacation.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

- (21) ***Summer Salary for Melvin L. Oliver as Dean–Division of Social Sciences, College of Letters and Science, Santa Barbara Campus***

The Committee recommended approval of a 1/12th, one-time additional compensation payment for Melvin L. Oliver as Dean–Division of Social Sciences, College of Letters and Science, Santa Barbara campus, of \$16,233, for total annual compensation of \$211,033. This additional compensation is for the month of August 2006 and will be paid from unrestricted gift funds income while Mr. Oliver joins his colleagues at the University of North Carolina's Center for Community Capitalism. August is the standard vacation period and, per policy, Mr. Oliver will forfeit one month of his accrued vacation.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

- (22) ***Salary Adjustment for Thomas Vani as Vice Chancellor–Business and Administrative Services, Santa Cruz Campus***

The Committee recommended approval of a salary adjustment for Thomas Vani as Vice Chancellor–Business and Administrative Services, Santa Cruz campus, of \$13,600 (7.2 percent), to increase his annual base salary

from \$188,100 to \$201,700. This appointment is at 100 percent time, and the adjustment is retroactive to July 1, 2006. This position is slotted at SLCG Grade 107; minimum \$163,200, midpoint \$207,100, maximum \$251,000. This increase represents the permanent inclusion into his base salary of a stipend approved at the July 2002 Regents meeting as a retention measure. This change will regularize his salary to reflect the original intention of The Regents to provide a level of compensation to ensure retention of Mr. Vani.

Additional items of compensation include:

- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefit Program
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(23) ***Salary Adjustment for Karen R. Lawrence as Dean–School of Humanities, Irvine Campus***

The Committee recommended approval of a salary adjustment for Karen R. Lawrence as Dean–School of Humanities, Irvine campus, of \$14,200 (8.3 percent), to increase her annual base salary from \$170,500 to \$184,700. This appointment is at 100 percent time, and the salary adjustment is effective September 1, 2006. This position is slotted at SLCG Grade 108; minimum \$182,200, midpoint \$231,900, maximum \$281,700. This increase is to include in her base pay a retention payment that was being processed as a 1/12th summer salary payment.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, Executive Salary Continuation for Disability, and Eligibility for Sabbatical Credits

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(24) ***Compensation Contract for Kevin Boyd, Head Women's Soccer Coach, Berkeley Campus***

The Committee recommended approval of revised compensation terms for head women's soccer coach Kevin Boyd, Berkeley campus, 100 percent time. Mr. Boyd's contract is being renewed for the period July 1, 2006 through June 30, 2010.

This contract increases his base salary annually as noted here:

07/01/06 - 06/30/07	\$77,000	
07/01/07 - 06/30/08	\$80,000	7.9 percent increase
07/01/08 - 06/30/09	\$85,000	6.3 percent increase
07/01/09 - 06/30/10	\$90,000	5.9 percent increase

Additionally, this contract provides opportunity to earn supplemental compensation of up to \$138,900, as detailed below.

This contract is for a non-revenue sport and as such does not contain a penalty clause for early termination. If Mr. Boyd terminates before the expiration of the agreement, he simply loses the benefits of the agreement, and all University obligations cease.

If the University terminates the contract early without cause, the campus will owe the base salary balance of the contract paid out in yearly installments and any additional earned bonus stipend income. The University will not be responsible for paying unearned bonus/stipend income in this circumstance.

The compensation provided under this contract is funded exclusively from athletic department revenues and private fund raising, and no State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- In lieu of a courtesy vehicle, Mr. Boyd will receive a monthly stipend of \$450. It is understood that this perquisite may be withdrawn by the Athletics Director at any time in her sole, exclusive discretion

- Twenty working days of vacation per each twelve-month period of the contract, all days to be used during each twelve-month period
- In addition to leaves entitled by law, twelve days of sick leave during each twelve-month period of the contract
- Eligible for standard Health and Welfare benefits
- Supplemental Compensation in the event the Berkeley women’s soccer team, during the term of this employment contract, accomplishes the following, Mr. Boyd shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

<u>Amount</u>	<u>Accomplishment</u>
\$4,000	Winning the Pac-10 Championship
\$3,000	Participation in the NCAA Championship 1st Round
\$4,000	Participation in the NCAA Championship 2 nd Round
\$4,000	Participation in the NCAA Sweet 16
<u>Amount</u>	<u>Accomplishment</u>
\$4,000	Participation in the NCAA Quarterfinals (Elite8)
\$4,500	Participation in the NCAA College Cup Semifinals
\$5,000	Participation in the NCAA College Cup Final
\$5,000	Winning the NCAA Championship

Coach is not precluded from receiving more than one bonus

- The Athletics Director may, in her sole discretion, offer Mr. Boyd an assignment to participate in a University summer women’s soccer camp at a stipend not to exceed \$100,000 for no less than four weeks in duration.

The compensation described above shall constitute the University’s total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(25) ***Compensation Contract for David Esquer as Head Coach of Baseball, Berkeley Campus***

The Committee recommended approval of revised compensation terms for head coach of baseball David Esquer, Berkeley campus, 100 percent time. Mr. Esquer's contract is being renewed for the period June 11, 2006 through June 30, 2008.

This contract increases his base salary annually as noted here:

06/11/06 - 06/10/07	\$106,376	
06/11/07 - 06/10/08	\$109,000	2.5 percent increase
06/11/08 - 06/30/08	\$109,000	0.0 percent increase

In the event that the team competes in the 2006 NCAA Division I Baseball Championships, the employment contract will be amended to reflect an expiration date of June 30, 2009, with compensation for this additional year determined by the Director of Intercollegiate Athletics, but not less than the annual salary for the period June 11, 2007 through June 30, 2008 approved by The Regents.

Additionally, this contract provides opportunity to earn supplemental compensation of up to \$276,385, as detailed below.

This contract is for a non-revenue sport and as such does not contain a penalty clause for early termination. If Mr. Esquer terminates before the expiration of the agreement, he simply loses the benefits of the agreement, and all University obligations cease.

If the University terminates the contract early without cause, the campus will owe the base salary balance of the contract paid out in yearly installments, and any additional earned bonus stipend income. The University will not be responsible for paying unearned bonus/stipend income in this circumstance.

The compensation provided under this contract is funded exclusively from athletic department revenues and private fund raising, and no State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- In lieu of a courtesy vehicle, Mr. Esquer will receive a monthly stipend of \$450. It is understood that this perquisite may be

withdrawn by the Athletics Director at any time in her sole, exclusive discretion

- Twenty working days of vacation per each twelve-month period of the contract; all days to be used during each twelve-month period
- In addition to leaves entitled by law, twelve days of sick leave during each twelve-month period of the contract
- Eligible for standard Health and Welfare benefits
- Supplemental Compensation - Annual Stipend:

The University will be entering into an agreement with an athletic equipment supplier which requires services on the part of Mr. Esquer including, but not limited to, consultation, endorsement of products, and promotional appearances. Mr. Esquer agrees not to enter directly into any such agreements during the term of his contract. In consideration for these services, he will receive:

<u>Effective Date</u>	<u>Amount</u>	<u>Accomplishment</u>
06/11/06-12/10/06	\$7,500	For services to Athletic Equipment Supplier
12/11/06-06/10/07	\$7,500	For services to Athletic Equipment Supplier
12/11/06-06/10/07	\$5,000	Participation in the 05/06 NCAA Super Regional
06/11/07-12/10/07	\$7,500	For services to Athletic Equipment Supplier
06/11/07-12/10/07	\$5,000	Participation in the 05/06 NCAA Super Regional
12/11/07-06/30/08	\$7,500	For services to Athletic Equipment Supplier
12/11/07-06/30/08	\$5,000	Participation in the 06/07 NCAA Super Regional

In the event the team accomplishes the following during this contract, Mr. Esquer shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

<u>Amount</u>	<u>Accomplishment</u>
\$2,500	Winning the Pac-10 Conference Championship
\$5,000	Participation in the College World Series
\$10,000	Winning the College World Series
\$1,000	Participation in the Division I NCAA Regional Tournament

Coach is not precluded from receiving more than one bonus.

- Supplemental Compensation in the event the University of California, Berkeley baseball team, during the term of this employment contract, accomplishes the following, Mr. Esquer shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

<u>Amount</u>	<u>Accomplishment</u>
\$ 5,000	Winning the Pac-10 Coach of the Year
\$10,000	Winning National Coach of the Year
\$ 7,500	Participation in the NCAA Regionals
\$ 8,750	Participation in the NCAA Super Regionals
\$10,000	Participation in the College World Series
\$10,000	Advancing to the College World Series Final Game
\$15,000	Winning the National Championship
\$ 8,864	Winning the 2007 Pac-10 Championship; or
\$ 9,083	Winning the 2008 Pac-10 Championship

Coach is not precluded from receiving more than one bonus

- The Athletics Director may, in her sole discretion, offer Mr. Esquer an assignment to participate in a University baseball camp at a stipend not to exceed \$85,000 per year.
- At the discretion of the Athletics Director, Mr. Esquer may be assigned to participate in various public appearances for a stipend of \$38,288 over the life of the contract.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(26) ***Compensation Contract for Diane Ninemire, Head Coach of Softball, Berkeley Campus***

The Committee recommended approval of revised compensation terms for head coach of softball Diane Ninemire, Berkeley campus, 100 percent time. Ms. Ninemire's contract is being renewed for the period July 1, 2006 through June 30, 2011.

This contract increases her base salary annually as noted here:

07/01/06 - 06/30/07	\$116,000	
07/01/07 - 06/30/08	\$118,900	2.5 percent increase
07/01/08 - 06/30/09	\$121,875	2.5 percent increase
07/01/09 - 06/30/10	\$124,925	2.5 percent increase
07/01/10 - 06/30/11	\$128,050	2.5 percent increase

Additionally, this contract provides opportunity to earn supplemental compensation of up to \$207,150 per annum, as detailed below.

This contract is for a non-revenue sport and as such does not contain a penalty clause for early termination. If Ms. Ninemire terminates before the expiration of the agreement, she simply loses the benefits of the agreement, and all University obligations cease.

If the University terminates the contract early without cause, the campus will owe the base salary balance of the contract paid out in yearly installments, and any additional earned bonus stipend income. The University will not be responsible for paying unearned bonus/stipend income in this circumstance.

The compensation provided under this contract is funded exclusively from athletic department revenues and private fund raising, and no State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- One courtesy vehicle is assigned to Ms. Ninemire under the terms and conditions contained in a separate Vehicle Assignment Agreement. In the event that the University does not have a courtesy vehicle, Ms. Ninemire will receive a monthly stipend of \$450 until a vehicle becomes available. It is understood that this perquisite may be withdrawn by the Athletics Director at any time in her sole, exclusive discretion

- Twenty working days of vacation per each twelve-month period of the contract; all days to be used during each twelve-month period
- In addition to leaves entitled by law, twelve days of sick leave during each twelve-month period of the contract
- Eligible for standard Health and Welfare benefits
- Supplemental Compensation - Annual Stipend

The University will be entering into an agreement with an athletic equipment supplier which requires services on the part of Ms. Ninemire including, but not limited to, consultation, endorsement of products, and promotional appearances. Ms. Ninemire agrees not to enter directly into any such agreements during the term of this contract. In consideration for these services, she will receive:

<u>Effective Date</u>	<u>Amount</u>
07/01/06-/06/30/07	\$30,000
07/01/07-06/30/08	\$30,000

In the event the team, during the term of this employment contract, accomplishes the following, Ms. Ninemire shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

<u>Amount</u>	<u>Accomplishment</u>
\$10,000	Participation in the 2007 or 2008 NCAA College World Series
\$15,000	Winning the 2007 or 2008 College World Series

Coach is not precluded from receiving more than one bonus

Supplemental Compensation in the event the University of California at Berkeley Softball team, during the term of this employment contract, accomplishes the following, Ms. Ninemire shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

<u>Amount</u>	<u>Accomplishment</u>
\$5,000	Winning PAC-10 Coach of the Year
\$10,000	Winning NFCA Coach of the Year
\$2,500	Placement in the top 3 in the PAC-10
\$7,500	Participation in the NCAA Regionals
\$8,750	Participation in the NCAA Super Regionals
\$10,000	Participation in the NCAA College World Series
\$10,000	Participation in the NCAA College World Series final game
\$15,000	Winning the NCAA College World Series

Coach is not precluded from receiving more than one bonus

- Supplemental Compensation - PAC-10 Stipend

The PAC-10, from July 1, 2006 through June 30, 2008, will enter into an agreement with an athletic equipment supplier which requires services on the part of Ms. Ninemire, including but not limited to, consultation, endorsement of products, and promotional appearances, and agrees to abide by such requirements. In consideration for these services, she shall receive \$3,000 in the years 2007 and 2008. This stipend is conditional upon and subject to the receipt of said amounts by the University under third party agreements. In the event such third party agreements are terminated or modified, payments under this provision shall be modified accordingly in the sole discretion of the University.

The Athletics Director may, in her sole discretion, offer Ms. Ninemire an assignment to participate in a University Softball camp at a stipend (supplemental compensation) not to exceed \$75,000.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

(27) ***Promotional Increase and New Position Title for Rebecca Stafford as Investment Officer, Real Estate, Office of the Treasurer***

The Committee recommended approval of the following items in connection with the promotion of Rebecca Stafford, Office of the Treasurer:

- a. The title of Investment Officer, Grade 104.
- b. A salary of \$124,200, an increase of \$16,200 (15 percent) from her current salary of \$108,000, 100 percent time.
- c. An effective date of August 1, 2006.

Additional items of compensation include:

- Per policy, eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan, with an incentive target of 35 percent of base salary
- Standard Pension and Health and Welfare benefits

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

B. *Compensation for Certain Participants of the Office of the Treasurer Annual Incentive Plan*

The Committee recommended that the following award amounts for certain individuals of the Senior Leadership Compensation Group be approved under the 2005-06 Office of the Treasurer Annual Incentive Plan (AIP). This award, consistent with AIP terms and conditions and subject to the claw-back feature of the Plan, will be paid out incrementally over a three-year period.

Incumbent	Position	Base Salary (1)	Target AIP (\$)	Target as a % of Base Salary	Total Award (\$)	Award as a % of Base Salary	Total Cash Comp
Melvin Stanton	Asst. Treasurer	\$243,175	\$145,905	60%	\$185,880	76%	\$429,055
Randall	MD, Fixed						
Wedding	Income	\$237,625	\$142,575	60%	\$152,560	64%	\$390,185
Robert	MD, External						
Blagden	Invest.	\$237,625	\$142,575	60%	\$51,010	21%	\$288,635
Jesse	MD, Risk						
Phillips	Management	\$227,675	\$136,605	60%	\$149,240	66%	\$376,915
Linda	Sr. Portfolio						
Fried	Mgr	\$193,483	\$87,067	45%	\$117,520	61%	\$311,003
Satish	Sr. Portfolio						
Swamy	Mgr	\$193,483	\$87,067	45%	\$89,400	46%	\$282,883
David	Sr. Portfolio						
Schroeder	Mgr	\$192,503	\$86,626	45%	\$106,800	55%	\$299,303
Kim	Investment						
Evans	Officer	\$191,930	\$86,369	45%	\$116,580	61%	\$308,510
Lynda	Dir. of Absolute						
Choi	Return	\$178,344	\$62,420	35%	\$106,020	59%	\$284,364
Burton	Investment						
Yuen	Officer	\$179,575	\$62,851	35%	\$22,550	13%	\$202,125
TOTAL (2)		\$3,445,97	\$1,673,92	49%	\$1,681,34	49%	

(1) Actual salary earned during the 2006 fiscal year.

(2) Totals include payout values for individuals with <\$200,000 Total Cash Compensation

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

C. *Approval of 2005-06 Incentive Award for Marie Berggren as Chief Investment Officer of The Regents and Acting Treasurer*

The Committee recommended that the total award amount of \$426,940 for 2005-06 contributions and performance under the Office of the Treasurer Annual Incentive Plan (AIP) be approved for Marie Berggren as Chief Investment Officer of the Regents and Acting Treasurer. This award, consistent with AIP terms and conditions and subject to the claw-back feature of the Plan, will be paid out incrementally over a three-year period.

D. ***Compensation for Participants of the Clinical Enterprise Management Recognition Plan***

The Committee recommended that awards under the Clinical Enterprise Management Recognition plan, as proposed by the Medical Centers for sixty-nine eligible participants and totaling \$2,471,121, be approved for certain members of the Senior Leadership Compensation Group, as shown in [Attachment 1](#).

E. ***Compensation and Personnel Actions Related to Internal Reviews and Audit Findings***

The Committee recommended approval of the following:

- (1) Corrective Actions: Compensation and personnel actions proposed for employees as shown in [Attachment 2](#), which include corrective actions related to matters identified in audits conducted by the Bureau of State Audits (BSA) and the University Auditor, and internal management reviews.
- (2) W-2c Corrections (corrected wage and tax statements): Reimbursement to employees who were provided incorrect W-2 forms as identified in recent management reviews, for the costs to the employee for applicable tax preparation fees, IRS interest charges and penalties, if any, and any incremental taxes associated with such reimbursements, as evidenced by receipts and other documentation, as shown in [Attachment 3](#).

F. ***Amendment of Bylaws 12.8, 20.1, 21.5 and Standing Orders 100.1, 100.2, 100.3, 100.4 and 100.5 to Reflect New Job Titles for Restructured Positions***

The Committee recommended that:

- a. Service of notice be waived.
- b. Bylaws 12.8, 20.1, 21.5 and Standing Orders 100.1, 100.2, 100.3, 100.4, 100.5 be amended, as shown in [Attachment 4](#), to conform with The Regents' July 20, 2006 action to restructure the Office of the President, including review of position descriptions for the University's Senior Business, Finance, and Compliance Officers.

G. ***Amendment to Existing Authority to Transfer Assets from the University of California Retirement Plan to the Los Alamos National Security, LLC Defined Benefit Plan***

The Committee recommended that authority be granted to make initial and interim transfers of University of California Retirement Plan assets to the Los Alamos National Security, LLC Plan subject to the following terms:

- (1) The initial transfer of UCRP assets to the LANS Plan will be made as a single sum payment to cover current administrative needs, and subsequent payments will be made to the extent necessary to cover ongoing administrative needs in lieu of the monthly payments previously authorized. Authority is requested to transfer an amount no greater than \$10 million as the initial payment and, if necessary, interim payments not to exceed \$50 million in total, including the initial \$10 million payment. Any such funding amounts transferred before the final transfer of assets and liabilities will be agreed to by the University and the Department of Energy and will be based on anticipated benefit payments, administrative fees, and other reasonable costs that are expected to be incurred by or on behalf of the LANS Plan prior to the final transfer of UCRP assets and liabilities.
- (2) The initial and interim funding will be accounted for in the determination of the final amount of UCRP assets and liabilities that will eventually be transferred to the LANS Plan when all regulatory approvals are in place.
- (3) Prior to the initial transfer of any UCRP assets, LANS will need to provide various documents and representations to satisfy the University's legal advisors regarding the LANS Plan status and assumption of liabilities. Additionally, DOE will need to provide assurance that (a) if the final transfer cannot take place due to legal barriers, the initial and any interim transfers from UCRP will be returned to UCRP with interest and (b) there will be reasonable indemnification for any penalties, taxes, or costs related to such transfer.
- (4) Authority for implementation of initial and interim funding for the LANS Plan as provided in this recommendation be delegated to the Plan Administrator, Associate Vice President Boyette, subject to the limits and terms and conditions described above.

H. ***Reorganization, Job Descriptions and Interim Slotting for Executive Vice President-Chief Financial Officer, Executive Vice President-Business Operations, Secretary of The Regents, and Interim Slotting for Vice President-Compliance and Audit, and General Counsel***

The Committee recommended approval of job descriptions and individual salary grades for the Executive Vice President-Chief Financial Officer, Executive Vice President-Business Operations, Secretary of The Regents, and individual salary grades for the Vice President-Compliance and Audit, and General Counsel. The individual salary grades are within the salary range structure approved by The Regents for all Senior Leadership Compensation Group (SLCG) positions. SLCG positions are those occupied by incumbents whose salaries exceed the Indexed Compensation Level (ICL), which is currently \$200,000 cash compensation per annum, or those specifically designated by The Regents as part of implementing recommendations made by the Task Force on UC Compensation, Accountability, and Transparency.

a. ***Approval of Job Descriptions:***

As part of the restructuring of the University of California, Office of the President, the job descriptions for the following positions be approved:

NEW POSITIONS

Executive Vice President-Chief Financial Officer ([Attachment 5](#))

Executive Vice President-Business Operations ([Attachment 6](#))

EXISTING BUT EXPANDED POSITION

Secretary of The Regents ([Attachment 7](#))

b. ***Approval of Interim Job Slotting for New Positions at the Office of the President***

Approval of individual salary grades for three new positions within the salary range structure approved by The Regents for all Senior Leadership Compensation Group (SLCG) positions:

Proposed Ranges (\$000s)		
<u>Position Title</u>	<u>Grade</u>	<u>min – mid – max</u>
Executive Vice President- Chief Financial Officer	113	\$316 - \$409 - \$501
Executive Vice President- Business Operations	113	\$316 - \$409 - \$501
Vice President- Compliance and Audit	109	\$203 - \$260 - \$316

c. ***Approval of Interim Job Slotting for the Following Existing Positions as Officers of The Regents:***

Approval of individual salary grades for the following two existing positions – the Secretary of The Regents and the General Counsel – within the salary range structure approved by The Regents for all Senior Leadership Compensation Group (SLCG) positions:

	Proposed	Ranges (\$000s)
<u>Position Title</u>	<u>Grade</u>	<u>min – mid – max</u>
General Counsel	112	\$283 - \$365 - \$447
Secretary of The Regents	106	\$146 - \$185 - \$224

Ranges shown are prior to 2006-07 adjustment.

I. ***Amendment of Standing Order 103.5, Emeritus Status***

- (1) Service of notice be waived.
- (2) Standing Order 103.5, Emeritus Status, be amended as shown in [Attachment 8](#).

J. ***Approval of Adjustments to the Senior Leadership Compensation Group Salary Ranges for 2006-07***

The Committee recommended that the Senior Leadership Compensation Group salary range structure be adjusted by 2.7 percent to maintain competitiveness with the external higher education labor market. This adjustment would be effective upon Regental approval for 2006-07.

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

10. REPORT OF INTERIM ACTIONS

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

A. The Chairman of the Board, the Chair of the Committee on Compensation, and the President approved the following recommendations:

(1) ***Appointment Salary for Keith E. Alley as Executive Vice Chancellor and Provost, Merced Campus***

That an appointment salary of \$230,000 (below the midpoint of Grade 108; range minimum \$182,200, midpoint \$231,900, maximum \$281,700) be approved for Keith E. Alley as Executive Vice Chancellor and Provost, Merced campus, 100 percent time, effective July 1, 2006 through June 30, 2008.

Additional items of compensation include:

- Per policy, accrual of sabbatical credits as a member of the faculty
- Per policy, annual Automobile Allowance of \$8,916 or a leased auto
- Per policy, Standard Pension and Health and Welfare benefits and Standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in The Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution.]

(2) ***Appointment Salary for John C. Hemminger as Dean-School of Physical Sciences, Irvine Campus***

That an appointment salary of \$218,900 (third quartile of SLCG Grade 107; range minimum \$163,200, midpoint \$207,100, maximum \$251,000) be approved for John C. Hemminger as Dean-School of Physical Sciences, Irvine campus, 100 percent time, effective July 1, 2006.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits and Standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in The Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution contingent upon the candidate's acceptance of the offer].

(3) ***Appointment Salary for Ann Madden Rice as Chief Executive Officer–Davis Medical Center, Davis Campus***

That an appointment salary of \$495,000 (minimum of Grade 117; range minimum \$494,700, midpoint \$643,100, maximum \$791,600) be approved for Ann Madden Rice as Chief Executive Officer–UC Davis Medical Center, Davis campus, 100 percent time, effective August 1, 2006.

Additional items of compensation include:

- Per policy, a 5 percent monthly contribution to the Senior Management Supplemental Benefit Program
- Per policy, an annual automobile allowance of \$8,916 or a leased vehicle
- Per policy, eligibility for a Mortgage Origination Program loan
- Per policy, participation in the Clinical Enterprise Management Recognition Program (15 percent target with up to 20 percent maximum payout)
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability
- Relocation allowance of \$75,000 (15.2 percent) to be paid in two annual payments with a four-year service requirement and payback provision of 25 percent for each year of uncompleted service

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in The Regents' 1993 Principles for

Review of Executive Compensation) in this recommendation will be released to the public immediately following execution contingent upon the candidate's acceptance of the offer.]

(4) ***Appointment Salary for Margarita M. Baggett as Chief Patient Care Services Officer, San Diego Medical Center, San Diego Campus***

That an appointment salary of \$232,000 (SLCG Grade 108; range minimum \$182,200, midpoint \$231,900, maximum \$281,700) be approved for Margarita M. Baggett as Chief Patient Care Services Officer, University of California, San Diego Medical Center, San Diego campus, 100 percent time, effective July 24, 2006.

Additional items of compensation are:

- Per policy, participation in the Clinical Enterprise Management Recognition Plan with a 20 percent of base opportunity
- Per policy, 5 percent Senior Management Supplemental Benefit Program contribution
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, Executive Salary Continuation for Disability, eligible for Sabbatical Leave

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in The Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution.]

(5) ***Appointment Salary for Bruce Margon as Vice Chancellor–Research, Santa Cruz Campus***

That an appointment salary of \$220,000 (Grade 107; range minimum \$163,200, midpoint \$207,100, maximum \$251,000) be approved for Bruce Margon as Vice Chancellor–Research, 100 percent time, Santa Cruz campus, effective on or about September 1, 2006.

Additional items of compensation include:

- Per policy, eligibility for a Mortgage Origination Program loan for an amount of up to \$1,000,000

- Per policy, Standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, Executive Salary Continuation for Disability, eligible for Sabbatical Credits
- Per policy, relocation allowance of \$55,000 (25.0 percent) to be paid over a period of four years with a contingent repayment schedule
- Per policy, reimbursement of moving expenses up to a maximum of \$20,000.

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in The Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution contingent upon the candidate's acceptance of the offer.]

(6) ***Appointment Salary for Keith E. Brant as Vice Chancellor–External Relations, San Diego Campus***

That an appointment salary of \$230,000 be approved for Keith E. Brant as Vice Chancellor–External Relations, San Diego Campus. This appointment is at 100 percent time and is effective September 1, 2006. This position is slotted on an interim basis at SLCG Grade 109; range minimum \$203,400, midpoint \$259,800, maximum \$316,100. The San Diego campus conducted a national search to fill the position of Vice Chancellor–External Relations.

Additional items of compensation are:

- Per policy, annual automobile allowance of \$8,916 or leased automobile
- Per policy, 5 percent Senior Management Supplemental Benefit Program contribution
- Per policy, eligibility for a Mortgage Origination Program loan
- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, Executive Salary Continuation for Disability

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All

compensation (as defined in The Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution contingent upon the candidate's acceptance of the offer.]

(7) ***Appointment Salary for J. Shannon O'Kelley, Associate Director, Operations–Clinical Services, UCLA Hospital System, Los Angeles Campus***

That an appointment salary of \$215,000 be approved for J. Shannon O'Kelley as Associate Director, Operations–Clinical Services, UCLA Hospital System, Los Angeles campus. This appointment is at 100 percent time and is effective September 1, 2006. This position is slotted on an interim basis at SLCG Grade 108; minimum \$182,200, midpoint \$231,900, maximum \$281,700. The Los Angeles campus conducted a search to fill the position of Associate Director, Operations–Clinical Services.

Additional items of compensation include:

- Standard Pension and Health and Welfare Benefits
- Per policy, relocation allowance of \$53,750 (25.0 percent) to be paid over a period of four years
- Per policy, participation in the Clinical Enterprise Management Recognition Program with a 20 percent of base opportunity
- As an exception to policy, two house-hunting trips by coach class for Mr. O'Kelley and his spouse
- As an exception to policy, temporary housing assistance of up to six months, not to exceed \$24,000 (Campus advises that it may take up to six months to find suitable housing in the Los Angeles area)

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in The Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution contingent upon the candidate's acceptance of the offer.]

(8) ***Appointment Salary for Paul H. Watkins, Associate Director, Support Services, UCLA Hospital System, Los Angeles Campus***

That an appointment salary of \$185,000 be approved for Paul H. Watkins as Associate Director, Support Services, UCLA Hospital System, Los

Angeles campus. This appointment is at 100 percent time and is effective no later than August 1, 2006. This position is slotted on an interim basis at SLCG Grade 106; minimum \$146,100, midpoint \$184,900, maximum \$223,700. The Los Angeles campus conducted a search to fill the position of Associate Director, Support Services.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits
- Per policy, relocation allowance of \$46,250 (25 percent) to be paid over a period of four years
- Per policy, participation in the Clinical Enterprise Management Recognition Program with a 20 percent of base opportunity
- As an exception to policy, two house-hunting trips by coach class for Mr. Watkins and his spouse
- As an exception to policy, temporary housing assistance of up to six months, not to exceed \$24,000 (Campus advises that it may take up to six months to find suitable housing in the Los Angeles area)

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in The Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution contingent upon the candidate's acceptance of the offer.]

(9) ***Appointment Salary for William J. Ziomek as Investment Officer, Externally Managed Investments, Office of the Treasurer***

That an appointment salary of \$181,125 be approved for William Ziomek as Investment Officer, Externally Managed Investments, Office of the Treasurer. This appointment is at 100 percent time and is effective upon Regental approval. This position is slotted on an interim basis at SLCG Grade 106; range minimum \$146,100, midpoint \$184,900, maximum \$223,700.

Additional items of compensation include:

- Eligibility to participate in the University of California Office of the Treasurer Annual Incentive Plan with an incentive target of 35 percent of base salary, to a maximum of 70 percent.

- Standard Pension and Health and Welfare Benefits and Standard Senior Management Benefits, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

[The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following execution.]

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

Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Amendment of External Financing for Sierra Terraces Housing Project, Merced Campus

That:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

Deletions shown by strike out, additions by underscore

Merced: Sierra Terraces Housing Project – preliminary plans, working drawings, construction, and equipment – ~~\$25,950,000~~ \$31,466,000 to be funded from external financing.

- (2) The President be authorized to obtain external financing not to exceed ~~\$25,950,000~~ \$31,466,000 to finance the Merced Sierra Terraces Housing Project, subject to the following conditions:
- (a) Interest only, based on 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 Merced campus shall be established at levels sufficient to provide excess net revenues sufficient to pay the debt service and to meet the related 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 taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

11. **REPORT OF PERSONNEL ACTIONS**

Acting Secretary Shaw reported that, in accordance with Bylaw 14.7(b), the following personnel actions were taken at the July 19-20 meeting. There were no roll call votes taken on these actions.

- A. Appointment of Norm Abrams as Acting Chancellor, Los Angeles campus, 100 percent, effective July 1, 2006.
- B. Appointment of George Blumenthal as Acting Chancellor, Santa Cruz campus, 100 percent, effective July 14, 2006.
- C. Appointment of George H. Miller as Proposal Team Leader and Proposed Director of the Lawrence Livermore National Laboratory, contingent upon the award of the Lawrence Livermore National Laboratory management contract.

12. **REPORT OF COMMUNICATIONS**

Acting Secretary Shaw presented summaries of communications received subsequent to the July 2006 meeting which may be referred to President Dynes for response as appropriate.

13. **AMENDMENT OF THE BYLAWS AND STANDING ORDERS REGARDING TREASURER OF THE REGENTS**

At the July 20, 2006 meeting of The Regents of the University of California, Regent Hopkinson served notice that at the next regular meeting she would move amendment of Bylaw 20–Officers of the Corporation, Bylaw 21–Duties and Responsibilities of Officers of the Corporation, Standing Order 100.4–Officers of the University, and Standing Order 101–Faculty Members and Other Employees of the University, as shown in [Attachment 9](#).

14. **REPORT OF THE PRESIDENT: MAILINGS BETWEEN MEETINGS**

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

To Members of the Committee on Health Services

- A. Activity and Financial Status Report for the University Medical Centers for the eleven months ended May 31, 2006. July 27, 2006 (Schedule of Reports)

The Regents of the University of California

- B. Announcement that the University has joined Google's Library Partner program. August 8, 2006
- C. Article in *The Washington Monthly* ranking national universities and liberal arts colleges. August 9, 2006
- D. Letter from the University Committee on Faculty Welfare regarding the importance of consultation with the Academic Senate on UC compensation issues. August 21, 2006
- E. Academic Council Memorandum on the Resumption of Contributions to the University of California Retirement Plan. August 21, 2006
- F. Statement of the Academic Council on Interaction Between UC's Faculty and the UC-Associated National Laboratories. September 12, 2006
- G. Response from Vice Provost Larry Coleman to Regent Coombs regarding University's acceptance of research funding from tobacco-related companies and University policies related to such funding. September 12, 2006

The meeting adjourned at 12:50 p.m.

Attest:

Acting Secretary