

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

May 17, 2007

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

Present: Regents Blum, Coombs, Dynes, Gould, Hopkinson, Island, Johnson, Ledesma, Marcus, Parsky, Pattiz, Ruiz, Schilling, and Schreiner (14)

In attendance: Regents-designate Allen, Brewer, and Bugay, Faculty Representatives Brown and Oakley, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Broome, Foley, and Sakaki, Chancellors Birgeneau and Drake, Acting Chancellor Blumenthal, and Recording Secretary Bryan

The meeting convened at 1:15 p.m. with Chairman Blum presiding.

1. READING OF NOTICE OF MEETING

For the record, it was confirmed that notice was served in accordance with the Bylaws and Standing Orders for a Special Meeting of The Regents of the University of California, concurrent with the regularly scheduled meeting, for the purpose of acting on the Report of the Committee on Educational Policy.

2. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

Upon motion of Regent Parsky, duly seconded, the minutes of the meetings of March 14 and 15, 2007 were approved.

3. REPORT OF THE PRESIDENT

President Dynes presented the report concerning University activities and individuals. He noted, in particular, Mr. Dave Miller's contributions to the deliberations of the Board during his term as Staff Advisor and thanked him for his dedicated service.

Upon motion duly made and seconded, the President's report was accepted, and it was directed that notes of thanks be sent to the donors of the gifts mentioned in the report, that congratulations be extended to those faculty and staff members who have been awarded honors, and that notes of sympathy and regret be sent to the families of those whose deaths were reported.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

4. RESOLUTION IN APPRECIATION – JEFFERSON COOMBS

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

WHEREAS, Jefferson Coombs will complete his term on the Board of Regents, having conscientiously fulfilled the duties and responsibilities incumbent upon him as President of the Alumni Associations of the University of California (AAUC) and as a Regent of the University of California, serving in both capacities with energy, enthusiasm, and an abiding concern for the welfare of this great institution that he holds so dear; and

WHEREAS, a proud UC Berkeley alumnus, he has served not only four highly successful terms as Vice President of the California Alumni Association, where he was a forceful, passionate, and effective advocate for the University, but also as Secretary and now President of the AAUC, positions in which he has continued to inspire loyalty and support from among the nearly one and a half million UC alumni throughout the world; and

WHEREAS, always holding to the highest standards of public trust, he has contributed valuable insights and thoughtful counsel to the Regents' Committees on Audit, Compensation, Educational Policy, and Grounds and Buildings, where, in the latter, his passion for green technology and sustainable energy has helped the University develop a safe and environmentally friendly infrastructure on our campuses; and

WHEREAS, not only has he traveled the length and breadth of California as an ambassador of goodwill for the University in his continuing efforts to connect with and involve UC's vast array of alumni, especially its younger alumni, in the life of the University, but he has also been a staunch advocate for the often unsung staff of the University, those dedicated employees who play such an essential role in the continued success of the University of California; and

WHEREAS, his outstanding record of service to Californians from all walks of life was amply demonstrated by his innovative leadership when he served as President of the Los Angeles Advertising Club's Multicultural Advertising Training Program, an imaginative internship and outreach program aimed at opening the doors of opportunity for qualified underrepresented minorities in the advertising field; and

WHEREAS, his fellow Regents admire and appreciate the enormous zest and originality with which he approached the many challenges facing the University, as well as the thoughtful perspective, notable idealism, and principled viewpoints he brought to the Board during its deliberations;

NOW, THEREFORE, BE IT RESOLVED that the Regents commend and thank Jefferson Coombs for his vigorous and effective endeavors to bring a greater sense of unity to the AAUC, as well as, and most especially, for his service on the Board of Regents,

AND BE IT FURTHER RESOLVED that the Regents express their hope that the University will continue to benefit from the intelligence, innovative spirit, and skill Jefferson has demonstrated through his exemplary service, and direct that a suitably inscribed copy of this resolution be presented to Jefferson and his partner, Vincent, as a token of the Regents' affection and esteem.

Regent Johnson commented that Regent Coombs had enriched the lives of alumni and brought enthusiasm and energy to the Board's discussions. He had been a promoter of the University's use of green technology and sustainable energy and a strong supporter of diversity. She expressed the hope that he would continue as an advocate for the University.

5. **RESOLUTION IN APPRECIATION – MARIA LEDESMA**

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

WHEREAS, on June 30, 2007, Maria Ledesma, a doctoral candidate in education at UCLA, will complete her term as the thirty-second Student Regent, having earned the admiration and respect of her colleagues for her wholehearted commitment to her Regental duties, her keen intelligence, and her passionate advocacy of greater accessibility and diversity in public higher education; and

WHEREAS, the justifiably proud holder of a bachelor's degree in English from UC Berkeley and a master's degree in education from Harvard, she also served with dedication as an outreach coordinator for the Early Academic Outreach Program at Berkeley, a position in which she worked to increase educational opportunities for students from all walks of life, thus giving her a wealth of knowledge and experience that she has brought to bear in addressing the many complex and challenging issues faced by this board and this university during her tenure; and

WHEREAS, she is regarded by her colleagues on the Board as a reflective, conscientious, and articulate Regent, one whose balanced judgments, perceptive insights, and common sense have made her a valued member of the Committees on Educational Policy, Grounds and Buildings, and Health Services, and the Special Committee on Selection of a Student Regent, at all times deeply cognizant of the special perspective only she, as a student, can bring to Regental discussion and deliberation; and

WHEREAS, with a deep and abiding interest in ensuring that the University values and fosters diversity among its students, faculty, and staff, she, along with Regent Ruiz, successfully sought a comprehensive, historic study of diversity at UC since the passage of Proposition 209, the findings of which will provide to the University invaluable insight into as well as guidelines for its long-term plans for the future; and

WHEREAS, her concern for the welfare of the University's 209,000 students has been reflected in the precious time she has taken from her own studies for visits to the

campuses and in meetings with students, faculty, and administrators, where she has shown heartfelt compassion and deep concern for a wide range of issues, including the need for student and faculty diversity, as well as the necessity of making colleges and universities affordable for all who seek an educational pathway to a better life;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California convey to Maria Ledesma their appreciation and gratitude not only for her devotion to public higher education but for the committed and invaluable service she has rendered as a member of the Board of Regents;

AND BE IT FURTHER RESOLVED that the Regents extend to Maria their very best wishes for continued success in the future, secure in the knowledge that she will continue to make important contributions to higher education and to underserved students in the years ahead, and direct that a suitably inscribed copy of this resolution be presented to her as a token of the Regents' high regard and friendship.

Regent Ruiz thanked Regent Ledesma on behalf of all the Regents for her contributions to their work and to the University's mission. He noted that she had raised the standard for what student Regents bring to the Board's deliberations and could leave knowing that she had made a positive difference to the University.

6. **RESOLUTION IN APPRECIATION – STEPHEN SCHREINER**

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

WHEREAS, Stephen Schreiner will have completed his term on the Board of Regents on June 30, 2007, having performed his duties as a Regent-designate and as a Regent with dedication, a deep sense of mission, and an abiding loyalty to his alma mater; and

WHEREAS, after having received his Bachelor of Arts degree with honors from UC San Diego and his J.D. degree from UC Berkeley, he has gone on to become a highly respected attorney, giving generously of his time and talent to the University, as Vice President and then President of the UC San Diego Alumni Association, positions in which he successfully oversaw the resurgence of the National Merit Scholar program, thereby providing suitable funding for all National Merit Scholars at UCSD, as well serving as chair of the UC San Diego Chancellor's Associates, a position he used to create and nurture vital links between the campus and community; and

WHEREAS, over the course of a highly distinguished career, he has also made major contributions to the San Diego community and to the people of this great state, including service on the Attorney-Realtor Liaison Committee of the San Diego County Bar Association, as a panelist on the California Continuing Education of the Bar Program, and as Director and General Counsel of the San Diego Chapter of the Arthritis Foundation; and

WHEREAS, the University has benefitted from his incisive legal mind and keen understanding of the University's responsibilities as the premier public institution of higher learning in his role as a member of the Committees on Educational Policy, Grounds and Buildings, Investments, Oversight of the Department of Energy Laboratories, and Governance, where his sound judgment was of invaluable assistance to his colleagues as they addressed the major challenges facing a 21st century land-grant institution; and

WHEREAS, his fellow Regents have come to value and appreciate his manifest integrity, steady temperament, and wise counsel, attributes that have served the Board and the University well during its deliberations of a wide variety of complex issues;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their deep appreciation to Stephen Schreiner for his devotion to the University and the students it serves, as well as their gratitude for the thoughtful perspective he has brought to the Board's deliberations;

AND BE IT FURTHER RESOLVED that the Regents convey to Steve and his wife, Sally, their best wishes for a rich and full life, along with the hope that Steve will continue his advocacy of the University, and direct that a suitably inscribed copy of this resolution be presented to them as a lasting expression of the Board's warm regard and friendship.

Regent Schilling thanked Regent Schreiner for his service both as a Regent and an officer of the Alumni Association. She described him as a valuable and important colleague, during his tenure, who had brought seasoned judgment to the Board's deliberations and had created vital links between the San Diego campus and the community.

7. **RESOLUTION IN APPRECIATION – FRANCE CÓRDOVA**

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

WHEREAS, the Regents of the University of California wish to honor and commend France Córdoba, who has served the University with great honor and distinction, first as a member of the Space Astronomy and Astrophysics Group at the Los Alamos National Laboratory, later as an esteemed member of the faculty and Vice Chancellor for Research at UC Santa Barbara, finally as the seventh Chancellor of the University of California's Riverside campus, a position in which she has exercised leadership of the highest order, moving the campus to new levels of excellence and achievement; and

WHEREAS, with a clear sense of purpose and a passion for excellence, as Chancellor she has created new graduate and undergraduate programs, helped bring to fruition a School of Public Policy, increased the library's collections, developed the California Community College Collaborative to promote research, policy, and faculty

development, brought UCR to the fore of the University's ground-breaking science and math education program, and dramatically increased private giving and research funding, all of which and more have made the University of California, Riverside a campus of great accomplishment, wonderful diversity, entrepreneurial innovation, and tremendous potential, an inspiring place to learn, teach and research, and serve the people of California; and

WHEREAS, she has worked with energy and vision to develop a long-term strategy for the campus, advancing the cause of educational excellence and strengthening the academic enterprise at Riverside by assembling a distinguished faculty in whom she has encouraged and nurtured teaching and pioneering research through innovative programs; and

WHEREAS, the first Latina to oversee a UC campus, she has been a staunch supporter and tireless champion of diversity, one whose heartfelt and unwavering commitment to the underserved and underrepresented of California has attracted one of the most diverse and talented student bodies and who has increased the hiring of women and underrepresented minorities, thereby providing a culturally and educationally enriching experience for the entire campus community; and

WHEREAS, recognizing the vital need for high-quality health care in the Inland Empire through the education and training of students within the community, perhaps her greatest legacy to the University, the campus, and the community will be the foresight and vision she brought to her unwavering efforts to establish a medical school on the Riverside campus, the first UC medical school to be created in nearly a half-century, one where the excellence of its facilities for patient care, the high quality of its research, the distinction of its faculty and its students, and the vigor of its intellectual environment will be its hallmark and its greatest gift to the Inland Empire;

NOW, THEREFORE BE IT RESOLVED that the Regents commend France Córdova for her enthusiastic commitment to the University of California, Riverside, a position in which she has raised the campus' standing among the nation's outstanding research universities, brought bold initiative, labored diligently and effectively to strengthen the campus both internally and externally, and forged strong and lasting bonds of friendship with all parts of the larger community, thus ensuring the campus will serve as a major resource for the Inland Empire and the State through its present and future contributions to the scientific enterprise, educational opportunity, health care, and community service;

AND BE IT FURTHER RESOLVED that the Regents extend to France and her husband, Chris Foster, their affectionate good wishes as they leave to pursue their dreams at Purdue University and their warmest appreciation and gratitude for their devotion and commitment to the Riverside campus and community, and direct that a suitably inscribed copy of this resolution be presented to them as a token of the

Regents' high regard and good wishes for a future rich in happiness and continued accomplishment.

8. **RESOLUTION IN APPRECIATION – LAWRENCE C. HERSHMAN**

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

WHEREAS, the Regents of the University of California wish to express their abiding gratitude to Lawrence C. Hershman, Vice President–Budget, for his devoted efforts over the course of nearly four decades in behalf of this great institution of higher learning, efforts that have enabled the entire University to flourish and grow; and

WHEREAS, acting with the best interests of the University of California foremost in his thoughts, he has worked assiduously to ensure fair and equitable State funding, based on Regental priorities, often during periods of great financial peril for the University and the State; and

WHEREAS, under his skillful management, funding for UC programs has grown from \$2.5 billion to more than \$19 billion in just over three decades, State funding for every capital project proposed by the University has gained approval, a new UC campus came to fruition, existing campus facilities have been vastly improved, and funding for faculty and staff salaries have stabilized; and

WHEREAS, he enjoys a reputation for honesty and integrity with all whom he has worked, especially within the halls of the State Capitol, where, as an articulate representative of the University, he has not only been held in the highest regard by several generations of legislators, but also by four governors and their staffs with whom he has negotiated budget compacts to secure stable funding bases for the University, thus bringing a wealth of benefits to its faculty, staff, and students; and

WHEREAS, known far and wide for his great loyalty to and steadfast faith in the University, his almost encyclopedic knowledge of UC and its budget has served him and the University well in his role as an effective advocate for this institution, his alma mater; and

WHEREAS, a devoted guardian of the University of California, he has rightly earned a lasting place in its rich history through his steadfast service, personal and professional ethics, eternal optimism, and devoted efforts to ensure the University's continued financial stability;

NOW, THEREFORE BE IT RESOLVED that the Regents wish to commend Larry Hershman for his selfless devotion to this university he loves so well and has served with such honor, a true Civis Universitatis, who has improved the lives of hundreds of thousands of students, faculty, and staff through the varied resources he has garnered with skill, knowledge, intelligence, and always good humor;

AND BE IT FURTHER RESOLVED that the Regents express their deep appreciation for his effective guidance of UC's budget through both good times and bad, thus ensuring the University of California will long stand as one of the greatest institutions of higher learning in the world, and the Regents direct that a suitably inscribed copy of this resolution be presented to Larry and his wife Beverly with their best wishes for a rich and happy life, along with the hope that Larry's retirement will in no way alter his status as a treasured friend and supporter of the University of California.

9. **REPORT OF THE COMMITTEE ON AUDIT**

The Committee on Audit recommended that the Annual Report Internal Audit Plan 2007-08 be approved.

[The Annual Report Internal Audit Plan 2007-08 was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Upon motion of Regent Ruiz, duly seconded, the report of the Committee on Audit was approved.

10. **REPORT OF THE COMMITTEE ON COMPENSATION**

A. ***Individual Salary Items***

The Committee recommended the following:

(1) ***Appointment Salary for Andrew Szeri as Dean–Graduate Division, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Andrew J. Szeri as Dean–Graduate Division, Berkeley campus:

- a. An appointment salary of \$172,600. This represents a 23.9 percent increase over Mr. Szeri's adjusted faculty salary of \$139,278 and a 19.8 percent increase over his total annual compensation of \$144,078 (Salary Grade 107: Minimum \$167,600, Midpoint \$212,700, Maximum \$257,800).
- b. This appointment is 100 percent time and is effective July 1, 2007.

Additional items of compensation include:

- Per policy, 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.

- Per policy, accrual of sabbatical credits as a member of faculty.

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) ***Appointment Salary for Sheldon Zedeck as Vice Provost–Academic Affairs and Faculty Welfare, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Sheldon Zedeck as Vice Provost–Academic Affairs and Faculty Welfare, Berkeley campus:

- a. An appointment salary of \$207,600. This represents a 32.2 percent increase in Mr. Zedeck's adjusted academic salary of \$157,040 (Salary Grade 108: Minimum \$187,100, Midpoint \$238,200, Maximum \$289,300).
- b. This appointment is 100 percent time and effective July 1, 2007.

Additional items of compensation include:

- Per policy, 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.
- Per policy, accrual of sabbatical credits as a member of faculty.

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) ***Stipend for J. Keith Gillless as Acting Dean–College of Natural Resources, Berkeley Campus***

Approval of the following items in connection with the appointment of J. Keith Gillless as Acting Dean–College of Natural Resources, Berkeley campus:

- a. As an exception to policy, an administrative stipend of \$40,000 (40.4 percent over his annual base salary of \$99,000 and

22.6 percent over his current total annual compensation of \$113,400) to increase his total annual compensation to \$139,000 (Salary Grade 107: Minimum \$167,600, Midpoint \$212,700, Maximum \$257,800).

- b. If an adjustment to the base salary is made prior to the termination of this acting role, the \$40,000 stipend will continue and will not be recalculated.
- c. This appointment is at 100 percent time and is effective July 1, 2007 through June 30, 2008 or until the appointment of a permanent Dean—College of Natural Resources, whichever occurs first.

Additional items of compensation include:

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

(4) ***Stipend Extension for Wendell C. Brase, Vice Chancellor—Administrative and Business Services, Irvine Campus***

Approval of the following items in connection with the additional responsibilities assigned to Wendell C. Brase, Vice Chancellor—Administrative and Business Services for his role as Project Manager in the oversight of the Medical Center's \$372 million seismic replacement hospital project, Irvine campus:

- a. An extension of his current administrative stipend of \$20,000 (9.3 percent) to increase his base salary of \$216,000, for an annual salary of \$236,000 (Salary Grade 108: Minimum \$187,000, Midpoint \$238,200, Maximum \$289,300).
- b. If an adjustment to the base salary is made prior to the termination of this acting role, the stipend will remain at the dollar value of \$20,000.
- c. As an exception to policy, effective February 1, 2007 through January 31, 2009, the anticipated conclusion of the project. Since the original effective date of this stipend was February 1, 2005, the total duration is four years.

Additional items of compensation include:

- Per policy, 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.

(5) ***Stipend Extension for Rebekah Gladson, Associate Vice Chancellor and Campus Architect, Irvine Campus***

Approval of the following items in connection with the additional responsibilities assigned to Rebekah Gladson, Associate Vice Chancellor and Campus Architect, for her role as Project Architect and Construction Coordinator for the Medical Center's \$372 million seismic replacement hospital project, Irvine campus:

- a. An extension of her current administrative stipend of \$16,800 (9.3 percent) to increase her base salary of \$179,883, for an annual salary of \$196,683 (Salary Grade 105: Minimum \$134,400, Midpoint \$169,600, Maximum \$204,700).
- b. If an adjustment to the base salary is made prior to the termination of this acting role, the stipend will remain at the dollar value of \$16,800.
- c. As an exception to policy, effective February 1, 2007 through January 31, 2009, the anticipated conclusion of the project. Since the original effective date of this stipend was February 1, 2005, the total duration is four years.

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) ***Stipend Extension for James R. Herron as Corporate Compliance and Privacy Officer and Acting Associate Dean-Administration, Irvine Campus***

Approval of the following items in connection with the additional responsibilities assigned to James R. Herron as Corporate Compliance and Privacy Officer and Acting Associate Dean–Administration for his role as Acting Associate Dean–Administration for the School of Medicine, Irvine campus:

- a. As an exception to policy, extension of an administrative stipend of \$44,800 (22 percent) in addition to his base salary of \$203,500 for an annual salary of \$248,300 (Salary Grade 107: Minimum \$167,600, Midpoint \$212,700, Maximum \$257,800).
- b. If an adjustment to the base salary is made prior to the termination of this acting role, the stipend will remain at the dollar value of \$44,800.
- c. As an exception to policy effective July 1, 2007 and continuing through June 30, 2008, taking the overall period of time (December 1, 2004 through June 30, 2008) beyond one year as allowed in policy.
- d. Clinical Enterprise Management Recognition Plan up to 20 percent.

Additional items of compensation include:

- 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.
- Mr. Herron currently has, per policy, a Mortgage Origination Program Loan of \$300,000.

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.

(7) ***Stipend for Donald A. Cooksey as Acting Dean–College of Natural and Agricultural Sciences, Riverside Campus***

Approval of the following items in connection with the appointment of Donald A. Cooksey as Acting Dean–College of Natural and Agricultural Sciences, Riverside campus:

- a. As an exception to policy, an administrative stipend of 41 percent (\$42,230), to increase his annual (12 month)

professorial base salary of \$103,000 to \$145,230. This stipend represents an increase of 22 percent over Mr. Cooksey's previous total annual compensation.

- b. If an adjustment to the annual academic base salary is made prior to the termination of this acting role, the 41 percent stipend will be recalculated against the new annualized academic base salary.
- c. This appointment is at 100 percent time and is retroactive to March 12, 2007 and effective through March 11, 2008, or until the appointment of a permanent Dean—College of Natural and Agricultural Sciences, whichever occurs first.
- d. Mr. Cooksey currently receives a stipend of 15.5 percent as Executive Associate Dean. This will be discontinued, effective March 11, 2007, upon approval of the proposed stipend.

Additional items of compensation include:

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

(8) ***Stipend for Anita Gursahani as Acting Department Head, Plant Engineering, Laboratory Services Directorate, Lawrence Livermore National Laboratory***

Approval of the following items in connection with the compensation of Anita Gursahani as Acting Department Head, Plant Engineering, Laboratory Services Directorate, at the Lawrence Livermore National Laboratory:

- a. Per policy, an administrative stipend of 5.7 percent (\$12,000), to increase her base salary of \$210,300, to a total annual salary of \$222,300.
- b. If an adjustment to the base salary is made prior to the termination of this acting role, the 5.7 percent stipend will be recalculated against the new base salary.
- c. Retroactive to March 1, 2007 through September 30, 2007, or through contract transition, whichever occurs first.

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.

(9) ***Compensation for Teri McKeever as Head Women's Swimming Coach, Berkeley Campus***

Approval of the following revised compensation terms for Head Women's Swimming Coach, Teri McKeever, Berkeley campus, 100 percent time. Ms. McKeever's revised contract will be effective May 1, 2006 and terminate on June 30, 2011, unless terminated earlier pursuant to the term of the Employment Contract or unless the parties agree in writing to the terms of a successor contract or a contract extension prior to that date.

It was deemed necessary to enter into negotiations with Ms. McKeever, concerning an enhancement and extension of her current contract, when she was recruited by the University of Southern California in spring 2006.

The following terms and conditions are reflected in the new proposed contract:

- a. Base Salary: This contract increases her annual base salary from \$83,000 to:

05/01/06 - 06/30/07	\$115,400	39 percent increase
07/01/07 - 06/30/08	\$121,170	5 percent increase
07/01/08 - 06/30/09	\$127,228	5 percent increase
07/01/09 - 06/30/10	\$133,589	5 percent increase
07/01/10 - 06/30/11	\$140,268	5 percent increase

- b. Talent Fee: This contract establishes an annual talent fee of \$15,000.

05/01/06 - 06/30/07	\$15,000	first year
07/01/07 - 06/30/08	\$15,000	no increase
07/01/08 - 06/30/09	\$15,000	no increase
07/01/09 - 06/30/10	\$15,000	no increase
07/01/10 - 06/30/11	\$15,000	no increase

- c. Additionally, this contract provides opportunity to earn supplemental compensation of up to \$223,300 per annum, as described below.

In the event that Ms. McKeever or the team, during the term of this Employment Contract, accomplishes the following, Ms. McKeever shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

A. Pac-10 and NCAA Accomplishments

Ms. McKeever is eligible to receive more than one bonus.

Achievement of Coach or

Cal Women's Swimming Team

Bonus Amount

Coach wins the NCAA or Coaches Association Coach of the Year	\$ 1,000
Coach wins the Pac-10 Coach of the Year Honor	\$ 1,000
Coach is named to the Olympic Coaching Staff	\$ 2,500
Team finishes in the top 3 in the Pac-10 Championship	\$ 1,000
Team wins the Pac-10 Championship	\$ 2,000
Team finishes in the top 10 in the NCAA Team Championship	\$ 5,000
Team finishes in the top 4 in the NCAA Team Championship	\$10,000
Team wins the NCAA National Championship	\$15,000
For each individual or relay team that wins an NCAA	

individual title	\$ 2,000
For each individual American or World Record Broken	\$ 2,000

B. Coach Stipend

For calendar years 2006, 2007, and 2008, only, the following stipend will be increased by \$2,500 per year, if Team places in the top two at the Women's NCAA Division I Swimming and Diving National Championships.

<u>Calendar Year</u>	<u>Base Stipend</u>
2006	\$40,000 (possible \$42,500)
2007	\$40,000 (possible \$42,500 or \$45,000)
2008	\$40,000 (possible \$42,500, \$45,000, or \$47,500)
2009	\$40,000
2010	\$40,000
2011	\$40,000

C. Performance Bonuses for Coaching Accomplishments

<u>Coach for Event</u>	<u>Bonus Amount</u>
USA Olympic Coach	\$5,000
USA World Championship coach (lc)	\$2,500
USA World Championship coach (sc)	\$1,000
USA Pan Pacific Team Coach	\$1,500
USA Pan Am Games Coach	\$1,000
(lc: long course; sc: short course)	

D. Performance Bonuses for Accomplishments by Athletes

<u>Cal Swim Team Representative Accomplishment</u>	<u>Bonus Amount</u>
USA Olympic Team	\$1,000
USA World Championship Team (lc)	\$500
USA Pan Pacific Team	\$400
USA Pan Am Team	\$250
USA World Championship Team (sc)	\$400
(lc: long course; sc: short course)	

E. Performance Bonuses for Accomplishments by Athletes in Major Competitions

<u>Individual Cal Swim Team Athlete Accomplishment</u>	<u>Bonus Amount</u>
--	---------------------

Individual Olympic Gold Medal	\$ 3,000
Relay Olympic Gold Medal	\$ 1,500
Individual Olympic Silver Medal	\$ 1,500
Relay Olympic Silver Medal	\$750
Individual Olympic Bronze Medal	\$750
Relay Olympic Bronze Medal	\$350
Individual World (lc) Gold Medal	\$1,500
Relay World (lc) Gold Medal	\$750
Individual World (lc) Silver Medal	\$750
Relay World (lc) Silver Medal	\$375
Individual World (lc) Bronze Medal	\$350
Relay World (lc) Bronze Medal	\$175
Individual World (sc) Gold Medal	\$1,000
Individual World (sc) Silver Medal	\$500
Individual World (sc) Bronze Medal	\$250
Individual Pan Pacific/ Pan Am Gold Medal	\$1,000
Individual Pan Pacific/Pan Am Silver Medal	\$500
Individual Pan Pacific/Pan Am Bronze Medal	\$250

(lc: long course; sc: short course)

Items B, C, D, and E above are currently funded through the first three years of this contract. The continuation of these payments, if earned, is subject to proper funding from University contracts with athletic equipment suppliers.

- d. At the discretion of the Athletic Director, the incumbent may earn up to \$50,000 for participating in Cal Athletics camp program.

This contract is for a non-revenue sport and as such does not contain a penalty clause for early termination. If Ms. McKeever 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 monthly installments, and any additional earned bonus 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 (including athletic equipment supplier agreements) and private fundraising, and no State or general campus funds are used in this arrangement.

Additional elements of compensation include:

- Per contract, 20 working days of vacation per each 12-month period of the contract. Coach may not have more than 20 working days of accrued vacation leave at any time during the employment contract. When 20 days of accrued vacation is reached, Coach will cease to earn additional vacation leave until accrued vacation balance is less than 20 working days.
- Per contract and policy, 12 days of sick leave during each 12-month period of the contract.
- Per policy, eligible for standard 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.

(10) ***Slotting of the Position and a Salary Adjustment for Judith Rothman as Associate Vice Chancellor–Medical Sciences and Senior Associate Dean–School of Medicine, Los Angeles Campus***

Approval of the following slotting of the position and a salary adjustment for Judith Rothman as Associate Vice Chancellor–Medical Sciences and Senior Associate Dean–School of Medicine, Los Angeles campus:

- a. Change in slotting from Salary Grade 106 to Salary Grade 107: Minimum \$167,600, Midpoint \$212,700, Maximum \$257,800, as recommended by Mercer Human Resource Consulting.
- b. Salary adjustment increase of \$43,300 (22.5 percent), to bring her annual base salary from \$192,700 to \$236,000.
- c. Effective June 1, 2007.
- d. Per policy, continued participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent.

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.

- Per policy, eligibility for a bonus of up to 10 percent of base salary under UCLA's Staff Achievement Award Program Guidelines.

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) ***Slotting Adjustment for Alphonso V. Diaz as Vice Chancellor–Administration, Riverside Campus***

Approval of the following items in connection with the salary adjustment for Alphonso V. Diaz as Vice Chancellor–Administration, Riverside campus:

- a. A salary adjustment increase of \$11,000 (5 percent) to increase his annual base salary from \$220,100 to \$231,100. This increase is being given to recognize the permanent addition of Athletics; Campus Dining Services; and Housing Services, including Housing Maintenance and Grounds to his portfolio resulting in an increase in the operating budget from \$70 million to \$124 million while increasing the FTE count from 550 to 927.
- b. Effective May 1, 2007 pending approval by The Regents.

Additional items of compensation include:

- 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.
- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefits Program.
- Per policy, currently participating in the Mortgage Origination 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.

(12) ***Preemptive Retention Increase and Graduated Payment-Mortgage Origination Program (GP-MOP) Loan for Brian E.C. Schottlaender as University Librarian, San Diego Campus***

Approval of the following items in connection with the preemptive retention of Brian E.C. Schottlaender as University Librarian, San Diego Campus:

- a. Preemptive retention increase of \$15,500 (8.4 percent) to increase his total annual base salary from \$184,500 to \$200,000, effective May 1, 2007.
- b. Refinancing of his existing MOP loan balance of approximately \$290,000 by providing a new MOP loan using the Graduated Payment option in the same amount.

Additional items of compensation include:

- Per policy, 5 percent monthly contribution to the Senior Management Supplemental Benefits Program.
- 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.

(13) ***Salary Adjustment for Stephen Thorsett as Dean–Physical and Biological Sciences, Santa Cruz Campus***

Approval of the following items in connection with the salary increase of Stephen Thorsett as Dean–Physical and Biological Sciences, Santa Cruz campus:

- a. Salary increase of \$20,000 to bring his base salary from \$170,000 to \$190,000 (11.8 percent increase) effective immediately upon approval by the Regents (Salary Grade 107: Minimum \$167,600, Midpoint \$212,700, Maximum \$257,800).

Additional items of compensation include:

- 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.
- Per policy, 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.

- (14) ***Mortgage Origination Program Loan for Charles Alexander as Associate Vice Provost for Student Diversity and Director of the Academic Advancement Program, Division of Undergraduate Education, Los Angeles Campus***

Approval to grant an exception to policy to allow participation in the Mortgage Origination Program (MOP) for Charles Alexander, Associate Vice Provost for Student Diversity and Director of the Academic Advancement Program in the Division of Undergraduate Education, Los Angeles campus. This is an exception to policy, as normally Mr. Alexander's position is not eligible to participate in the MOP program. The following terms would apply:

- a. The loan may be up to \$1 million (maximum loan amount not to exceed the allowable threshold under campus authority at the time the loan is received).
- b. The loan will comply with all other normal Mortgage Origination Program parameters.

- (15) ***Mortgage Origination Program Loan for Stephen Hubbell as Professor of Ecology and Evolution and Evolutionary Biology, Los Angeles Campus***

Approval for participation in the Mortgage Origination Program (MOP) by Stephen Hubbell, who has been nominated for an appointment as Professor of Ecology and Evolutionary Biology, Los Angeles campus, with the following terms:

- a. The loan may be up to \$1.5 million.
- b. The loan will comply with all other normal Mortgage Origination Program parameters.

B. *Individual Faculty Salary Items*

The Committee recommended the following:

- (1) ***Temporary Annual Salary Award for Emory Elliott as University Professor, Department of English and Director, Center for Ideas and Society, College of Humanities, Arts, and Social Sciences, Riverside Campus***

Approval of a temporary annual salary award of \$5,000 for Emory Elliott as University Professor, Department of English, 100 percent, and as Director, Center for Ideas and Society, in the College of Humanities, Arts, and Social Sciences, Riverside campus, for a five-year period effective retroactive to July 1, 2006 through June 30, 2011.

(2) ***Salary for Shu Chien as University Professor, Departments of Bioengineering and Medicine, San Diego Campus***

Approval of an annual above-scale salary rate of \$206,500 (academic year) and \$237,100 (fiscal year) for Shu Chien as University Professor, Department of Bioengineering (38 percent), and Department of Medicine (62 percent), respectively, San Diego campus, effective July 1, 2007.

(This represents an increase of \$23,400, or 12.8 percent, in his current academic-year salary rate of \$183,100 in the Department of Bioengineering, and an increase of \$24,600, or 11.6 percent, in his current fiscal-year salary rate of \$212,500 in the Department of Medicine).

C. ***Establishment of New Position and Slotting of the Position of Dean–School of Law, Irvine Campus***

The Committee recommended approval of the following items in connection with the establishment and slotting of the position of Dean–School of Law, Irvine campus, as part of the establishment of the new School of Law on the Irvine campus and to allow completion of the recruitment process currently under way:

- (1) Title assignment of Dean–School of Law.
- (2) Approval of slotting of the position, Dean–School of Law, at Salary Grade 110: Minimum \$233,200, Midpoint \$298,800, Maximum \$364,300.
- (3) Effective immediately upon approval by The Regents.

The establishment of the title and the slotting as described establishes the grade and salary range for the University to complete recruitment efforts. The total compensation, terms and conditions for the successful candidate will be presented to The Regents for approval.

D. ***Annual Report on Compensated Outside Professional Activities for Calendar Year 2006: Incumbents in Certain Senior Management Positions***

The Committee recommended approval of the Annual Report on Compensated Outside Professional Activities for Calendar Year 2006.

[The Report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

E. ***Slotting and Salary Adjustments for Certain Members of the Office of the Treasurer***

The Committee recommended approval of the following actions for certain individuals in the Office of the Treasurer:

- (1) A new job structure, as recommended by Mercer Human Resource Consulting.
- (2) Slotting of positions to better align salary opportunities with current market data provided by Mercer Human Resource Consulting.
- (3) Base salary increases for certain employees in the Office of the Treasurer, to be effective May 1, 2007, upon Regental approval. The increase recommendations are to address market parity issues and are based upon assessment of each individual's contribution and performance, and where applicable, assets under the individual's management and specific market data relating to the asset class managed by the person.

F. ***Stipend for Richard Standiford as Acting Vice President–Agriculture and Natural Resources, Office of the President***

The Committee recommended approval of the following items in connection with the stipend for Richard Standiford as Acting Vice President–Agriculture and Natural Resources, Office of the President, while a search is conducted:

- (1) Administrative stipend of 15 percent (calculated against current salary, the stipend is \$25,665) in addition to his base salary of \$171,100, for a total annual salary of \$196,765.
- (2) As an exception to policy, an automobile allowance of \$743 per month due to the expectation that Mr. Standiford will be serving at 100 percent time performing the full scope of this position which, on a permanent basis, is eligible under policy for an automobile allowance.

- (3) Effective May 1, 2007 through October 31, 2007, during recruitment of a permanent Vice President–Agriculture and Natural Resources, or until the position is filled.

Additional items of compensation as a current SMG member include:

- Per policy, a 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.

G. *Bonus Payment for Anne L. Shaw as Associate Secretary of The Regents*

The Committee recommended approval of bonus payment for Anne L. Shaw as Associate Secretary of The Regents:

- (1) A one-time bonus of \$20,500 (20 percent) in recognition of Ms. Shaw's performance and contributions over the past twelve months during which time she was Acting Secretary of The Regents. This bonus will be processed under the Staff Recognition and Development Program, and is consistent with the terms and conditions governing this program.

Additional items of compensation include:

- Ms. Shaw currently receives an administrative stipend of \$15,400 (15 percent) in addition to her base salary of \$102,440, for a total annual salary of \$117,840. This stipend is in recognition of the additional duties she assumed as Acting Secretary of The Regents. The stipend will cease upon transition of responsibilities to the newly appointed Secretary and Chief of Staff to The Regents.
- 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.

H. ***Compensation for William H. Gurtner as Vice President–Clinical Services Development, Office of the President***

The Committee recommended approval of the following items in connection with the recall appointment and compensation for William H. Gurtner as Vice President–Clinical Services Development:

- (1) An appointment salary of \$172,000 (43 percent of full time rate of \$400,000) for William H. Gurtner as Vice President–Clinical Services Development, 43 percent, effective August 1, 2007 through June 30, 2008 or terminating earlier depending on completion of projects and/or transition of responsibilities under the new organizational structure.
- (2) Reimbursement of reasonable and actual business related travel and entertainment expenses.

Additional items of compensation include:

- Retirement income and retiree medical 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.

I. ***Compensation for Lawrence C. Hershman as Special Consultant–Budget Matters, Office of the President***

The Committee recommended approval of the following compensation for Lawrence C. Hershman, in an advisory capacity, as Special Consultant–Budget Matters, Office of the President:

- (1) A total annual salary not to exceed \$150,000 for up to 43 percent time, for Lawrence C. Hershman as Special Consultant–Budget Matters, Office of the President.
- (2) Effective June 4, 2007 upon approval by The Regents and to continue until June 30, 2008 or upon transition of budget responsibilities after the organizational structure is finalized. The contract provides for termination by either party with 60 days' notice.
- (3) Reimbursement of reasonable and actual business related travel and entertainment expenses

Additional items of compensation include:

- Retirement income and retiree medical 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.

J. ***Approval to Use Fee Earned by the University for Unreimbursed Salary Amount and for Performance Incentive Payment for UC-Designated Key Personnel at Los Alamos National Security, LLC***

The Committee recommended:

- (1) Approval for the amount of base compensation unreimbursed by the Department of Energy/National Nuclear Security Administration for the Principal Associate Director–Science, Technology and Engineering, which is a UC-designated Key Personnel at Los Alamos National Security, LLC (LANS), to be reimbursed by UC from the fee earned by the University under the terms of the LANS contract.
- (2) Approval of a performance incentive bonus of \$24,526 for the period June 1, 2006 through September 30, 2006 representing 6.67 percent of salary (prorated) for the Los Alamos National Laboratory Director Anastasio.

K. ***Reslotting of Existing Position of Vice President–Academic Personnel, Office of the President***

The Committee recommended approval of the following items in connection with the reslotting of the position of Vice Provost–Academic Personnel based on updated market data, to allow recruiting to begin:

- (1) Approval of reslotting of the position, Vice Provost–Academic Personnel, at Salary Grade 108: Minimum \$187,100, Midpoint \$238,200, Maximum \$289,300, based on the recommendation from Mercer Human Resource Consulting.
- (2) Effective immediately upon approval by The Regents.

L. ***Establishment and Slotting of New Position of Vice President–Research and Graduate Studies, Office of the President***

The Committee recommended approval of the following items in connection with the establishment and slotting of the position of Vice President–Research and Graduate Studies, to allow recruitment to commence:

- (1) Establishment of a new Senior Management Group position, Vice President–Research and Graduate Studies.

(2) Approval of the slotting of the position, Vice President–Research and Graduate Studies at Salary Grade 110: Minimum \$233,200, Midpoint \$298,800, Maximum \$364,300, based on the analysis and recommendation from Mercer Human Resource Consulting.

(3) Effective immediately upon approval by The Regents

M. ***University of California Retirement Plan – Experience Study: Proposal to Adopt Changes in Actuarial Assumptions***

The Committee recommended that:

(1) The proposed actuarial assumption changes for the University of California Retirement Plan (UCRP) be adopted.

(2) UCRP be amended to provide for an annual actuarial valuation.

(3) UCRP be amended to provide for an experience study every three to five Plan years, as deemed necessary by the Plan Administrator.

(4) Authority be given to the Plan Administrator to implement any Plan amendments necessary to carry out the above actions.

N. ***University of California Retirement Plan Benefit Proposal for UC Ladder-Rank Faculty on Leave Without Pay at the Howard Hughes Medical Institute and the Ludwig Institute for Cancer Research***

The Committee recommended that:

(1) The University of California Retirement Plan (UCRP) be amended as reflected in [Attachment 1](#), effective March 1, 2007, to provide for the following:

a. Effective for UCRP retirement dates, disability benefit dates or deaths (survivor benefits) occurring March 1, 2007 or later, ladder-rank faculty on Leave without Pay (LWOP) with concurrent affiliate appointments at the Howard Hughes Medical Institute (HHMI) or Ludwig Institute for Cancer Research (Ludwig) would have their UCRP benefits calculated so that:

- The highest average plan compensation used in the UCRP retirement income calculation or death while eligible to retire benefit calculation would be determined over the 36- consecutive-month period that produces the highest monthly average, taking into

account UCRP covered compensation while on UC payroll and UC-approved equivalent covered compensation while on LWOP to allow the value of their UCRP benefit to reflect higher compensation in later years.

- Past and future HHMI or Ludwig service would count toward satisfying UCRP's 5-year vesting requirement for UCRP retirement income only (but not for eligibility for death and disability benefits), but would not count as additional UCRP service credit in the calculation of retirement income.
- The "Final Salary" as defined in UCRP that is used to determine the UCRP preretirement survivor income and the UCRP disability income benefits payable while on LWOP would take into account the highest salary earned while on the UC payroll or the equivalent UC salary earned while on LWOP, but eligibility for these benefits would be based only on UCRP service credit on the same basis that applies to all UCRP members on LWOP.

- b. The affected locations would fund the increase for the past and future UCRP liability due to these proposed changes, as determined by the Plan's Consulting Actuary, The Segal Company, so that the cost of adopting the proposed changes described would be cost neutral to UCRP.

- (2) Authority be given to the Plan Administrator to implement the proposed amendments.

O. ***Amendment of the University of California Retirement Plan to Facilitate Closeout of the Contract Between the University of California and the Department of Energy/National Nuclear Security Administration for the Management of the Lawrence Livermore National Laboratory***

The Committee recommended that:

- (1) Effective October 1, 2007, the University of California Retirement Plan (UCRP) be amended as necessary to:
 - a. Allow all Lawrence Livermore National Laboratory (LLNL) employees who are active UCRP members to take advantage of any of the retirement options provided for by the Request for Proposal and/or contractual obligations with the successor

contractor and the Department of Energy/National Nuclear Security Administration (DOE/NNSA). Such options include:

- Voluntary transfer of accrued benefits and service credit under UCRP through September 30, 2007 (with the exception of the Capital Accumulation Provision (CAP) benefit) to the successor contractor's defined benefit plan, on the condition that such transferred service credit may not be reestablished upon subsequent employment with UC and that such transfer extinguishes all rights to further UCRP benefits (other than the CAP benefit).
 - Retain rights to UCRP benefits, if eligible, by either retiring or electing inactive membership under UCRP.
- b. Provide the appropriate UCRP service credit for LLNL employees returning from military leave, in accordance with the Uniformed Services Employment and Reemployment Rights Act, provided they begin employment with the successor contractor following their leave.
- c. Retain the CAP benefit in UCRP for LLNL members who transfer their UCRP accrued benefits and service credit to the successor contractor's defined benefit plan and, based on Internal Revenue Service guidance, prohibit distribution of their CAP benefits until they separate from employment with the successor contractor.
- d. Provide funding from UCRP to the successor contractor's defined benefit plan at a rate sufficient to meet its cash flow requirements to cover reasonable plan-related expenses and to make distributions to participants who become entitled to benefits prior to the final transfer of UCRP assets, in accordance with current contractual obligations.
- (2) The Plan Administrator be authorized to implement these plan amendments.

P. ***Closeout of Audit Findings Related to Executive Compensation***

The Committee reported its approval of the administrative actions as detailed in the "Corrective Actions of Audit Findings Related to Executive Compensation" and its concurrence in the report "Actions of Audit Findings Related to UC Campus and Laboratory Locations."

Regent Hopkinson noted that two reports, *Action on Audit Findings Related to Executive Compensation – Audit Findings Related to Action Taken by President Dynes*, and *Actions on Audit Findings Related to UC Campus and Laboratory Locations*, which were distributed with the Report of the Committee on Compensation, completed the University's response to the findings of the compensation audits conducted by PricewaterhouseCoopers, the Bureau of State Audits, and the University Auditor.

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

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

Approval of Fundraising Campaign, San Francisco Campus

The Committee recommended the approval of the proposed San Francisco campus fundraising campaign with a goal of \$500 million to support the development of its Mission Bay medical center.

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

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

A. *Approval of 2007-08 Budget for the Office of the President*

The Committee recommended that:

- (1) The President and the Office of the President shall have the authority to expend funds up to the date of the July 2007 meeting of the Board of Regents related to the operations of the Office of the President for purposes and in amounts consistent with the prior fiscal year. Upon approval by the Chairman of the Board of Regents or the Chair of the Committee on Finance, additional resources may be expended prior to the July meeting for the Systemwide Presidential Fellowship Program, the Office of the Ombudsman, the Office of the Secretary and Chief of Staff to The Regents, the Foundation Performance Reporting requirements, and the Business, Finance, and Compliance functions.
- (2) The President and the Office of the President shall, during the first half of FY 2007-2008 develop a budget process for the Office of the President that will fully evaluate annually the fiscal needs of each Office of the President program and allow review of proposed resource allocations to maximize use of resources to serve the educational, research, and community service missions of the University of California. In developing the budget process, the President and the

Office of the President shall consider the organizational assessment under way by the independent consultant under contract with the University.

- (3) The President and the Office of the President shall present a progress report at the July 2007 meeting of the Board of Regents, including a time line for further development of the budget process and planning changes in key program areas, including management oversight of the Department of Energy laboratories in light of recent changes to the organizational and contractual status of the laboratories.

B. ***Approval of Indemnification Terms in Certain Limited Agreements in Support of Research***

The Committee recommended that The President be given authorization to permit execution of contracts with indemnification provisions (a) in material transfer agreements to transfer tangible research product into the University, (b) in research or training or public service agreements with nonprofit or governmental entities, and (c) in land access agreements, all in the furtherance of research, training or public service that might require assumption by the University of third-party liability as a result of or arising out of University acts or University contract performance, an action for which approval by The Regents is required under Standing Order 100.4(dd)(9).

C. ***Establishment of an IRC Section 115 Trust to Support New Governmental Accounting Standards Board Reporting of Retiree Health Benefit Obligations***

The Committee recommended that the President be granted authority to establish an IRC Section 115 trust to facilitate the University's administrative compliance with the Governmental Accounting Standards Board financial reporting requirements applicable to the University's retiree health benefit program, effective July 1, 2007, with The Regents serving as trustee of the trust and the Office of the Treasurer managing the investments, if any, consistent with policies established by The Regents.

D. ***Temporary Modification for Certain Employees of the Lawrence Livermore National Laboratory to the Policy on Reduced Fee Enrollment for University Employees***

The Committee recommended approval of a temporary modification to the Policy on Reduced Fee Enrollment for University Employees. The temporary modification would allow those employees of the Lawrence Livermore National Laboratory (LLNL) who are enrolled as students in regular session courses at the University and were eligible under University policy and paid reduced fees (one-third of the Registration and Educational Fees), at such time as the University's management contract for LLNL expires on September 30, 2007 and the LLNL employees are no longer University employees, to continue to be eligible for the reduced fees provided under the Policy for the remainder of their academic quarter or semester in progress.

The temporary modification to policy would read:

University employees of the Lawrence Livermore National Laboratory (LLNL) who are enrolled as students and who have received a reduction in University Registration and Educational Fees at the time the University's contract to manage the LLNL expires on September 30, 2007, shall remain eligible for the fee reduction from October 1, 2007 until the end of their academic quarter or semester in progress.

E. ***Postponement of Adoption of RE89: Policy Restricting University Acceptance of Funding from the Tobacco Industry***

The Committee recommended that consideration of RE89, Policy Restricting University Acceptance of Funding From the Tobacco Industry, be postponed until the July meeting.

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

13. REPORT OF THE COMMITTEE ON GOVERNANCE

The Committee recommended as follows:

A. CHAIRMAN OF THE BOARD

Regent Richard C. Blum shall be elected Chairman of The Regents of the University of California for the year commencing July 1, 2007.

B. VICE CHAIRMAN OF THE BOARD

Regent Russell Gould shall be elected Vice Chairman of the Board for the year commencing July 1, 2007.

C. STANDING COMMITTEE ASSIGNMENTS

The following Standing Committee assignments for the year commencing July 1, 2007, members listed in seniority order except for the Chair and Vice Chair:

Committee on Audit

Regent Ruiz, Chair
 Regent Varner, Vice Chair
 Regent Kozberg
 Regent Lozano
 Regent Schilling
 Regent De La Peña
 Regent Allen
 Regent Bugay

Committee on Compensation

Regent Lozano, Chair
 Regent Moores, Vice Chair
 Regent Hopkinson
 Regent Pattiz
 Regent Núñez
 Regent Varner

Committee on Educational Policy

Regent Marcus, Chair
 Regent Island, Vice Chair
 Regent Lansing
 Regent Lozano
 Regent Núñez
 Regent Ruiz
 Regent Garamendi
 Regent Allen

Committee on Investments

Regent Wachter, Chair
 Regent Schilling, Vice Chair
 Regent Preuss
 Regent Moores
 Regent Marcus
 Regent Pattiz
 Regent De La Peña
 Regent Brewer

Committee on Finance

Regent Gould, Chair
 Regent Preuss, Vice Chair
 Regent Kozberg
 Regent Hopkinson
 Regent Moores
 Regent Núñez
 Regent Wachter
 Regent Island
 Regent Garamendi
 Regent Brewer

Committee on Long Range Planning

Regent Schilling, Chair
 Regent Brewer, Vice Chair
 Regent Preuss
 Regent Kozberg
 Regent Hopkinson
 Regent Marcus
 Regent Wachter
 Regent Gould
 Regent Bugay

Committee on
Grounds and Buildings

Regent Kozberg, Chair
 Regent Johnson, Vice Chair
 Regent Hopkinson
 Regent Ruiz
 Regent Schilling
 Regent Allen
 Regent Bugay

Committee on Oversight of the
Department of Energy Laboratories

Regent Pattiz, Chair
 Regent Preuss, Vice Chair
 Regent Moores
 Regent Marcus
 Regent Varner
 Regent Bugay

Committee on Health Services

Regent Lansing, Chair
 Regent De La Peña, Vice Chair
 Regent Johnson
 Regent Pattiz
 Regent Island
 Regent Allen

The President of the Board, the Chairman of the Board or in the Chairman's absence the Vice Chairman of the Board, the past Chairman of the Board, and the President of the University are ex officio members of the Standing Committees listed above, except that the President of the University is not a member of the Committee on Audit. The Regents' representatives to the California Postsecondary Education Commission (Regents Varner and Johnson) and the Superintendent of Public Instruction are ex officio members of the Committee on Educational Policy.

D. ALUMNI REGENTS-DESIGNATE AS ADVISORY MEMBERS

- (1) Ms. Debbie Cole, whose term as a Regent-designate becomes effective July 1, 2007, shall be appointed as an advisory member of the Committees on Audit, Compensation, and Educational Policy.

- (2) Mr. David Shewmake, whose term as a Regent-designate becomes effective July 1, 2007, shall be appointed as an advisory member of the Committees on Grounds and Buildings and Health Services.

E. FACULTY REPRESENTATIVES AS ADVISORY MEMBERS

- (1) Effective July 1, 2007, Professor Michael Brown shall be appointed an advisory member of the Committee on Long Range Planning. In addition, he shall be appointed an advisory member of the Committees on Compensation, Educational Policy, and Oversight of the Department of Energy Laboratories, effective September 1, 2007.
- (2) Professor Mary Croughan shall be appointed an advisory member of the Committees on Audit, Finance, Grounds and Buildings, Health Services, and Investments, effective September 1, 2007.

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

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

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing, Police Station Replacement Building, Los Angeles 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:

Los Angeles: Police Station Replacement Building – preliminary plans, working drawings, construction, and equipment – \$20,160,000, to be funded from external financing.
- (2) The President be authorized to obtain external financing not to exceed \$20,160,000 to finance the Police Station Replacement Building project, subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. Repayment of the debt shall be from the Los Angeles campus' share of the University Opportunity Fund.
 - c. The general credit of The Regents shall not be pledged.

- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Telemedicine and PRIME Facilities Phase 1, Los Angeles Campus*

The Committee recommended that the 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Los Angeles: Telemedicine and PRIME Facilities Phase 1 – equipment – \$19.7 million to be funded from State funds.

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing, Graduate School of Management and Conference Center, Davis Campus*

The Committee recommended that:

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

Davis: Graduate School of Management and Conference Center – preliminary plans, working drawings, and construction – \$34.5 million, to be funded from external financing (\$31.5 million) and gifts (\$3 million).

- (2) The President be authorized to obtain external financing not to exceed \$31.5 million to finance the Graduate School of Management and Conference Center 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 external financing shall be from the campus' share of the University Education Fund (for \$11.4 million of debt) and facility revenues (for \$20.1 million of debt), and funds available to the Chancellor, which shall provide net revenues sufficient to pay debt service and to meet all related financing requirements of the proposed funding.

- c. The general credit of The Regents shall not be pledged.
 - (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
 - (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.
- D. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing, Social and Behavioral Sciences Building, Irvine Campus***

The Committee recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
 - From: Irvine: Social and Behavioral Sciences Building – preliminary plans, working drawings, construction, and equipment – \$55,992,000 to be funded from State funds (\$43,212,000), campus funds (\$2,780,000), and external financing (\$10,000,000).
 - To: Irvine: Social and Behavioral Sciences Building – preliminary plans, working drawings, construction, and equipment – \$61,705,000 to be funded from State funds (\$43,212,000), campus funds (\$2,780,000), and external financing (\$15,713,000).
- (2) The President be authorized to obtain external financing not to exceed \$15,713,000 to finance the Social and Behavioral Sciences project, subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. Repayment of the debt shall be from the Irvine campus' share of the University Opportunity Fund.
 - 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.

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, UCSD Medical Center East Campus Bed Tower, San Diego Campus***

The Committee recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: UCSD Medical Center East Campus Bed Tower – preliminary plans – (\$12 million) to be funded from hospital reserves.

F. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Student On-Campus Housing Expansion, San Diego Campus***

The Committee recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following projects:

San Diego: Muir/Revelle College Apartment Infill and Support Facilities – preliminary plans – \$4.5 million to be funded from the San Diego campus' share of University of California Housing System Net Revenue Reserves.

San Diego: North Campus Housing Phase 2 – preliminary plans – \$3 million to be funded from the San Diego campus' share of University of California Housing System Net Revenue Reserves.

San Diego: Health Sciences Neighborhood Graduate Housing – preliminary plans – \$1.5 million to be funded from the San Diego campus' share of University of California Housing System Net Revenue Reserves.

G. ***Approval of Addendum to Environmental Impact Report and Approval of Design, Biomedical and Health Sciences Building, Berkeley Campus***

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

- (1) Approval of the Addendum to the 2020 LRDP EIR.
- (2) Adoption of the Findings.

- (3) Approval of the design of the Biomedical and Health Sciences Building, Berkeley campus.

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

H. ***Adoption of Mitigated Negative Declaration and Approval of Design, Humanities Building, Irvine Campus***

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

- (1) Adoption of the Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the Design, Humanities Building, Irvine campus.

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

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

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

A. ***Approve UCRP/GEP Asset Allocation Recommendations***

The Committee recommended that the Asset Allocation, Rebalancing Policy, and Benchmarks for the University of California Retirement Plan (UCRP) and the University of California General Endowment Pool (GEP) be approved, effective July 1, 2007, as indicated in Attachment 2.

B. ***Approve Changes to Investment Guidelines***

The Committee recommended that the changes to Investment Policies, Guidelines, and Benchmarks for the University of California Retirement Plan (UCRP) and the University of California General Endowment Pool (GEP) be approved, effective July 1, 2007, as indicated in Attachment 3.

C. ***Approve FY 2007-2008 Annual Incentive Plan (AIP) Performance Objectives***

The Committee recommended that the AIP asset class investment performance objectives from the previous fiscal year be adopted without change for FY 2007-2008, as indicated in Attachment 4.

D. *Adoption of Expenditure Rate for the General Endowment Pool*

The Committee recommended that the expenditure rate per unit of the General Endowment Pool (GEP) for expenditure in FY 2007-2008 shall remain at a rate of 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.

E. *Adoption of Endowment Administration Cost Recovery Rate*

The Committee recommended that an endowment administration cost recovery rate of 25 basis points (0.25 percent) be approved to apply to the distributions from the General Endowment Pool (GEP) to be made after July 1, 2007, from the eligible assets invested in the GEP to defray, in part, the cost of administering and carrying out the terms of endowments on the campuses and at the systemwide offices.

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

16. **REPORT OF THE COMMITTEES ON COMPENSATION AND FINANCE**

Recommendation for Revisions and Modifications of Program Policies for University of California Mortgage Origination Program

The Committees recommended that The Regents approve the revisions and modifications to the Mortgage Origination Program Policies, as detailed in Attachment 5.

Upon motion of Regent Gould, duly seconded, the recommendation of the Committees on Compensation and Finance was approved.

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

Appointments to the Executive Committee of the Board of Governors of Los Alamos National Security, LLC and Indemnification of Appointees

The Committee recommended that Executive Vice President Bruce B. Darling and Mr. William R. Frazer be appointed as Governors of the Executive Committee of the Board of Governors of the limited liability company known as Los Alamos National Security, LLC; and that (a) they be indemnified against claims and liabilities that may arise in the course and scope of their service as Governors, to the same extent as is permitted by California law and University policy to be extended to University employees, and (b) the President be authorized to issue any terms of appointment necessary to implement such indemnification.

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

18. **REPORT OF INTERIM ACTIONS**

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

Report of Actions Taken Between Meetings

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

(1) ***Contract Compensation for Jay Norvell, Assistant Coach (Football Offensive Coordinator), Los Angeles Campus***

That the following items be approved in connection with the appointment of Jay Norvell as Assistant Coach (Football Offensive Coordinator, Los Angeles campus:

- a. An annual base salary of \$150,000.
- b. An annual talent fee of \$150,000.
- c. Supplemental compensation of up to \$20,000 annually, as detailed below.

<u>Accomplishment</u>	<u>Amount</u>
Post-Season Bowl Appearances:	
Participation in Non-Bowl Champion Series (BCS) Bowl (UCLA receiving <\$1million)	\$ 4,000
Participation in Non-BCS Bowl (UCLA receiving >\$1million)	\$ 6,500
Participation in BCS Bowl	\$10,000
National Championship Win (includes BCS participation noted above)	\$20,000
d. Summer camp revenue sharing at an amount of up to \$10,000 annually.	
Total proposed, potential annual compensation:	
Annual base salary:	\$150,000
Talent fee (Royalty):	150,000
Supplemental Compensation (up to):	20,000
Summer Camp (up to):	<u>10,000</u>
	\$330,000

The proposed contract states that if the Coach is terminated for cause, all obligations to him will cease and if the Coach is terminated without cause, the University will owe the remaining balance on the \$150,000 annual base, plus the annual "royalty" (talent fee) of \$150,000. Finally, Coach is free to terminate at any time other than during the football season, and there is no penalty clause.

The compensation provided under this contract will be paid from existing non-State fund sources, including already received athletic department ticket revenues.

Additional elements of compensation to be provided include:

- Per policy, eligible for Standard Pension and Health and Welfare benefits.
- Per policy, standard moving expense/relocation reimbursement.
- Per contract, one courtesy automobile.

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) ***Appointment of Ann Parode Dynes as Interim Associate of the President***

That the following items be approved in connection with the appointment of Ann Parode Dynes as Interim Associate of the President:

- a. Appointment of Ann Parode Dynes as Interim Associate of the President effective March 3, 2007 and continuing until the May 2007 meeting of the full Board.
- b. This appointment is subject to the proposed Policy on Associate of the President/Chancellor, as described in the March 2007 Regents' Item RE-93, *Approval of Regents Policy on the Associate of the President or the Associate of the Chancellor*, and all administration shall be in accordance with this proposed policy.

(3) ***Preemptive Retention Increase for Tomi Ryba as Chief Operating Officer, UCSF Medical Center, San Francisco Campus***

That the following items be approved in connection with a retention package for Tomi Ryba as Chief Operating Officer, UCSF Medical Center, San Francisco campus:

- a. As exception to policy, base salary increase of \$143,100 (37.3 percent) to an annual base salary of \$526,500 (at the midpoint of the Salary Grade 115: Minimum \$405,000, Midpoint \$526,500, Maximum \$648,000).
- b. Per policy, continued eligibility for participation in the Clinical Enterprise Management Recognition Program with a maximum payout not to exceed 20 percent of base salary.
- c. Per policy, continued participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent monthly.
- d. Continued participation in the MOP and SHLP home loan programs. Incumbent has existing MOP and SHLP loans.
- e. Contingent upon approval of this preemptive retention increase, incumbent will relinquish rights to her severance

agreement. This was approved retrospectively and prospectively by The Regents as exception to policy in September 21, 2006 as part of the Corrective Actions – BSA and Internal Audit Findings.

- f. Effective upon approval of The Regents.

Additional items of compensation include:

- Per policy, Standard Pension and Health and Welfare 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.

(4) ***Establishment of New Position as Executive Director–Clinical and Translational Science Institute and Appointment Salary for Susan Conwell, San Francisco Campus***

That the following items be approved in connection with the classification and appointment of Susan Conwell as Executive Director–Clinical and Translational Science Institute:

- a. Establishment of new position, Executive Director–Clinical and Translational Science Institute.
- b. Slotting of new position Executive Director–Clinical and Translational Science Institute at Salary Grade 107: minimum \$167,600, midpoint \$212,700, maximum \$257,800, per Mercer Human Resource Consulting recommendation.
- c. Appointment salary of \$180,000, 100 percent time.
- d. Per policy, eligible to participate in the School of Medicine Management Incentive Program with a maximum payout of up to 15 percent of base salary.
- e. Exception to policy, a one-time lump sum relocation allowance of \$10,000 (approximately 5.5 percent of base salary; subject to a repayment requirement in the event that Ms. Conwell resigns within the first four years of employment). This is an exception as the candidate is a current UC employee, and the relocation is within the state of California.

- f. Exception to policy, up to five months reimbursement of living expenses (up to a monthly maximum of \$3,366). This is an exception as the policy allows for one month of temporary housing and living expenses.
- g. Per policy, reimbursement of 100 percent of the actual moving expenses.
- h. Effective April 1, 2007 or upon approval of The Regents.

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) ***Appointment Salary for Peter Hendrickson as Associate Vice Chancellor, Design and Construction, Los Angeles Campus***

That the following items be approved in connection with the appointment of Peter Hendrickson as Associate Vice Chancellor, Design and Construction, Los Angeles campus:

- a. Title of Associate Vice Chancellor, Design and Construction, Salary Grade 108.
- b. Salary of \$244,400, 100 percent time.
- c. Effective date of June 1, 2007.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligibility for a bonus of up to 10 percent of base salary under UCLA's Staff Achievement Award Program Guidelines.

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) ***Stipend for Michael S. Isaacson as Acting Dean—Baskin School of Engineering, Santa Cruz Campus***

That the following items be approved in connection with the stipend for Michael S. Isaacson as Acting Dean–Baskin School of Engineering, Santa Cruz campus:

- a. An administrative stipend of 15.0 percent (\$27,100) to increase his adjusted academic salary of \$180,700 (inclusive of three summer ninths consistent with previous year’s summer research) for an annual salary of \$207,800.
- b. If an adjustment to the adjusted academic base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new annualized academic base salary.
- c. As an exception to policy, this appointment is effective March 1, 2007, through June 30 2008, or until the appointment of a permanent Dean–Baskin School of Engineering, whichever occurs first, and is at 100 percent time.

Additional items of compensation include:

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

(7) ***Slotting of Position and Appointment Salary for Susie Lu as Associate Director, Operations–Outpatient/Ancillary Services, UCLA Hospital System, Los Angeles Campus***

That the following items be approved in connection with the appointment of Susie Lu:

- a. Slotting of position Associate Director, Operations–Outpatient/Ancillary Services for the UCLA Hospital System at Salary Grade 108: Minimum \$187,100, Midpoint \$238,200, Maximum \$289,300.
- b. Appointment of Susie Lu as Associate Director, Operations–Outpatient/Ancillary Services at an annual base salary of \$215,000, 100 percent time.

- c. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) with an incentive target of 15 percent with a maximum of up to 20 percent of base salary.
- d. As an exception to policy, two house-hunting trips, not to exceed four days, for Ms. Lu and her spouse. Coach airfare, meals, and lodging to be reimbursed up to \$2,500. This is an exception, as travel to seek housing applies only to members of the Senior Management Group, and this position is a member of the Management and Senior Professional (MSP) classification.
- e. As an exception to policy, temporary housing allowance for a period not to exceed six months, to a maximum of \$24,000. This is an exception to the one-month allowance provided in policy based on the anticipated difficulty in finding suitable housing in the Los Angeles area.
- f. Exception to policy, reimbursement to 100 percent of reasonable and actual moving expenses. This is an exception, as policy provides for reimbursement of 50 percent of moving expenses for new MSP UC employees currently residing outside of the commuting distance of the campus.
- g. As an exception to policy, a Relocation Allowance of 25 percent of base salary (\$53,750) to be paid over a period of four years as follows: \$21,500 (40 percent, year 1), \$16,125 (30 percent, year 2), \$10,750 (20 percent, year 3), and \$5,375 (10 percent, year four). If candidate terminates employment prior to the completion of four years, any remaining payments will be forfeited. This allowance is to assist with offsetting additional expenses associated with the sale and purchase of housing. This is an exception, as policy applies to candidates moving from outside of California and candidate currently resides within the state.
- h. Effective April 23, 2007 upon approval of The Regents.

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.

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

(1) ***Stipend for Barbara A. Horwitz as Acting Provost and Executive Vice Chancellor, Davis Campus***

That the following items be approved in connection with the administrative stipend for Barbara A. Horwitz as Acting Provost and Executive Vice Chancellor, Davis campus:

- a. An administrative stipend of 15 percent (\$34,900) to increase her current base salary of \$232,400, to a total annual salary of \$267,300 (Salary Grade 111: minimum \$260,400, midpoint \$334,600, maximum \$408,700).
- b. Effective July 1, 2007 through June 30, 2008, or until the effective date of the appointment of a permanent Provost and Executive Vice Chancellor, whichever occurs first.
- c. If an adjustment to the base salary is made prior to the termination of this interim role, the 15 percent stipend will be recalculated against the new base salary.
- d. As an exception to policy, an automobile allowance of \$8,916 per year due to the expectation that Ms. Horwitz will be serving at 100 percent time for at least one full year performing the full scope of this position which, on a permanent basis, is eligible under policy for automobile allowance.

Additional items of compensation include:

- Standard Pension and Health and Welfare benefits and standard Senior Management benefits, including Senior Management Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.
- 0 percent tenured faculty position and accrual of 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.

(2) ***Appointment Salary for V. Wayne Kennedy as Acting Vice Chancellor– External Relations, San Diego Campus***

That the following items be approved in connection with the appointment of V. Wayne Kennedy as Acting Vice Chancellor–External Relations, San Diego campus:

- a. 60 percent appointment to the title of Acting Vice Chancellor–External Relations.
- b. Effective May 1, 2007 through December 31, 2007, or until the appointment of the new Vice Chancellor–External Relations, whichever occurs first.
- c. A salary of \$138,000 representative of 60 percent of the former incumbent’s full-time base salary rate of \$230,000.

Additional items of compensation are:

- Mr. Kennedy has agreed to sign and accept the Rehired Retiree Waiver Form which will serve to decline participation in UCRS and allow Mr. Kennedy to continue receiving his retirement annuity while receiving compensation related to this appointment.
- Per policy, as a 60 percent appointee, for up to eight months, Mr. Kennedy will be eligible to elect the following CORE benefits: AD&D, Legal Insurance, Health Care Reimbursement Account and Dependent Care Reimbursement Account. He will automatically be covered for \$5,000 CORE Life insurance and \$100,000 Business Travel Accident insurance. His medical and dental coverages will be continued as a retiree.
- Per policy, a mandatory employee contribution of 7.5 percent of base salary to the University's Defined Contribution Plan (DCP) as a Safe Harbor Plan participant.
- Per policy, eligibility to voluntarily contribute to the 403(b) and 457(b) plans.

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

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

Approval of Indemnification Terms in an Agreement with the Robinson Ranch, Santa Barbara Campus

That the President be authorized to execute an Acknowledgment and Assumption of Risks Release and Indemnification Agreement with the Robinson Ranch 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).

D. The Chairman of the Board, the Chair of the Committee on Grounds and Buildings, and the President of the University concurred in the following recommendations:

(1) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of Standby Financing for Spieker Aquatic Center, Los Angeles Campus***

a. That, pursuant to Standing Order 100.4(q), the President be authorized to amend the 2006-07 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Los Angeles: Spieker Aquatic Center – preliminary plans, working drawings and construction – \$11,500,000, to be funded from gift funds.

b. The President be authorized to approve and authorize standby financing not to exceed \$4,215,000 to finance the project listed above, subject to the following conditions:

i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;

ii. Repayment of any financing shall be from gift funds and in the event such gift funds are insufficient, from net revenues of the Department of Intercollegiate Athletics; and

iii. The general credit of The Regents shall not be pledged.

c. The President be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.

- d. The President be authorized to execute all documents necessary in connection with the above.
- (2) ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program for Tower II, Phase 4, Davis Medical Center, Davis Campus***

That, pursuant to Standing Order 100.4(q), the President be authorized to amend the 2006-07 Budget for Capital Improvements and the Capital Improvement Program to amend the following project:

From: Davis: Tower II, Phase 4 (10th/11th Floors) – preliminary plans, working drawings, construction, and equipment – \$25,794,000, to be funded from hospital reserves.

To: Davis: Tower II, Phase 4 (11th Floor) – preliminary plans, working drawings, and construction – \$18,895,000, to be funded from hospital reserves.

19. **REPORT OF PERSONNEL ACTIONS**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 14.7(b), the following reports personnel actions taken at the March 2007 meeting. There were no roll call votes taken on these actions.

- A. Appointment of Diane M. Griffiths as Secretary and Chief of Staff to The Regents.
- B. Appointment of Katherine (Katie) N. Lapp as Executive Vice President–Business Operations, Office of the President, 100 percent.

20. SUMMARIES OF COMMUNICATIONS RECEIVED

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received summaries of communications in reports dated April 20, 2007 and May 11, 2007.

21. PRESIDENT'S REPORT OF MATERIALS MAILED 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 Audit

- A. Independent Auditors' Report and Financial Statements for Hastings College of the Law for the year ended June 30, 2006. March 5, 2007
- B. Internal Audit Activity report for the quarter ended December 31, 2006. March 29, 2007

To Members of the Committee on Educational Policy

- C. Statistical Summary of Students and Staff for Fall 2006. March 23, 2007 (Schedule of Reports)

To Members of the Committee on Finance

- D. Letter reporting on the change in approval thresholds based upon the percentage change in the Consumer Price Index – All Urban Consumers, U.S. City Average from November 2005 to November 2006. April 2, 2007

To Members of the Committee on Health Services

- E. Medical Center Activity and Financial Status Report for the six months ended December 31, 2006. March 22, 2007 (Schedule of Reports)
- F. Medical Center Activity and Financial Status Report for the seven months ended January 31, 2007. April 2, 2007 (Schedule of Reports)
- G. Medical Center Activity and Financial Status Report for the eight months ended February 28, 2007. April 16, 2007 (Schedule of Reports)

To Members of the Committee on Investments

- H. Investment Performance and Assets Allocation Report of the UC Foundations for the quarter ending September 30, 2006. April 4, 2007

The Regents of the University of California

- I. Letter with press release announcing that the Department of Energy chose the Lawrence Livermore National Laboratory/Sandia National Laboratories California design for the Reliable Replacement Warhead. March 2, 2007
- J. Letter from Chancellor Vanderhoef regarding allegations of fraud and mismanagement in the food stamp program administered in the UC Davis Department of Nutrition. March 2, 2007
- K. Letter from Acting Chancellor Abrams regarding the opening of the Ronald Reagan UCLA Hospital. March 2, 2007
- L. Appointment of the University of California Staff Diversity Council. March 7, 2007
- M. Letter explaining implication of UC application dates on eligibility rates. March 12, 2007
- N. Summary of the Joint Hearing of the Senate Education Committee and the Senate Budget and Fiscal Review Subcommittee on Education Concerning UC and CSU Executive Compensation. March 22, 2007
- O. Academic Council report: Current Budget Trends and the Future of the University of California. March 23, 2007
- P. Commencement of the search for a new Chancellor at the Santa Cruz campus, and copy of the advertisement to appear in The Chronicle of Higher Education. March 26, 2007
- Q. Copy of President Dynes' testimony before the Senate Budget and Fiscal Review Committee and the Subcommittee on Education on March 27, 2007. April 2, 2007
- R. Announcement and press release of recent grants awarded to UC for stem cell research. April 2, 2007
- S. Response to the decision by the California Postsecondary Education Commission not to concur with the establishment of a UC Irvine School of Law. April 3, 2007

- T. Copy of letter from Chancellor Bishop regarding a UCSF server accessed by an unknown and unauthorized individual. April 4, 2007
- U. Data regarding the fall 2007 freshman admission process, with set of tables summarizing the outcomes. April 5, 2007
- V. Copies of correspondence between Provost Hume and Dr. John Seffrin, President of the American Cancer Society, regarding the results of a review UCLA conducted on one of its researchers who received funding from the tobacco industry. April 5, 2007
- W. Update on development of multi-year plan of fees for professional degree programs. April 11, 2007
- X. Clarification of UC practices regarding student loan providers, including safeguards and efforts to formalize policy and guidelines. April 17, 2007
- Y. Letter from Chancellor Bishop regarding stolen UCSF computers containing clinical research subjects. April 18, 2007
- Z. Update on Restructuring Program and introduction to a new component: an organizational restructuring project for the University's administrative functions. April 23, 2007
- AA. Copy of the annual report provided to the legislature pursuant to the Budget Act of 2006-07, A Report to the Legislature on Student Academic Preparation and Educational Partnerships for the 2005-06 Academic Year. April 24, 2007
- BB. Appointment of a UC Campus Security Task Force to study how University campuses can enhance their security, notification processes, mental health services, and general preparedness. April 30, 2007

The meeting adjourned at 1:35 p.m.

Attest:

Secretary and Chief of Staff