The Regents of the University of California

COMMITTEE ON COMPENSATION
July 19, 2007

The Committee on Compensation met on the above date at University Center, Santa Barbara campus.

Members present: Regents Blum, Dynes, Hopkinson, Lozano, Moores, Parsky, and Varner; Advisory member Oakley

In attendance: Regents Allen, Brewer, Bugay, De La Peña, Garamendi, Island, Lansing, Marcus, Ruiz, and Wachter, Regents-designate Scorza and Shewmake, Faculty Representative Brown, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Hume, Executive Vice Presidents Darling and Lapp, Assistant Vice President Casey representing Acting Vice President Standiford, Chancellors Fox, Kang, Vanderhoef, and Yang, Acting Chancellors Abrams, Blumenthal, and Grey, and Recording Secretary Bryan

The meeting convened at 1:45 p.m. with Committee Chair Lozano presiding.

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

Upon motion duly made and seconded, the minutes of the meeting of May 16, 2007 were approved.

2. **REPORT FROM CLOSED SESSION FOR APPROVAL OF INDIVIDUAL SALARY ITEMS**

The Committee forwarded for approval the following from its July 18 Closed Session:

Individual Salary Items

The Committee recommends the following:

A. ***Appointment Salary for Gibor Basri as Vice Chancellor–Equity and Inclusion, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Gibor Basri as Vice Chancellor–Equity and Inclusion, Berkeley campus:

(1) An appointment salary of $200,000. Given Mr. Basri's low faculty salary, as an exception to policy, a 43.6 percent increase is required in Mr. Basri's adjusted academic salary of $139,278 to bring him to an appropriate placement in the salary range (Salary Grade 108: Minimum $187,100,

Midpoint $238,200, Maximum $289,300). This increase takes into consideration that Mr. Basri will not be eligible for merit/equity consideration in October 2007.

(2) This appointment is 100 percent time and effective August 14, 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, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible for the Senior Management Supplemental Benefit Program due to dual appointment as 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.

B. ***Appointment Salary for Jon A. Gjerde as Dean–Social Sciences, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Jon A. Gjerde as Dean–Social Sciences, Berkeley campus:

(1) Appointment salary of $192,700. Given Mr. Gjerde's low faculty salary, as an exception to policy, a 28.2 percent increase is required in Mr. Gjerde's adjusted academic salary of $150,267 to bring him to an appropriate placement in the salary range (Salary Grade 108: Minimum $187,100, Midpoint $238,200, Maximum $289,300). This increase takes into consideration that Mr. Gjerde will not be eligible for merit/equity consideration in October 2007.

(2) Appointment is 100 percent time and is effective July 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, accrual of sabbatical credits as a member of faculty.

- Per policy, ineligible for participation in the Senior Management Supplemental Benefits Program due to dual appointment 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.

C. ***Appointment Salary for Dianne Lynch as Dean–Graduate School of Journalism, Berkeley Campus***

Approval of the following items in connection with the appointment salary for Dianne Lynch as Dean–Graduate School of Journalism, Berkeley campus:

(1) Appointment salary of $230,600. (Salary Grade 107: Minimum $167,600, Midpoint $212,700, Maximum $257,800).

(2) This appointment is 100 percent time and effective January 1, 2008 pending approval by The Regents.

(3) Per policy, a one-time lump sum relocation allowance of 25 percent of base salary or $57,650, subject to a repayment requirement in the event that Ms. Lynch resigns within the first five years of employment.

(4) Per policy, full moving expenses and, as an exception, two house-hunting trips for Ms. Lynch and her husband.

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, participation in the Mortgage Origination Program (MOP) and the Supplemental Home Loan Program (SHLP). The MOP loan may be up to $1 million and the Supplemental loan may not exceed 5 percent of the lesser of the purchase price or appraised value of the home. If needed, the MOP loan may be in the form of a Graduated Payment MOP within the standard rate reduction terms of that program component.
- Per policy, accrual of sabbatical leave as a member of faculty.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefit Program due to dual appointment 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.

D. ***Appointment Salary for S. Shankar Sastry as Dean–College of Engineering, Berkeley Campus***

Approval of the following items in connection with the appointment salary for S. Shankar Sastry as Dean–College of Engineering, Berkeley campus:

(1) Appointment salary of $275,000 (9.7 percent increase) (Salary Grade 110: Minimum $233,200, Midpoint $298,800, Maximum $364,300). This increase takes into consideration that Mr. Sastry will not be eligible for merit/equity consideration in October 2007.

(2) This appointment is 100 percent time and effective July 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, accrual of sabbatical credits.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefit Program.

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

E. ***Appointment Salary for Fred E. Wood as Vice Chancellor–Student Affairs, Davis Campus***

Approval of the following items in connection with the appointment salary for Fred E. Wood as Vice Chancellor–Student Affairs, Davis campus.

(1) As an exception to policy, an appointment salary of $210,000 (40.1 percent). Given Mr. Wood's current salary of $149,900, this increase is required to bring him to an appropriate placement in the salary range (Salary Grade 108: Minimum $187,100 Midpoint $238,200 Maximum $289,300). This increase also takes into consideration that Mr. Wood will not be eligible for merit/equity consideration in October 2007.

(2) This appointment is at 100 percent time and is effective July 1, 2007, pending approval of 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, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible for the Senior Management Supplemental Benefit Program due to dual appointment 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.

F. ***Appointment Salary for Steve Kay as Dean–Division of Biological Sciences, San Diego Campus***

Approval of the following items in connection with the appointment of Steve Kay as Dean–Division of Biological Sciences, San Diego Campus.

(1) An appointment salary of $250,000.

(2) This appointment is 100 percent time and is effective September 1, 2007.

Additional items of compensation include:

- Per policy, eligibility to participate in the Mortgage Origination Program (MOP) with a loan up to $700,000, funded through the local Limited Resource Allocation Loan pool.
- Per policy, accrual of sabbatical credits as a member of faculty.
- 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, ineligible for the Senior Management Supplemental Benefit Program due to dual appointment as 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.

G. ***Interim Slotting of Position and Promotional Salary for Mara Fellouris as Executive Director–Program Management Office, San Francisco Campus***

Approval of the following items in connection with the interim slotting of the position and promotional salary for Mara Fellouris as Executive Director–Program Management Office, San Francisco campus:

(1) Interim slotting of position Executive Director–Program Management Office, as recommended by Mercer HR Consulting (SLCG Grade 106: Minimum $150,000, Midpoint $189,900, Maximum $229,700).

(2) Promotion to Executive Director-Program Management Office with an annual salary of $192,000, 100 percent time.

(3) Per policy, eligibility for participation in the Finance and Administrative Services Incentive Plan with a maximum payout of up to 6 percent of base salary.

(4) Effective 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.

H. ***Appointment Salary for Gale Morrison as Dean–Graduate Division, Santa Barbara Campus***

Approval of the following items in connection with the appointment salary for Gale Morrison as Dean–Graduate Division, Santa Barbara campus:

(1) An appointment salary of $172,000. Given Ms. Morrison's low faculty salary, as an exception to policy, a 29.2 percent increase is required in Ms. Morrison's adjusted academic salary of $133,144 to bring her to an appropriate placement in the salary range (Salary Grade 105: Minimum $134,400, Midpoint $169,600, Maximum $204,700). This increase takes into consideration that Ms. Morrison will not be eligible for merit/equity consideration in October 2007.

(2) Appointment is 100 percent time and is effective July 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, Executive Salary Continuation for Disability.
- Per policy, accrual of sabbatical credits as a member of the faculty.
- Per policy, ineligible for the Senior Management Supplemental Benefit Program due to dual appointment as 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.

I. ***Appointment Salary and Extension of Stipend for Geoffrey A. O'Neill as Assistant Vice President–Institutional Advancement, Office of the President***

Approval of the following items in connection with the appointment salary and extension of stipend for Geoffrey A. O'Neill as Assistant Vice President–Institutional Advancement:

(1) Appointment salary of $170,000.

(2) Appointment is 100 percent time and is effective July 1, 2007 pending approval by The Regents.

(3) Extension of an administrative stipend of $1,139 for the period June 12, 2007 though June 30, 2007 for his service as Interim Assistant Vice President–Institutional Advancement beyond one year as an exception to policy.

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 Benefit Program.

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

J. ***Stipend Extension for Lorraine Midanik as Acting Dean–School of Social Welfare, Berkeley Campus***

Approval of the following items in connection with the continuation of the stipend for Lorraine Midanik as Acting Dean–School of Social Welfare, Berkeley campus:

(1) Extension of the current administrative stipend of 15 percent ($21,700 currently) of her adjusted academic salary ($144,644).

(2) If an adjustment to the base salary is made prior to the termination of this acting role, the dollar amount of the administrative stipend will be recalculated based on 15 percent over the adjusted academic salary.

(3) One-and-a-half summer ninths for July and August per Academic Personnel Manual 600 to compensate for administrative work performed during the summer. This is not payment for research and does not provide payment beyond 100 percent time.

(4) As an exception to policy, this stipend extension will be effective July 1, 2007 through December 31, 2007, or until a new Dean assumes the position, whichever occurs first, pending approval by The Regents. This change extends the acting appointment beyond the one year allowed by policy for a total duration of one and one half years.

Additional items of compensation include:

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

K. ***Stipend Extension for Christina Maslach as Acting Dean–Undergraduate Division, Berkeley Campus***

Approval of the following items in connection with the extension of the stipend for Christina Maslach as Acting Dean–Undergraduate Division, Berkeley campus:

(1) An extension of her current administrative stipend of $26,000 (15 percent) to increase her base salary of $173,400 for an annual salary of $199,400 (SLCG Grade 106: Minimum $150,000, Midpoint $189,900, Maximum $229,700).

(2) If an adjustment to the base salary is made prior to the termination of this acting role, the stipend will be recalculated based on the new base salary.

(3) As an exception to policy the stipend extension will be effective July 1, 2007 through December 31, 2007, or until a new Dean assumes the position, whichever occurs first (pending approval by The Regents). This change extends the acting appointment beyond the one year allowed by policy, for a total duration of one and one half years. This extension will allow her to serve until the search is concluded.

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.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefit Program due to dual appointment 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.

L. ***Stipend Extension for Rhea Turteltaub as Acting Vice Chancellor–External Affairs, Los Angeles Campus***

Approval of the following items in connection with the stipend extension for Rhea Turteltaub as Acting Vice Chancellor–External Affairs, Los Angeles campus:

(1) Extension of the current administrative stipend of 15 percent ($30,000 currently) of annual base salary, currently $200,100.

(2) If an adjustment to the annualized base salary is made prior to the termination of this acting role, the 15 percent stipend will be recalculated against the new annualized base salary.

(3) Effective July 1, 2007 through June 30, 2008, or until a permanent replacement is appointed, whichever occurs first.

Additional items of compensation include:

- Per policy, standard Pension and Health and Welfare benefits.
- Eligibility for UCLA Staff Achievement Award (up to 10 percent).

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.

M. ***Stipend Extension for David N. Bailey, M.D. as Acting Vice Chancellor–Health Sciences and Acting Dean–School of Medicine, San Diego Campus***

Retroactive approval of the following items in connection with the compensation of David N. Bailey, M.D., as Acting Vice Chancellor–Health Sciences and Acting Dean–School of Medicine, San Diego Campus:

(1) One month extension of the administrative stipend, in an annualized amount of $100,000, originally approved by The Regents effective October 1, 2006 for service as Interim Vice Chancellor–Health Sciences and Interim Dean–School of Medicine and scheduled to end with the appointment of the permanent Vice Chancellor Health Sciences and Dean School of Medicine, which was effective February 1, 2007.

(2) Retroactive effective date of February 1, 2007 through February 28, 2007.

Additional items of compensation approved by The Regents July 19, 2006:

- Annual base salary of $142,500.

- Health Sciences Compensation Plan (HSCP) of $144,530.
- Administrative Services Component (ASC) of $30,000 for directing the clinical labs.
- Per policy, standard Pension and Health and Welfare benefits and sabbatical/administrative leave credits.
- Per policy, eligibility for additional non-base building incentive pay (pursuant to the Clinical Enterprise Management Recognition Plan) of up to 20 percent ($57,405) of annual base salary to be awarded based on meeting performance objectives.

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

N. ***Stipend for Steven Gaines as Acting Dean–Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara Campus***

Approval of the following items in connection with the appointment of Steven Gaines as Acting Dean–Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara Campus:

(1) As an exception to policy, an administrative stipend of 25 percent ($39,260, calculated against adjusted faculty salary of $157,039 increases his base salary to a total annual salary of $196,299) is requested to compensate for the significant increase in Mr. Gaines scope of responsibilities.

(2) The stipend amount will be increased as the base salary is increased, so the stipend will equal 25 percent of the base salary.

(3) This appointment is at 100 percent time and, pending approval of The Regents, is effective July 1, 2007 through June 30, 2008 or until the appointment of a permanent Dean–Division of Mathematical, Life and Physical Sciences, College of Letters and Science, whichever occurs first.

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, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to academic appointment.

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.

O. ***Stipend Extension for Jean Marie Scott as Acting Vice Chancellor–Student Affairs, Santa Cruz Campus***

Approval of the following items in connection with the extension of the stipend for Jean Marie Scott as Acting Vice Chancellor–Student Affairs, Santa Cruz campus:

(1) An extension of her current administrative stipend of $22,968 (14.5 percent) to increase her base salary of $158,484 for an annual salary of $181,452 (SLCG Grade 108: Minimum $187,100, Midpoint $238,200, Maximum $289,300).

(2) If an adjustment to the base salary is made prior to the termination of this acting role, the dollar amount of the administrative stipend of $22,968 will not change.

(3) As an exception to policy, this appointment will be effective August 1, 2007 through December 31, 2007, or until a new Vice Chancellor assumes the position, whichever occurs first, pending approval by The Regents. This change extends the acting appointment beyond the one year allowed by policy for a total duration of one year and five months. This extension allows her to serve until the search is concluded.

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.

P. ***Stipend for Jesse Phillips as Acting Senior Managing Director of Public Equities, Office of the Treasurer***

Approval of the following items in connection with the appointment of Jesse Phillips as Acting Senior Managing Director of Public Equities, Office of the Treasurer:

(1) An administrative stipend of 10 percent ($29,000, calculated against base salary of $290,000 increases his base salary to a total annual salary of $319,000) due to the significant increase in Mr. Phillips' scope of responsibilities.

(2) The stipend amount will be increased as the base salary is increased, so the stipend will equal 10 percent of the base salary.

(3) Per policy, continued eligibility to participate in the Office of the Treasurer's Annual Incentive Plan with a maximum payout of up to 120 percent of base salary.

(4) Per policy, continued participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent.

(5) Effective May 1, 2007 through September 30, 2007 or until transition to a permanent management structure, whichever is earlier, upon approval of 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, 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.

Q. ***Salary Adjustment for Stephen M. Shortell as Dean–School of Public Health, Berkeley Campus***

Approval of the following items in connection with the salary adjustment for Stephen M. Shortell as Dean–School of Public Health, Berkeley campus:

(1) Salary adjustment of $35,400 (12.7 percent) added to his current base salary of $279,600 for a total annual salary of $315,000 to maintain a differential between Mr. Shortell's adjusted faculty salary of $299,767 and his Dean's salary (Salary Grade 109: Minimum $208,900, Midpoint $266,800, Maximum $324,600). He is a Professor, Above-Scale and received a merit increase in his academic year salary effective July 1, 2006. This adjustment will provide a 5.1 percent differential to recognize the decanal responsibilities.

(2) Effective July 1, 2007, pending approval of 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, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefits Program due to dual appointment 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.

R. ***Contract Compensation for Ben Braun as Head Men's Basketball Coach, Berkeley Campus***

Approval of the following revised compensation terms for Head Men's Basketball Coach, Ben Braun, Berkeley campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Braun's revised contract will be effective May 2007 and terminate on April 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.

The only change to the terms and conditions of Mr. Braun's contract is that it is being extended two years. The current termination date is April 30, 2009 and, pending approval by The Regents, will be changed to April 30, 2011. It was deemed necessary to enter into negotiations with Mr. Braun concerning an extension of his current contract for recruiting purposes.

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

(1) Base Salary: This contract does not increase Coach Braun's annual base salary over the previous contract.

Effective Dates	Amount	Percent Increase
05/01/07 - 04/30/08	$156,000	0 percent
05/01/08 - 04/30/09	$159,000	2 percent
05/01/09 - 04/30/10	no less than $159,000	0 percent
05/01/10 - 04/30/11	no less than $159,000	0 percent

(2) Talent Fee: This contract does not increase Coach Braun's annual talent fee over the previous contract.

Effective Dates	Amount	Percent Increase
05/01/07 - 04/30/08	$794,000	0 percent
05/01/08 - 04/30/09	$826,000	4 percent
05/01/09 - 04/30/10	no less than $826,000	0 percent
05/01/10 - 04/30/11	no less than $826,000	0 percent

(3) Additionally, this contract provides the opportunity to earn supplemental compensation of up to $320,745 per annum, as detailed below:

a. Performance Bonuses: In the event that Coach Braun or the Men's Basketball team, during the term of this Employment Contract, accomplishes the following, Coach Braun shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Accomplishment	Bonus Amount
Team wins Pac10 Regular Season Championship	$15,000
Team wins Pac10 Tournament	$15,000
Team wins both Pac10 Regular Season and Pac 10 Tournament	$10,000
Selected for participation in NCAA Championship Tournament	$25,000
Team participates in NCAA Round of 32	$ 5,000

Team participates in NCAA Sweet Sixteen	$32,500
Team participates in NCAA Round of Eight	$10,000
Team participates in NCAA Final Four	$65,000
Team wins the NCAA National Championship	$25,000
Selected for participation in NIT Tournament	8.33% of base salary
Selected as Pac10 or NCAA Coach of the Year	$25,000

Coach Braun is eligible to receive more than one bonus.

b. Camps and Clinics: At the discretion of the Director of Athletics, Coach Braun will receive a stipend of $60,000 annually for participating in summer camps.

c. Academic Performance Bonus: At the discretion of the Director of Athletics, Coach may be awarded a bonus of up to $20,000 based upon maintenance and/or improvement in the current team cumulative GPA and NCAA APR statistics (2.80 team GPA/950 APR).

This contract contains a penalty clause for early termination. If Coach Braun terminates his employment before April 30, 2009, he shall pay $500,000 to the University. If Coach Braun terminates his employment before April 30, 2010, he shall pay $400,000 to the University. If Coach Braun terminates his employment before April 30, 2011, he shall pay $200,000 to the University.

In the event the University terminates this Employment Contract without cause, the University shall continue to pay Coach as follows: Coach's base salary and talent fee in amounts noted above, paid out in monthly installments, until April 30, 2009; after May 1, 2009 University shall pay Coach $400,000; after May 1, 2010 University shall pay Coach $200,000. University will pay any additional bonus income earned prior to the date of termination. The University will not be responsible for paying unearned bonus/stipend income in this circumstance. If Coach Braun secures employment during this time, these payments will be reduced by such amounts.

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

Additional elements of compensation include:

- Per contract, 16 hours of vacation leave are accrued each month of the contract. Coach may not accrue above PPSM policy accrual limits at any time.
- Per contract, 8 hours of sick leave are accrued each month of the contract.
- Per policy, eligible for standard Health and Welfare benefits.
- Consistent with practice, one courtesy vehicle or stipend of $450 per month if vehicle is not available.
- Apparel with a value of approximately $7,500 per contract year.
- Spouse or partner travel for required events outside the San Francisco Bay Area, and other travel as approved by the Director of Athletics.

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.

S. ***Contract Compensation for Richard Feller as Head Women's Volleyball Coach, Berkeley Campus***

Approval of the following revised compensation terms for Head Coach of Women's Volleyball, Richard Feller, Berkeley campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Feller's revised contract will be effective December 21, 2006 and terminate on December 31, 2009, 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.

The campus undertook negotiations with Coach Feller to enhance and extend his current contract to retain him in his position on the Berkeley campus. Coach Feller has become the most successful volleyball coach in University of California, Berkeley history. He has led the Golden Bears to an unprecedented five consecutive NCAA Tournament appearances. In both 2003 and 2006 he led the Golden Bears to the volleyball "Sweet Sixteen," which is unprecedented in school history.

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

(1) Base Salary: This contract increases Coach Feller's annual base salary from $ 92,000 to:

Effective Dates	Base Salary	Percent Increase
12/21/06-12/31/07	$108,000	17.4 percent
01/01/08-12/31/08	$111,240	3.0 percent
01/01/09-12/31/09	$114,600	3.0 percent

(2) Additionally, this contract provides the opportunity to earn supplemental compensation of up to $160,000 per annum, as described below:

a. Performance Bonuses: In the event that Coach Feller or the Women's Volleyball team, during the term of this Employment Contract, accomplishes the following, Coach Feller shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Team wins PAC-10 Championship	$10,000
Team participates in NCAA Tournament	$20,000
Team participates in the NCAA Round of 16	$10,000
Team participates in NCAA Elite Eight	$10,000
Team participates in NCA Final Four	$10,000
Team participates in NCAA Championship Game	$10,000
Team wins the NCAA Championship Game	$20,000
PAC-10 or AVCA Coach of the Year	$10,000
AVCA Coach of the Year (additional)	$10,000

Coach Feller is eligible to receive more than one bonus.

b. Camps and Clinics: At the discretion of the Director of Athletics, Coach Feller may earn up to $50,000 annually for participating in summer camps.

This contract does not contain a penalty clause for early termination. If Coach Feller terminates before the expiration of the agreement he simply loses the benefits of the agreement, and all University obligations cease.

If the University terminates the contract early without cause, the University will owe the base salary in amounts noted above, 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. If Coach Feller secures employment during this time, these payments will be reduced by such amounts.

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

Additional elements of compensation include:

- Per contract, 14 hours of vacation leave are accrued each month of the contract. Coach may not accrue above PPSM policy accrual limits at any time.
- Per contract, 8 hours of sick leave are accrued each month of the contract.
- Per policy, eligible for standard Health and Welfare benefits.
- Apparel with a value of approximately $2,000 per contract year.
- Spouse or Partner travel for required events outside the San Francisco Bay Area, and other travel as approved by the Director of Athletics.

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.

T. ***Contract Compensation for Robert Gregory as Assistant Football Coach, Berkeley Campus***

Approval of the following compensation terms for Assistant Football Coach, Robert Gregory, Berkeley campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Gregory's extended contract will be effective May 1, 2007 and terminate on April 30, 2008.

The campus undertook negotiations with Coach Gregory to extend his current contract to retain him in his current position on the Berkeley campus. Coach Gregory's contract expired on April 30, 2007.

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

(1) Base Salary: This contract does not increase Coach Gregory's annual base salary of $168,000.

(2) Talent Fee: This contract does not increase Coach Gregory's annual talent fee of $62,000.

(3) Additionally, this contract provides no change in the opportunity to earn supplemental compensation from the 2006/07 contract year of up to $55,700 per annum, as detailed below:

a. Performance Bonuses: In the event that Coach Gregory or the Football team, during the term of this Employment Contract, accomplishes the following, Coach Gregory shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Accomplishment	Bonus Amount
Team wins 5 PAC-10 Conference games during a single season	$5,100
Team wins 6 PAC-10 Conference games during a single season	$8,400
Team wins 7 PAC-10 Conference games during a single season	$6,700
Team wins 8 PAC-10 Conference games during a single season	$5,000
Team participates in a non-BCS Bowl Game	$6,000
Team participates in a Bowl Championship Series Game	$10,000
Top 2 in the PAC-10 Regular Season Scoring Defense	$1,500
Top 25 in nation-Regular Season Scoring Defense	$1,500
Top 10 in nation-Regular Season Scoring Defense	$1,500
Top 25 in nation-Regular Season Most Turnovers	$1,500
Top 10 in nation-Total Defense	$1,500
Top 20 in nation-Passing Defense	$1,500
Top 20 in nation-Rushing Defense	$1,500

Coach Gregory is eligible to receive more than one bonus.

Coach may receive supplemental compensation as determined by the Director of Athletics and the Head Football Coach. Coach is eligible to receive a portion of the $250,000 allotment in Coach Tedford's contract, which Mr. Tedford can use for bonuses for his assistant coaches and staff each year. For 2007, Coach Gregory was awarded $40,000.

b. Camps and Clinics: At the discretion of the Director of Athletics, Coach Gregory may earn up to $10,000 annually for participating in summer camps.

Additional elements of compensation include:

- Per contract, 14 hours of vacation leave are accrued each month of the contract. Coach may not accrue above PPSM policy accrual limits at any time.

- Per contract, 8 hours of sick leave are accrued each month of the contract.
- Per policy, eligible for standard Health and Welfare benefits.
- Consistent with practice, one courtesy vehicle.
- Sport Club Family Membership with a value of approximately $2,250.
- Spouse or Partner travel for required events outside the San Francisco Bay Area, and other travel as approved by the Director of Athletics.

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.

U. ***Contract Compensation for Kevin Grimes as Head Men's Soccer Coach, Berkeley Campus***

Approval of the following revised compensation terms for Head Men's Soccer Coach, Kevin Grimes, Berkeley campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Grimes' revised contract will be effective July 1, 2006 and terminate on June 30, 2010, 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 Mr. Grimes, concerning an enhancement and extension of his current contract, to make a long term commitment to him and retain him in his current position on the Berkeley campus.

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

(1) Base Salary: This contract increases Coach's annual base salary from $74,500 to:

Effective Dates	Amount	Percent Increase
07/01/06 - 06/30/07	$74,500	0.0 percent
07/01/07 - 06/30/08	$80,000	7.4 percent
07/01/08 - 06/30/09	$85,000	6.3 percent
07/01/09 - 06/30/10	$90,000	5.9 percent

(2) Additionally, this contract provides the opportunity to earn supplemental compensation of up to $ 152,900 per annum, as shown below:

a. Performance Bonuses: In the event that Coach Grimes or the Men's Soccer team, during the term of this Employment Contract, accomplishes the following, Coach Grimes shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Accomplishment	Bonus Amount
Team wins the Pac-10 Championship	$4,000
Team participates in the NCAA Championship	$3,000
Team participates in the NCAA 2nd Round	$4,000
Team participates in the NCAA 3rd Round	$4,000
Team participates in the NCAA 4th Round	$4,000
Team participates in the NCAA Championship 5th Round	$5,000
Team participates in the NCAA College Cup Final	$5,000
Team wins the NCAA Championship	$5,000

Coach Grimes is eligible to receive more than one bonus.

b. Athletic Equipment/Apparel Contract Payments:

Accomplishment	Bonus Amount
Team wins 75% of Games	$1,000
Team is the Conference Champion	$1,000
Team makes an NCAA Tournament Appearance	$1,500
Team is the College Cup Champion	$10,000

Item b. is subject to receipt of sufficient funds from University contracts with athletic equipment suppliers.

c. Camps and Clinics: At the discretion of the Director of Athletics, Coach Grimes may earn up to $100,000 annually for participating in summer camps.

d. Courtesy Car Stipend: In lieu of a courtesy vehicle, Coach Grimes will receive a stipend of $450 per month.

This contract does not contain a penalty clause for early termination. If Coach Grimes terminates before the expiration of the agreement, he simply loses the benefits of the agreement, and all University obligations cease.

If the University terminates the contract early without cause, the University will owe the base salary in amounts noted above, 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. If Coach Grimes secures employment during this time, these payments will be reduced by such amounts.

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

Additional elements of compensation include:

- Per contract, 14 hours of vacation leave are accrued each month of the contract. Coach may not accrue above PPSM policy accrual limits at any time.
- Per contract, 8 hours of sick leave are accrued each month of the contract.
- Per policy, eligible for standard Health and Welfare benefits.
- Apparel with a value of approximately $3,000 per contract year.
- Spouse or Partner travel for required events outside the San Francisco Bay Area, and other travel as approved by the Director of Athletics.

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.

V. ***Contract Compensation for Jim Michalczik as Football Offensive Coordinator, Berkeley Campus***

Approval of the following revised compensation terms for Assistant Football Coach, Jim Michalczik, Berkeley campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. Michalczik's revised contract will be effective February 1, 2007 and terminate on April 30, 2008, 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.

The campus undertook negotiations with Coach Michalczik to enhance and extend his current contract upon his promotion from Assistant Head Coach/Offensive Line Coach to Offensive Coordinator with the departure of Mike Dunbar.

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

(1) Base Salary: This contract increases Coach Michalczik's annual base salary from $135,000 to:

Effective Dates	Amount	Percent Increase
02/01/07- 04/30/07	$168,000	24 percent
05/01/07- 04/30/08	$168,000	0.0 percent

(2) Talent Fee: This contract does not change Coach Michalczik's annual talent fee:

Effective Dates	Amount Increase	Percent
02/01/07- 04/30/07	$24,000	0.0 percent
05/01/07- 04/30/08	$24,000	0.0 percent

(3) Additionally, this contract provides the opportunity to earn supplemental compensation of up to $55,700 per annum, as detailed below:

a. Performance Bonuses: In the event that Coach Michalczik or the Football team, during the term of this Employment Contract, accomplishes the following, Coach Michalczik shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Accomplishment	Bonus Amount
Team wins 5 PAC-10 Conference games during a single season	$5,100
Team wins 6 PAC-10 Conference games during a single season	$8,400
Team wins 7 PAC-10 Conference games during a single season	$6,700
Team wins 8 PAC-10 Conference games during a single season	$5,000
Team participates in a non-BCS Bowl Game	$6,000
Team participates in a Bowl Championship Series Game	$10,000
Top 2 in the PAC-10 Regular Season Scoring Offense	$1,500
Top 25 in nation-Regular Season Scoring Offense	$1,500
Top 10 in nation-Regular Season Scoring Offense	$1,500
Top 25 in nation-Regular Season Fewest Turnovers	$1,500
Top 10 in nation-Total Offense	$1,500
Top 20 in nation-Passing Offense	$1,500
Top 20 in nation-Rushing Offense	$1,500

Coach Michalczik is eligible to receive more than one bonus.

Coach may receive supplemental compensation as determined by the Director of Athletics and the Head Football Coach. Coach is eligible to receive a portion of the $250,000 allotment in Coach Tedford's contract, which Mr. Tedford can use for bonuses for his assistant coaches and staff each year. For 2007, Coach Michalczik was awarded $8,000.

b. Camps and Clinics: At the discretion of the Director of Athletics, Coach Michalczik may earn up to $10,000 annually for participating in summer camps.

Additional elements of compensation include:

- Per contract, 14 hours of vacation leave are accrued each month of the contract. Coach may not accrue above PPSM policy accrual limits at any time.
- Per contract, 8 hours of sick leave are accrued each month of the contract.
- Per policy, eligible for standard Health and Welfare benefits.
- Consistent with practice, one courtesy vehicle or a stipend of $450 per month if vehicle is not available.
- Sport Club Family Membership with a value of approximately $2,250 per contract year.
- Spouse or Partner travel for required events outside the San Francisco Bay Area, and other travel as approved by the Director of Athletics.

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.

W. ***Contract Compensation for Neil McGuire as Head Women's Soccer Coach, Berkeley Campus***

Approval of the following compensation terms be approved for Head Coach Women's Soccer, Neil McGuire, Berkeley campus, 100 percent time. Pending approval by The Regents of these compensation terms, Mr. McGuire's contract will be effective May 17, 2007 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 the successor contract or a contract extension prior to that date pending approval by The Regents.

The campus undertook negotiations with Neil McGuire to employ him as head coach for women's soccer on the Berkeley Campus upon the resignation of former head coach, Kevin Boyd.

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

(1) Base Salary: This contract establishes an initial base salary of $105,000, with annual increases of 3 percent as follows:

Effective Dates	Amount	Percent Increase
05/17/07 - 06/30/08	$105,000	Appointment Salary
07/01/08 - 06/30/09	$108,150	3 percent
07/01/09 - 06/30/10	$111,395	3 percent
07/01/10 - 06/30/11	$114,735	3 percent

(2) Additionally, this contract provides the opportunity to earn supplemental compensation of up to $148,900 per annum, as shown below:

a. Performance Bonuses: In the event that Coach McGuire or the Women's Soccer team, during the term of this Employment Contract, accomplishes the following, Coach McGuire shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

Accomplishment	Bonus Amount
Team wins the Pac10 Championship	$4,000
Team participates in NCAA 1st Round	$3,000
Team participates in NCAA 2nd Round	$4,000
Team participates in NCAA Sweet 16	$4,000
Team participates in NCAA Championship Quarterfinals	$4,000
Team participates in NCAA College Cup Semifinals	$4,500
Team participates in NCAA College Cup Final	$5,000
Team wins the NCAA Championship	$5,000

Coach is eligible to receive identified bonuses for all levels of accomplishment achieved in a Contract Year.

b. Camps and Clinics: At the discretion of the Director of Athletics, Coach McGuire may earn up to $100,000 annually for participating in summer camps.

c. Signing Bonus: Upon full execution of the contract addendum, Coach McGuire will receive a signing bonus of $10,000. This bonus must be repaid in full if Coach McGuire terminates his employment before May 16, 2008.

d.. Courtesy Car Stipend: In lieu of a courtesy vehicle, Coach McGuire will receive a stipend of $450 per month.

This contract does not contain a penalty clause for early termination. If Coach McGuire terminates before the expiration of the agreement, he simply loses the benefits of the agreement, and all University obligations cease.

If the University terminates the contract early without cause, the University will owe the base salary in amounts noted above, 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. If Coach secures employment during this time, any payments will be reduced by such amounts.

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

Additional elements of compensation include:

- Per contract, 12 hours of vacation leave are accrued each month of the contract. Coach may not accrue above PPSM policy accrual limits at any time.
- Per contract, 8 hours of sick leave are accrued each month of the contract.
- Per policy, eligible for standard Health and Welfare benefits.
- Apparel with a value of approximately $2,000 per contract year.
- Per contract, but as an exception to policy, up to a maximum of thirty days of temporary housing will be provided.
- Per contract, but as an exception to policy, one preliminary trip for Coach and spouse to find housing.
- Per policy, up to a maximum of thirty days of temporary storage will be provided.
- Per policy, travel expenses for Coach and immediate family (excluding pets) will be provided.
- Per contract, but as an exception to policy, 100 percent reimbursement for moving costs. (reimbursement of moving costs is 50 percent for MSP).

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.

X. ***Interim Re-Slotting of the Position and a Salary Adjustment for Rex R. Perschbacher as Dean–School of Law, Davis Campus***

Approval of the following items in connection with the interim re-slotting of the Dean-School of Law and a salary adjustment for Rex R. Perschbacher, Davis campus:

(1) Change in slotting from SLCG grade 108 to SLCG Grade 110: range Minimum $233,200, Midpoint $298,800, Maximum $364,300, as recommended by Mercer Human Resource Consulting.

(2) As an exception to policy, salary adjustment increase of $50,500 (25 percent) to bring his annual base salary from $202,100 to $252,600. This proposed increase, in combination with the 2.5 percent merit increase he received October 1, 2006, would bring his total increase for this fiscal year to 27.2 percent.

(3) Effective July 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, accrual of sabbatical credits as a member of faculty.
- Per policy, ineligible for participation in the Senior Management Supplemental Benefit Program due to duel appointment 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.

Y. ***Title Change, Interim Slotting of Position and Salary Adjustment for Paul A. Craig as Chief Risk Management and Patient Safety Officer, Medical Center, San Diego Campus***

Approval of the following items in connection with the slotting and salary adjustment for Paul A. Craig as Chief Risk Management and Patient Safety Officer, San Diego Medical Center:

(1) Title change from Director of Risk Management to Chief Risk Management and Patient Safety Officer.

(2) Slotting of position of Chief Risk Management and Patient Safety Officer at SLCG Grade 107: range Minimum $167,600, Midpoint $212,700, Maximum $257,800, as recommended by Mercer Human Resource Consulting. This new slotting combines the incumbent's current role, Director of Risk Management, with a currently vacant role, Patient Safety Officer, and expands the scope of the overall function.

(3) Salary adjustment of $36,800 (23.7 percent) to increase his annual base salary from $155,200 to $192,000, 100 percent time.

(4) Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with a maximum payout of up to 20 percent of base salary annually.

(5) Effective 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.

Z. ***Title Change, Interim Re-Slotting of Position and Salary Adjustment for Leland Giddings, M.D., as Chief Compliance Officer, Privacy Officer, and Medical Director for Clinical Resource Management, San Diego Campus***

Approval of the following items in connection with the slotting and salary adjustment for Dr. Leland Giddings, Chief Compliance Officer, Privacy Officer, and Medical Director for Clinical Resource Management, San Diego campus. These actions recognize the assumption of additional responsibilities as a result of a retirement.

(1) Title change from Medical Director, Managed Care to Chief Compliance Officer, Privacy Officer, and Medical Director for Clinical Resource Management.

(2) Re-slotting of position, as recommended by Mercer Human Resource Consulting, as SLCG Grade 108: Minimum $187,100, Midpoint $238,200, Maximum $289,300.

(3) Salary adjustment of $30,400 (15.0 percent) to increase his annual base salary from $202,800 to $233,200.

(4) Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan, with a maximum payout of up to 20 percent of base salary annually.

(5) Per policy, participation in the Senior Management Supplemental Benefit Program at a rate of 5 percent.

(6) Effective upon approval of 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, 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.

AA. ***Establishment of New Position and Interim Slotting of the Position of Vice Chancellor–Information Technology, Santa Cruz Campus***

Approval of the following items in connection with the establishment and interim slotting of this position as part of the transition of this position from Vice Provost to Vice Chancellor and to allow for completion of the recruitment process currently under way.

(1) Establishment of a new Senior Management Group (SMG) position of Vice Chancellor–Information Technology.

(2) Approval of the interim slotting of this position, at SLCG Grade 108: range Minimum $187,100, Midpoint $238,200, Maximum $289,300.

(3) Effective immediately upon approval by The Regents.

The establishment of the position in SMG, the assignment of the title and the slotting of the position 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, as required under RE61, *Policies on Universitywide and Senior Leadership Compensation, and Procedures for Senior Leadership Compensation,* and amended in Regents' Item 7C, *Procedures for Setting Compensation 2006-07 for Those Classified in the Senior Leadership Compensation Group and Other Specified Non-Faculty Employees*, approved by The Regents in July 2006.

BB. ***Additional Compensation of One Summer Month for Various Employees at Multiple Campuses***

Approval of additional compensation payments of one summer month for various employees at multiple campuses (Attachment 1). This additional compensation is for the time period indicated on documents provided to The Regents and will be paid from various funding sources. Corresponding vacation time will be forfeited from the individual's accrued vacation.

CC. ***Exception to Retiree Health Policy in Connection with Settlement for Donna Yamasaki as IT Resource Manager III, Office of the President***

Approval that, as an exception to policy, four years of service credit be awarded to Donna Yamasaki as IT Resource Manager III, solely for the purpose of determining eligibility for retiree healthcare benefits in connection with a proposed settlement agreement.

DD. ***Continuation of Participation in Mortgage Origination Program for UC-Designated Key Personnel at Lawrence Livermore National Security, LLC***

Approval of continuation of participation of Steven R. Patterson, currently Associate Director, Engineering at Lawrence Livermore National Laboratory, in the University's Mortgage Origination Program, after September 30, 2007, at which time he will be a UC-designated key person at Lawrence Livermore National Security, LLC.

Upon motion duly made and seconded, the Committee approved the recommendations and voted to present them to the Board.

3. **REPORT FROM CLOSED SESSION FOR APPROVAL OF ESTABLISHMENT OF RECRUITING AND NEGOTIATION PARAMETERS FOR CERTAIN ATHLETIC POSITIONS AND COACHES, SYSTEMWIDE**

The Committee presented for approval the following from its July 18 Closed Session:

The Committee recommends approval of the following delegations of authority to the President, and further delegations from the President to the Chancellors, to negotiate and finalize compensation contracts for coaches. This request for delegation of authority is specific and limited to the following circumstances, terms and conditions.

A. Approval of delegations to negotiate compensation contracts for coaches, as defined below, to be used in two specific circumstances.

(1) Pre-emptive or Active Retention – When the Chancellor, or his/her designee, needs to negotiate with an incumbent coach as a result of that coach receiving an expression of serious interest of employment from another entity, or an actual offer of employment from another entity.

(2) Replacement – After the termination of a coach either by his/her own choice or by the department's choice, the Chancellor, or his/her designee, must immediately negotiate with candidates as a replacement for the coach who is terminating.

B. Approval of the following parameters for delegation of authority:

(1) Guaranteed Compensation – Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed Compensation under the new and old contracts.

(2) Maximum Bonus – Authority to negotiate an increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.

(3) Deferred Compensation – Authority to negotiate an increase of up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.

(4) Camps – Authority to negotiate an increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camp income under the new and old contracts.

(5) Benefits – Authority to offer the same systemwide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.

(6) Other – Authority to negotiate providing courtesy vehicles (supplied by donors/contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.

C. Approval of delegation of authority under the defined parameters, above, for all men's and/or women's coaches and football offensive/defensive coordinators whose new potential total cash compensation exceeds the Indexed Compensation Level, currently set at $200,000 per annum.

D. It is proposed that this specific set of delegations will be reviewed by The Regents annually, along with a full reporting of all coaches whose total cash compensation exceeds the Indexed Compensation Level. In addition, any actions taken under this delegation by Chancellors will be reported publicly at the next Regents' meeting in the same manner as interim actions. The Office of the President will be responsible for providing corresponding updated market and comparability data to The Regents as part of the annual process.

Any proposals exceeding the levels or parameters noted above would continue to require submission to and advance approval by The Regents. In addition, if the new contract includes exceptions to policy, advance approval by The Regents will be required.

Termination and liability clauses limiting the University's obligations will be used in all contracts. Each final contract will require the review and sign off by Office of the General Counsel.

If the funding of a coach's contract comes from sources other than athletic department revenues (including athletic equipment supplier agreements) or private fundraising, this will require Regental review and approval.

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

4. **REPORT FROM CLOSED SESSION FOR APPROVAL OF BONUS PAYMENTS FOR LOS ALAMOS NATIONAL LABORATORY PENSION ASSET TRANSFER TEAM MEMBERS**

The Committee presented for approval the following from its July 18 Closed Session:

The Committee recommends that the award amounts proposed below be approved.

High Level Contributors

Name	Loc	Title / Organization	Proposed Bonus Payment
Judith W. Boyette [1]	OP	Associate Vice President Human Resources and Benefits	$25,000
Ronald Nelson [1]	OP	Executive Director, Contracts & Administration Laboratory Management	$20,000
John Plotts [1,3]	OP	Assistant Vice President Financial Management	$20,000
Melvin Stanton [1,2]	OP	Associate Chief Investment Officer Office of the Treasurer of The Regents	$0 [2]
Judy Ackerhalt	OP	Deputy to the Associate Vice President Human Resources and Benefits	$20,000
Barbara Clark	OP	University Counsel Office of General Counsel	$20,000
Jim Hirahara	OP	Executive Director, Business & Finance Laboratory Management	$20,000
Richard Townsend	OP	Coordinator, Retirement Policy and Planning Human Resources and Benefits	$20,000

Mid-Level Contributors

David Olson	OP	Director, Financial Services & Plan Disbursements Human Resources and Benefits	$7,500
Gary Schlimgen	OP	Director, Retirement Policy and Planning Human Resources and Benefits	$7,500
Robert Yastishak	OP	Director, Treasury Operations Office of the Treasurer of The Regents	$7,500

Lower Level Contributors

Randolph Scott	OP	Executive Director, Policy & Program Design Human Resources and Benefits	$5,000
Michael Baptista	OP	Director, Information Systems & Support Human Resources and Benefits	$5,000

Total	$177,500

(1) Member of the Senior Management Group

(2) Although otherwise qualified as a member of the team, under the Treasurer's Annual Incentive Plan, participants are not eligible to receive an award under any other UC incentive program.

(3) Mr. Plotts is also eligible for an incentive award of up to 10 percent of base pay, as previously approved by The Regents, based on performance against predetermined goals and objectives. The team bonus award being proposed above is outside Mr. Plotts' normal job functions.

In accordance with *Policies on Universitywide and Senior Leadership Compensation, and Procedures for Senior Leadership Compensation* and *Regents' Plan for Reforms in Response to the Report of the Task Force on UC Compensation, Accountability, and Transparency*, The Regents reviews and approves compensation, including bonus payments, for individuals whose total cash compensation exceeds $200,000, as recommended by the Task Force on UC Compensation, Accountability and Transparency, and approved by The Regents. The following recipients of the proposed bonuses are subject to these reporting and approval criteria.

Name	Loc.	Title / Organization	Annual Base Salary	Proposed Bonus	Total Cash Compensation
Judith W. Boyette	OP	Associate Vice President Human Resources and Benefits	$204,299	$25,000	$229,299
Ronald Nelson	OP	Executive Director, Contracts & Administration Laboratory Management	$215,696	$20,000	$235,696
John Plotts	OP	Assistant Vice President Financial Management	$222,700	$20,000	$242,700
Jim Hirahara	OP	Executive Director, Business & Finance Laboratory Management	$208,656	$20,000	$228,656
Randolph Scott	OP	Executive Director, Policy & Program Design Human Resources and Benefits	$212,200	$5,000	$217,200

The compensation described above is for work performed in FY 2006-07. This compensation shall constitute the University's total bonus or incentive award commitment for those individuals during that time frame until modified by The Regents and shall supersede all previous oral or written commitments, except that Melvin Stanton will continue to be eligible for an award under the Treasurer's Annual Incentive Plan. If approved, payment will be made in calendar year 2007.

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

6. **ADJUSTMENTS TO SELECTED PROVISIONS OF THE ANNUAL INCENTIVE PLAN FOR INVESTMENT PROFESSIONALS IN THE OFFICE OF THE TREASURER**

Regent Wachter recommended approval of the following actions:

> To amend the *University Of California Office Of The Treasurer Annual Incentive Plan* (Plan), details of which are provided below. The proposed changes will bring the Plan into alignment with common and competitive practices among other incentive plans for university endowments and foundations. Approval is also requested for Office of the President Human Resources to implement the proposed amendments.

Plan Design Changes

The key Plan design features that were recommended for change will align with market prevalent practices based on the Mercer 2007 Compensation Survey of Investment Groups within University Endowments and Foundations. These three changes include:

Performance Measures

A. Implement a three-year rolling average investment performance measurement period to replace the one year performance measurement period/claw-back feature. This will provide for longer term focus on and accountability for sustainable performance results.

The current one-year measurement period (Current 1-Year) features a "claw-back," which provides potential for awards to carry a negative value and affect both current year and deferred (i.e., previously earned but unpaid) awards.

The rolling three-year average (Recommended 3-Year) measures performance in the current and prior two years. Investment returns in a given year, whether positive or negative, will inherently impact this average, and thus the incentive award, in three separate plan years. The lowest value of any award under the three-year rolling average would be zero. Measuring multi-year performance to determine awards is the predominant market practice, used in 73 percent of Mercer survey respondents who offer incentive compensation. The chart below provides a side-by-side comparison of the current one-year period with claw-back feature with the three-year rolling average.

Feature	Period for Performance Measure	Impact on Annual Incentive Award Earned	Impact on Annual Incentive Award Paid
Current 1-Year	One year	Award amount earned each year could be negative or positive.	Payout comprised of current year award and prior two years' deferred awards. Negative Accruals* in a given year will reduce payout, but never below zero.
Recommended 3-Year	Average of three years, comprised of the current plan year and the two prior plan years.	Award amount earned each year could be zero or positive.	Payout comprised of current year award and the two prior years' deferred awards.

* Performance below the threshold level in one performance area can earn a negative award (Negative Accrual), and thus offset awards earned in other areas, including unpaid awards from previous years.

Cost Impact of Implementing a Recommended Measurement Period

Because incentive opportunity is not changing, the amount that can be earned under the plan at threshold, target, and maximum performance levels remains unchanged and unaffected by this recommendation.

The amount that could be paid to the recipient under the adoption of the three-year rolling average could be greater or lesser than under the one-year claw-back, depending on investment performance. Preliminary analysis using a model based on twenty years of investment performance randomly assigning positive and negative returns indicates the Plan's total average annual payout would increase by approximately $430,000 or 0.0006 percent of assets under management. It was noted that the Chief Investment Officer was not included in these calculations and would need to be added to determine the full impact. Because of the complexity of the plan calculations, further review of this preliminary analysis would be required to validate the results. (Assumptions are described in Exhibit A: Cost Impact Assumptions.)

B. Weight performance measures by position as displayed in the following table. This provides rewards based on "line of sight," appropriately aligning rewards with the performance in those areas for which the position has direct responsibility. All levels continue to have varying degrees of tie-in to overall entity performance.

Recommended Weighting	Entity	Asset Class / Sector	Individual / Subjective
Chief Investment Officer	75%	0%	25%
Associate CIO	60%	15%	25%
Senior Managing Director (Risk Mgmt)	70%	0%	30%
Senior Managing Director (Asset Class)	20%	60%	20%
Managing Director	20%	60%	20%
Senior Portfolio Manager	10%	70%	20%
Investment Officer, Director	10%	70%	20%
Investment Officer, Risk Management	70%	0%	30%
Risk Management Analyst	70%	0%	30%
Jr. Portfolio Manager; Jr. / Sr. Analyst	10%	70%	20%

Cost Impact of Implementing Recommended Weightings

Because incentive opportunity is not changing, the amount that can be earned under the plan at threshold, target, and maximum performance levels remains unchanged and unaffected by this recommendation.

Had this recommendation been in place for the FY 2006 plan year, the amounts paid would not have materially changed. Assumptions used to reach this conclusion are listed below in Exhibit A: Cost Impact Assumptions.

Award Determination

C. Individual Subjective awards for Senior Managing Director level positions and below (all those who have primary responsibilities for asset class performance) will be contingent on respective asset classes meeting threshold investment performance rather than on the entity meeting threshold performance. Individual Subjective awards for Chief Investment Officer, Associate Chief Investment Officer, and all Risk Management would continue to be contingent on the entity's achieving threshold investment performance.

Cost Impact

Because incentive opportunity is not changing, the amount that can be earned under the plan at threshold, target, and maximum performance levels remains unchanged and unaffected by this recommendation.

Had this recommendation been in place for the FY 2006 plan year, the amount paid would have decreased by $30,000 due to below threshold performance in the Public Equity asset class; Investment Officers would not have received an individual subjective award.

Revised Plan Summary

The proposed Plan summary below notes any changes from the current plan provisions:

Eligibility

- Eligible participants include senior management, professional investment and trading staff, and the following senior operations positions: Director of Communications, Director of Operations, and Business Manager (new to FY 2008).
- Eligibility is reviewed annually. Recommendations for eligibility are made by the Chief Investment Officer and approved by the President, in consultation with the Chairs of the Committee on Investments and Committee on Compensation.
- Plan participants must be active, full-time employees at the end of the plan year and must be employed by the UCOT for at least six months during the year to be eligible to receive an award for that plan year.

Incentive Opportunity and Performance Measures

- The incentive award is earned based on performance relative to policy portfolio benchmarks and individual contribution.
- Target awards vary from 20 percent to 100 percent of base salary depending on position.
  - Threshold awards range from 40 percent to 50 percent of Target awards, depending on position.
  - Maximum awards are equal to 200 percent of Target awards, with the exception of the Chief Investment Officer whose maximum award is equal to 150 percent of Target.
- Investment performance of both UC and the market is measured using a three-year rolling average (new to FY 2008).

Award Determination and Payout

- Payout is determined using a polynomial curve.
- Investment returns in a given year, whether positive or negative, impact the payout over three separate plan years via measurement of a three-year rolling average (new to FY 2008).
- Individual Subjective awards for Managing Director level positions and below are contingent on respective asset classes meeting threshold level of performance rather than on the entity meeting a threshold level of performance (new to FY 2008).
- Individual Subjective awards for Senior Managing Directors and above (i.e., Chief Investment Officer, Associate Chief Investment Officer, Risk Management) are contingent on the entity achieving a threshold level of performance.
- Annual incentive awards are payable in three equal annual payments. The first award payment is paid as soon as practicable following the end of the plan year.

- The deferred portion of the award earns interest based on the Short-Term Investment Pool (STIP) rate of return.

It was recalled that the Office of the President compensation group requested that Mercer Human Resource Consulting (Mercer) review the Office of the Treasurer's (UCOT) annual incentive plan (AIP or Plan) to:

- Evaluate the following Plan features against market prevalent practices:
  - Plan Objectives
  - Eligibility
  - Performance Measures
  - Incentive Opportunity
  - Award Determination
  - Award Payout
- Ensure the plan is competitive, fair and reasonable.
- Provide recommendations, if needed, to strengthen the Plan.

Listed below by plan feature are:

- Current Incentive Plan provisions based on the University of California Office of The Treasurer Annual Incentive Plan document dated March 2002*.
- Market Prevalent Practices based on the Mercer 2007 Compensation Survey of Investment Groups within University Endowments and Foundations. This study surveyed forty-five institutions including UC competitors such as Stanford, University of Texas System, Columbia, Cornell, Duke, MIT, Notre Dame, University of Chicago, and others.
- Recommendations for aligning the UC plan with prevalent market practices.

*Plan was amended in 2005 to reflect revised target and maximum incentive opportunity.

Plan Objectives

Current Incentive Plan

The objectives of the current Plan are to:

- Provide contingent financial incentives to those responsible for attaining or exceeding key objectives in the Treasurer's Office, which are consistent with University objectives.
- Provide an annual non-base building cash incentive based on performance of UC's investment portfolio, the Treasurer's Office, functional groups within the Treasurer's Office, and the individual.
- Focus participants on maximizing real, long-term total returns for all funds managed, while assuming appropriate levels of risk.

- Support teamwork so that members of the Treasurer's Office operate as a cohesive group.

Recommendation: No change.

Eligibility

Current Incentive Plan

- Eligible participants include senior management, professional investment and trading staff, and other key positions.
- Eligibility is reviewed annually. The President, in consultation with the Chairs of the Committees on Investments and Compensation, will approve any changes to eligibility.
- Participants must be active, full-time employees of the UCOT at the end of the plan year, and must be employed by the UCOT for at least six months during the year to be eligible to receive an award for that plan year.
- Participants are not eligible to receive an award under any other UC incentive program.

Recommendation: No change.

Performance Measures

Current Incentive Plan

- The incentive is earned based on performance relative to policy portfolio benchmarks and individual contribution. At the request of the UCOT, selected benchmarks are reviewed each year by Mercer Investment Consulting to ensure performance standards are consistent with opportunities to add value and an appropriate degree of risk and difficulty to achieve. A letter dated April 25, 2006 reflects the most recent review, which assessed and supported various amendments to asset class performance standards as well as a recalibration of the entity performance standard.
- Performance measures differ by position and level in the organization and may include Entity Performance, Asset Class, Sector/Functional Group, and Individual Subjective Objectives.
- Standards of performance are defined below:
    - Below Threshold: If threshold entity performance is not met, participants will receive no award component for Individual Subjective performance, as well as no award for entity performance; however, participants can still earn awards for asset class and sector components, if such performance exceeds threshold performance levels.

- Threshold Performance: The minimum acceptable performance for which an incentive can be paid. This level represents satisfactory results, but less than full achievement of performance objectives.
- Target Performance: Achievement of the desired outcome or the objective level of performance.
- Maximum Performance: Represents results which clearly exceed expectations.

- Investment performance is measured over a one-year period.

Market Prevalent Practices

- The majority of organizations (58 percent) base the incentive award on both quantitative and qualitative measures; 26 percent of organizations base the award entirely on quantitative performance.
- Policy benchmarks are measured in 79 percent of organizations, whereas 53 percent of organizations include a peer group measure.
- The qualitative measure is based on individual performance and is typically weighted up to 25 percent of the incentive award.
- Investment performance is measured most commonly using a three-year rolling average; individual performance is typically measured over a one-year period.

Recommendations:

- Measure investment performance of both UC and the market using a three-year rolling average, rather than single year performance.
- Weight performance measures by position as shown in the table entitled Recommended Weighting, above.

Incentive Opportunity

Current Incentive Plan

- The incentive award is earned based on performance relative to policy portfolio benchmarks and individual contribution. Target awards vary from 20 percent to 100 percent of base salary depending on position.
  - Threshold awards range from 40 percent to 50 percent of Target awards, depending on position.
  - Maximum awards are equal to 200 percent of Target awards, with the exception of the Chief Investment Officer whose maximum award is equal to 150 percent of Target.
- Performance below the threshold level in one performance area can earn a negative award (Negative Accrual), and thus offset awards earned in other areas, including unpaid awards from previous years. Negative Accruals are used only on performance objectives that individuals directly impact.

- Award opportunity by individual is as follows:

Incumbent	**Position**	**AIP Award Opportunity** (% of Base Salary) Threshold	Target	Maximum
Marie Berggren	Chief Investment Officer	50%	100%	150%
Melvin Stanton	Sr. MD	25%	60%	120%
Randy Wedding	Sr. MD, Fixed Income	25%	60%	120%
Jesse Phillips	Sr. MD, Risk Management	25%	60%	120%
Lynda Choi	MD, Absolute Return	20%	45%	90%
Gloria Gil	MD, Real Assets	20%	45%	90%
Tim Recker	MD, Private Equity	20%	45%	90%
Kim Evans	Sr. Portfolio Mgr, Fixed Income	20%	45%	90%
Linda Fried	Sr. Portfolio Mgr, Fixed Income	20%	45%	90%
David Schroeder	Sr. Portfolio Mgr, Fixed Income	20%	45%	90%
Satish Swamy	Sr. Portfolio Mgr, Fixed Income	20%	45%	90%
Alice Yee	Sr. Portfolio Mgr, Fixed Income	20%	45%	90%
David Hughes	Investment Officer, Public Equity	15%	35%	70%
Aileen Liu	Investment Officer, Risk Mgmt	15%	35%	70%
Thomas Lurquin	Investment Officer, Private Equity	15%	35%	70%
Jonathan Mandle	Investment Officer, Absolute Return	15%	35%	70%
Rebecca Stafford	Investment Officer, Real Assets	15%	35%	70%
Bill Ziomek	Investment Officer, Public Equity	15%	35%	70%
Aaron Staines Jr.	Portfolio Mgr	10%	20%	40%
Jung Cho	Sr. Analyst, Fixed Income	10%	20%	40%
Michelle Cucullu	Sr. Analyst, Private Equity	10%	20%	40%
Duane Gilyot	Risk Management Analyst	10%	20%	40%
Farhan Zamil	Risk Management Analyst	10%	20%	40%
Cay Sison	Sr. Analyst, Real Assets	10%	20%	40%
Leslie Watson	Jr. Analyst	10%	20%	40%

Recommendation: No change.

Award Determination

Current Incentive Plan

- A polynomial curve is used to determine payouts for entity, asset class, and sector performance objectives. A logarithmic payout curve is used to determine negative award opportunities for entity, asset class, and sector performance objectives.
- Negative Accruals will offset any positive award components (as stated above) but also affect deferred, unpaid awards. If a participant's total unpaid balance were to fall below zero, however, he/she would receive a zero payout and would not owe UC money.

Market Prevalent Practices

- Typical incentive plans are designed such that incentive awards are determined only if a threshold level of entity (or other financial measure) performance is reached.
- Negative accrual of awards earned in a current year and clawback of awards earned in previous years are rare, present in less than 10 percent of organizations surveyed. Rather, if a threshold level of performance is not met, the associated payout is $0.

Recommendations:

- Replace the claw-back feature (i.e., the ability for awards to carry a negative value and affect both current year and previously earned awards) by using a rolling three-year average (i.e., an average of the current and prior two years investment returns). Investment returns in a given year, whether positive or negative, will already affect this average, and thus the incentive award, in three separate plan years. The lowest value of any award would be zero.
- Individual Subjective awards for Managing Director level positions and below are contingent on respective asset classes meeting threshold level of performance rather than on entity meeting a threshold level of performance. Individual Subjective awards for Senior Managing Directors and above (i.e., Chief Investment Officer, Associate Chief Investment Officer, Risk Management) would continue to be contingent on the entity achieving a threshold level of performance.

Award Payout

Current Incentive Plan

- Annual incentive awards are payable in cash, subject to appropriate taxes and pursuant to normal payroll procedures.
- Subject to negative accrual and continued employment, the award is paid in three equal annual payments. The first award payment is paid at the end of the plan year.

- The deferred portion of the award earns interest based on the Short-Term Investment Pool (STIP) rate of return

Recommendation: No change.

Exhibit A: Cost Impact Assumptions

- Based on the 35 current participants, current salaries, and current target award percentages and excluding the Chief Investment Officer.
  - Total Salaries: $6,756,000
  - Awards at Target: $2,740,400 40.6% of Salaries
  - Awards at Threshold: $1,196,450 17.7%of Salaries
  - Awards at Maximum: $5,480,800 81.1%of Salaries
- Analysis done with "average" salary of $193,000, and "average" target award of 40.6 percent (threshold at 50 percent and maximum at 200 percent of target).
- Analysis done with entire quantitative award based on the entity curve, assuming value added performance is normally distributed.
  - mean = 30 bp (entity target level for 2008)
  - volatility = 100 bp (actual level for UCRP for past 24 months, but below UCRP risk budget of 300 bp)
- Analysis done with "average" subjective component of 18 percent of total award (82 percent based on quantitative factors).
  - Has a discrete distribution (25 percent chance of "meets threshold," a 50 percent chance of "meets expectations," and 25 percent chance of "exceeds expectations").
  - Subjective awards contingent on entity or asset class meeting threshold (depending on position).
- Analysis done over 20-year period, in real 2007 dollars.

6. REGENTS POLICY ON THE ASSOCIATE OF THE PRESIDENT AND THE ASSOCIATE OF THE CHANCELLOR

Regent Lozano recommended approval of the following Regents Policy on the Associate of the President and the Associate of the Chancellor to replace the current Presidential policy, which was issued on July 1, 1995.

A. Upon the request of the President or Acting President, The Regents may approve the appointment of the spouse or domestic partner of the President or Acting President as the Associate of the President.

B. Upon the request of a Chancellor or Acting Chancellor, the President may approve the appointment of the spouse or domestic partner of a Chancellor or Acting Chancellor as the Associate of the Chancellor. The President will provide a report to The Regents of such appointments.

C. Appointment as the Associate of the President (or Chancellor) is intended to reflect and recognize the contributions and services of those individuals who are called upon to serve as ambassadors for the University and/or the President (or Chancellor). The Associate will represent the University in association with the President (or Chancellor) or independently at the campuses, national laboratories and at national and international functions. The Associate will be expected to accompany the President (or Chancellor) in settings where this will enhance the University's relationships with students, alumni, faculty, staff, donors, friends, public officials, private sector officials, and representatives of foreign governments. Intended significant involvement in activities and functions such as described above is required in order to be granted the appointment as Associate. This appointment is without salary.

D. The Associate of the President and the Associate of the Chancellor will be eligible for the following:

(1) A University identification card which will allow access to campus facilities and services (e.g. University library privileges) in accordance with campus procedures.

(2) Reimbursement of University-related travel expenses, including expenses associated with use of a personal automobile when providing substantial services on behalf of the University. Such expenditures will be reimbursed in accordance with the provisions contained in Business and Finance Bulletin G-28, Policy and Regulations Governing Travel, and Business and Finance Bulletin G-45, Implementing Requirements on Expenses Incurred in Support of Official Responsibilities of the President and Chancellors.

(3) Reimbursement of business meeting and entertainment expenses incurred when providing substantial services on behalf of the University. Such expenditures will be reimbursed in accordance with the provisions contained in Business and Finance Bulletin BUS-79, Expenditures for Entertainment, Business Meetings, and Other Occasions.

(4) Reimbursement of costs associated with cellular phones and other portable electronic resources used when providing substantial services on behalf of the University. Such expenditures will be reimbursed in accordance with the provisions contained in Business and Finance Bulletin G-46, Guidelines for

the Purchase and Use of Cellular Phones and Other Portable Electronic Resources.

(5) Use of University equipment (e.g. laptop) when providing substantial services on behalf of the University. Such expenditures will be in accordance with the provisions contained in Business and Finance Bulletin BUS-29, Management and Control of University Equipment, Section N. Personal Use of University Property, Electronic Communications Policy, Business and Finance Bulletin IS-3 Electronic Information Security, and Business and Finance Bulletin RMP-8 Legal Requirements on Privacy of and Access to Information.

(6) Travel insurance coverage while traveling on University business in an amount equivalent to that provided to non-SMG University employees.

(7) Workers compensation coverage for any injury arising out of the course and scope of the service performed as an Associate, in accordance with the California Workers Compensation Act.

(8) Defense and indemnification of the Associate with respect to any claims resulting from acts or omissions in the service performed as an Associate, except when the action or failure to act resulted from actual fraud, corruption, or malice.

(9) Business cards bearing the Associate of the President or Associate of the Chancellor title.

(10) Courtesy parking permits for use at University-owned facilities.

E. The cost of expenses incurred under parts D. (2), (3), and (4) above will be charged to unrestricted, non-State funds.

F. Annual Budget

(1) The budget for the Associate to the President must be included as a discrete item in the budget of the President's immediate office when the annual budget for the Office of the President is submitted to The Regents for approval.

(2) The budget for each Associate to the Chancellor must be approved in advance by the President annually, based on submission of a detailed budget for the year.

G. Approval of Expenditures

(1) The Secretary and Chief of Staff to The Regents will approve the reimbursement of expenses based on receipts submitted by the Associate to the President, in conformance with the approved annual budget for the Associate to the President and applicable University policy. If an expense represents an exception to the approved annual budget or applicable University policy, the expenditure must be approved by the Chair of The Regents' Committee on Finance.

(2) The Executive Vice President and Chief Financial Officer will approve the reimbursement of expenses based on receipts submitted by each Associate to the Chancellor, in conformance with the approved annual budget for the Associate to the Chancellor and applicable University policy. In the absence of the Executive Vice President and Chief Financial Officer approval authority will be delegated to the Executive Vice President–Business Operations.

(3) An annual report will be provided in September of each year to The Regents with the budget expenditures for the Associate to the President and each Associate to the Chancellor for the preceding fiscal year.

H. The University Auditor will be responsible for conducting regular audits of the expense reimbursement process under this Policy.

I. This policy will become effective immediately and supersedes the July 1, 1995 Associate of the President/Chancellor policy and guidelines.

It was recalled that the current policy governing appointment to the position of Associate of the President/Chancellor was issued on July 1, 1995 by the Office of the President. The policy was not established by The Regents, although in certain instances The Regents has approved the appointment of an Associate to the Chancellor. The policy to be adopted formally by The Regents will address changes in administrative needs, including use of current communication technology (such as cellular telephones), and now includes Associate designation for spouses and domestic partners of those in an Acting capacity. The proposed policy designates The Regents as the approval authority for the Associate of the President position, and delegates approval authority to the President for similar positions for the Chancellors, with responsibility to report such appointments to The Regents. The policy further designates an authority outside of the President's immediate office and the Chancellor's immediate office for review and approval of expenses in accordance with applicable University policies. Finally, the policy provides for regular audit of the expenses reimbursed under this Policy, to ensure future compliance with its terms. The proposed policy is consistent with the University's ongoing commitment to transparency, disclosure, and public accountability. In accordance with this new policy, the proposed 2007-08 budget for the Associate to the President has been submitted to the Chairman of the Regents for approval. Similarly, proposed 2007-08 budgets for each Associate to the Chancellor have been submitted to the President for approval and are under review.

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

7. **REPORT FROM REGENTS ONLY SESSION FOR APPROVAL OF APPOINTMENT OF ASSOCIATE OF THE PRESIDENT, TWO ASSOCIATES OF THE CHANCELLORS, TWO ASSOCIATES OF ACTING CHANCELLORS, AND RETROACTIVE APPROVAL OF OTHER APPOINTMENTS OF ASSOCIATES OF THE CHANCELLORS**

The Committee presented for action the following from its July 18 Regents Only Session:

The Committee recommends approval of the following items in connection with the appointment of Ann Parode Dynes as Associate of the President, Carol Block and Mia Kang as Associates of the Chancellor, retroactive approval of the appointments of the current Associates of the Chancellors, and approval of the appointments of Poshka Abrams and Kelly Wiesberg as Associates of the Chancellor for the Acting Chancellors:

A. Appointment of Ann Parode Dynes as Associate of the President effective March 3, 2007 and extending through the period of President Dynes' appointment as President.

B. Appointment of Carol Block as Associate of the Chancellor effective August 1, 2007.

C. Appointment of Mia Kang as Associate of the Chancellor effective March 1, 2007.

D. Retroactive approval by The Regents of the President's previous approvals, as authorized by policy, of the appointments of the current Associates of the Chancellors at the Berkeley, Davis, Irvine, Riverside, San Diego, San Francisco, and Santa Barbara campuses.

E. Appointments of Poshka Abrams and Kelly Weisberg as Associate of the Acting Chancellor at the Los Angeles, and Santa Cruz campuses, respectively.

F. These appointments are subject to the Policy on Associate of the President/Chancellor, as described in the Regents' Item 104, *Policy on the Associate of the President and the Associate of the Chancellor*. This revised policy is under review for approval by The Regents. Once approved, the new policy shall govern the terms and conditions of these appointments.

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

8. **REPORT FROM REGENTS ONLY SESSION FOR APPROVAL TO AMEND HOUSING AND EXPENSES AGREEMENT FOR UC-DESIGNATED KEY PERSONNEL AT LOS ALAMOS NATIONAL SECURITY, LLC**

The Committee forwarded for action the following from its July 18 Regents Only Session meeting:

The Committee recommends approval of the following items in connection with supplemental compensation for Bret Knapp, Associate Director for Weapons Engineering, UC-Designated Key Personnel at Los Alamos National Security, LLC (LANS). In June 2006 The Regents approved the following terms for Mr. Knapp for a two year period through May 31, 2008. Due to extenuating personal circumstances that require Mr. Knapp's family to remain in California, Director Anastasio is requesting The Regents' approval to extend the same terms for items A. and B. below by an additional two years through May 31, 2010, or until Mr. Knapp relocates to New Mexico, whichever occurs first.

A. As an exception to policy, a housing allowance of $27,500 every six months, with a tax gross-up to offset any adverse tax consequences.

B. As an exception to policy, reimbursement of amounts related to non-business travel for visits between family members (generally between the Bay Area and New Mexico), during the initial four-year period of employment with LANS, up to $30,000 annually, with a tax gross-up to offset any adverse tax consequences.

The Regents also approved in June 2006 the following terms for Mr. Knapp that do not require an extension, but are presented below for disclosure:

- As an exception to policy, reimbursement (on a tax-equivalent basis) for up to 24 months of the employer portion of the cost of health care for his immediate family members residing in California who continue to be covered by their existing health care provider with comparable health insurance under COBRA provisions, until their relocation to New Mexico, whichever occurs first.

- As an exception to policy, if Mr. Knapp leaves his LANS position and returns to Lawrence Livermore National Laboratory (LLNL) prior to September 30, 2007, and there is no agreement with DOE which allows transfer of pension credit, he will be compensated by the amount necessary to reflect any loss in pension credit for the period of time he was employed by LANS, with a tax gross-up to reflect any adverse tax consequences resulting from the payment.

The commitment to provide these items of compensation is necessary to attract and retain the highly specialized talent needed to meet the mission of the Laboratory. The source of funds for the payment of all these compensation items shall be from the fee earned by the University under the terms of the LANS contract, and such fee income shall be applied first to these compensation obligations prior to the use of the fee income for any other purpose.

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

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

9. **REPORT FROM REGENTS ONLY SESSION FOR APPROVAL OF CONFERRAL OF TITLE SUFFIX EMERITUS FOR ACTING CHANCELLOR, LOS ANGELES CAMPUS**

The Committee forwarded for action the following from its July 18 Regents Only Session:

The Committee recommends approval of the conferral of the title suffix emeritus upon Norman Abrams as Acting Chancellor, Emeritus effective August 1, 2007.

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

10. **REPORT FROM REGENTS ONLY SESSION FOR APPROVAL OF EXTENSION OF COMPENSATION FOR ACTING CHANCELLOR, LOS ANGELES CAMPUS**

The Committee forwarded the following from its July 18 Regents Only Session:

The Committee recommends that, contingent upon approval of the extension of the appointment of Norman Abrams by The Regents as Acting Chancellor, Los Angeles campus, a one month extension of an annualized base salary of $320,000 be continued, originally approved by The Regents effective July 1, 2006 for service as Acting Chancellor, along with the additional compensation related items listed below.

Additional items of compensation approved by The Regents July 19, 2006:

- Per policy, standard sick leave and vacation accrual.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University policy.
- Per policy, standard Pension and Health and Welfare benefits.

Additional item of compensation approved by The Regents March 14, 2007:

- Per policy, automobile allowance.

Additional item of compensation not submitted for approval at the July 19, 2006 meeting but effective July 1, 2007:

- Per policy, eligible to earn 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 communications.

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

11. **REPORT FROM REGENTS ONLY SESSION FOR APPROVAL OF EXTENSION OF COMPENSATION FOR ACTING CHANCELLOR, SANTA CRUZ CAMPUS**

The Committee forwarded for action the following from its July 18 Regents Only Session:

The Committee recommends that, contingent upon approval of the extension of the appointment of George Blumenthal by The Regents as Acting Chancellor, Santa Cruz campus, 100 percent time, the annual salary of $260,000 be continued, along with the additional compensation related items listed below.

Additional compensation and related items include:

- Per policy, standard sick leave and vacation accrual.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University policy.
- Per policy, standard Pension and Health and Welfare benefits.
- Per policy, eligible to earn Sabbatical Credits.

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

12. **REPORT FROM REGENTS ONLY SESSION FOR APPROVAL OF COMPENSATION FOR ACTING CHANCELLOR, RIVERSIDE CAMPUS**

The Committee forwarded the following from its July 18 Regents Only Session:

The Committee recommends that, contingent upon confirmation of the appointment of Robert D. Grey by The Regents as Acting Chancellor, Riverside campus, 100 percent time, the annual salary of $300,000, along with the items listed below be approved.

A. Per policy, monthly auto allowance of $743.

B. As an exception to policy, required to live in the Chancellor's Residence in Riverside in order to fulfill the appointment responsibilities.

C. As an exception allowed under the guidelines for rehired retirees, retirement pension benefits will continue upon Mr. Grey signing the appropriate waiver under University policy so that there will be no accrual of additional pension service credit during his appointment as Acting Chancellor.

D. Movement of limited personal effects to the Chancellor's Residence in Riverside, and shipped back to permanent residence upon termination of appointment, not to exceed $5,000.

E. UC will provide reasonable, basic furnishings for the private quarters of the Chancellor's residence during this period. UC will rent or purchase furnishings depending on the final cost analysis.

F. If the Chancellor's residence is not available for Mr. Grey upon his appointment, reimbursement of reasonable hotel accommodations and meals, per standard business travel policy, will apply.

Additional items of compensation include:

- Per policy, standard sick leave and vacation accrual.
- Per policy, Administrative Fund for official entertainment and other purposes permitted by University policy.
- Per policy, standard medical and other health benefits will apply. Mr. Grey will continue to pay his premiums for Medicare, and will contribute to the regular cost of benefits under the programs and policies pertaining to a rehired retiree.

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.

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

13. CAMPUS/LABORATORY PLANS TO IMPLEMENT CORRECTIVE ACTIONS

The President recommended approval of the Corrective Action Plans (CAPs) as summarized in Attachment 2.

It was recalled that the Corrective Action Plans were provided by the Chancellors in response to Corrective Actions for Administrators Who Authorized Compensation Identified in Audit Findings and Management Reviews, approved by The Regents in March 2007, for those items which resulted from deficiencies in compensation policies and procedures at each respective campus. The Associate Vice President–Human Resources and Benefits is responsible for oversight of the implementation of the Corrective Action Plans. The Chancellors will report to the President and The Regents on actions taken pursuant to the Corrective Action Plans prior to the next regular merit salary review cycle in fall 2007.

In March 2007, The Regents approved the Universitywide Corrective Action Plan which covered broad systemic issues identified in the compensation audits and management reviews that were not limited to single actions or locations. The Plan addressed systemwide policy violations in the areas of vacation accrual, honoraria, automobile allowances, temporary housing, and the Senior Management Severance Pay Plan (now the Senior Management Supplemental Benefit Program), and contained provisions for appropriate communication, training, reporting, and compliance mechanisms.

The Regents also directed that Campus/Laboratory Corrective Action Plans be prepared by each Chancellor/Laboratory Director to address violations of policies related to each respective campus or laboratory. It has been determined that correction of the two items listed for the Lawrence Berkeley National Laboratory in the March 2007 Regents item will be covered in (1) the Universitywide Corrective Action Plan under the area of participation in the Senior Management Supplemental Benefit Program and (2) the new process implemented by the Office of the President for approval of individual compensation by The Regents using the compensation template developed to include any and all forms of compensation provided to the individual involved, including any hiring bonuses. The Associate Vice President–Human Resources and Benefits is responsible for the implementation of the Universitywide Corrective Action Plan and will also be responsible for oversight of implementation of the Campus/Laboratory Corrective Action Plans.

The development of the Corrective Action Plans included in this item was the result of a comprehensive, interactive process between each location and Human Resources and Benefits at the Office of the President. Each location designated a local Corrective Action Plan coordinator who served as the focal point for plan development, and who was consulted frequently during the drafting of each plan. Human Resources and Benefits facilitated discussions on the corrective items that were applicable to multiple locations, providing opportunities for those campuses to discuss common issues and align their plans for appropriate consistency across the system.

This process has already resulted in the identification of systemwide improvements including a collaborative effort to clarify various elements under the current delegations of authority to the locations, and the use of an online system for generating offer letters consistent with the sample prepared by the Office of the President. In addition, best practices at many locations are already being implemented as part of these Corrective Action Plans. An Implementation Progress Report is expected to be submitted to The Regents in fall 2007 prior to the next regular merit salary review cycle.

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

14. **EXTENSION OF PROCEDURES FOR SETTING COMPENSATION IN 2007-08 FOR THOSE CLASSIFIED IN THE SENIOR LEADERSHIP COMPENSATION GROUP**

The President recommended approval of an extension of the *Procedures for Setting Compensation in 2006-07 for Those Classified in the Senior Leadership Compensation Group and Other Specified Non-faculty Employees*, approved in July 2006, to be effective July 1, 2007 through June 30, 2008 as follows:

A. Salary actions during FY 2007-08 for Senior Leadership Compensation Group (SLCG) members and Other Specified Employees (OSEs) that would result in base salary, plus any bonus, incentives, relocation allowance, stipend, or any other cash compensation exceeding the Indexed Compensation Level (ICL) of $205,000 shall be individually approved by The Regents.

B. Any increase in base salary in excess of 7.5 percent for SLCG members and OSE shall be individually approved by The Regents.

It was recalled that at the July 20, 2006 meeting, The Regents approved *Procedures for Setting Compensation in 2006-07 for Those Classified in the Senior Leadership Compensation Group and Other Specified Non-faculty Employees* (7C). This item modified action approved by The Regents at the November 2005 meeting. The two modifications were to establish an ICL of $200,000 and to lower the approval threshold from 15 percent to 7.5 percent for increases to base salary. Under the terms of the *Procedures*, these modifications were to be in place from July 1, 2006 through June 30, 2007.

This proposal seeks to retain the lower approval threshold and increase the ICL based upon the national Consumer Price Index (CPI), May-over-May increase for "all urban consumers for all items," as determined by the Bureau of Labor Statistics. The CPI increase is 2.69 percent, which rounded to the nearest one thousand dollars results in an adjusted FY 2007-08 ICL of $205,000.

At the November 2005 meeting, The Regents approved *Policies on Universitywide and Senior Leadership Compensation, and Procedures for Senior Leadership Compensation*, which provided for a salary structure to be established within which salaries for all Senior Leadership Compensation Group positions will be administered. The Senior Leadership Compensation Group was defined to include certain designated Officer positions (the President, General Counsel, Treasurer, Secretary, Chancellors, Senior Vice Presidents, Vice Presidents, Chief Executive Officers of the Medical Centers, and Laboratory Directors) and those management positions whose compensation exceeds the Indexed Compensation Level. The ICL that was used for 2004-05 was $168,000. The ICL is to be adjusted annually based on CPI and is to be reported annually to The Regents in accordance with Regental Bylaws regarding approval of compensation. The indexed base salary amount for 2004-05 of $168,000 was modified by The Regents for FY 2005-06, to be $200,000 total cash compensation.

The salary structure used by The Regents is based on the recommendation of an external consultant and consists of salary ranges that provide salary opportunities competitive with those offered by other employers with which UC competes for SLCG employees. Each SLCG position will be assigned to the appropriate salary range based on external competitive salary data and internal equity considerations.

In accordance with the procedures previously adopted under *Policies on Universitywide and Senior Leadership Compensation, and Procedures for Senior Leadership Compensation*, for 2005-06 The Regents has continued to approve individually:

- All salary actions for the 32 Designated Officers (the President, General Counsel, Treasurer, Secretary and Chief of Staff, Chancellors, Senior Vice Presidents, Vice Presidents, Chief Executive Officers of the Medical Centers, and Laboratory Directors).
- Salary increases that place an SLCG employee's salary above the salary range maximum for the employee's position.
- Any future adjustments to job slotting for the SLCG, including the addition of new positions.
- Annual goal setting for obtaining, prioritizing, and directing funds to achieve market comparability for all groups of employees.
- Determination of annual salary increase budget for the SLCG, including priorities for addressing specific groups of employees.

In addition, previously adopted procedures under *Policies on Universitywide and Senior Leadership Compensation, and Procedures for Senior Leadership Compensation* provide that The Regents will receive and review annually:

- Total compensation for each of the SLCG positions.
- Data on all salary actions for the SLCG, including the overall salary increases compared to budget and the distribution of increases by percent of increase.
- Overall position of salaries for the SLCG relative to the salary range midpoints.

In addition, as part of the administration of the salary structure, The Regents will establish procedures for reviewing UC and competitive practices for other non-salary elements of total compensation such as bonuses, car allowances, housing subsidies, University-provided housing, and one-time payments such as relocation allowances.

Following the recent completion of audits and the ongoing reviews of executive compensation procedures, recommendations may be made to revise these guidelines in the future.

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

15. **CONFORMING AMENDMENTS TO THE UNIVERSITY OF CALIFORNIA RETIREMENT PLAN TO FACILITATE THE CLOSEOUT OF THE LAWRENCE LIVERMORE NATIONAL LABORATORY MANAGEMENT CONTRACT**

The President recommended that, effective October 1, 2007, the University of California Retirement Plan (UCRP) be amended as necessary to:

A. Provide that if an eligible Lawrence Livermore National Laboratory (LLNL) employee elects to participate in the Lawrence Livermore National Security, LLC (LLNS) defined benefit plan, and a designated payee named in a domestic relations order (DRO) is entitled to a share of the employee's UCRP benefits, the designated payee may elect to have his or her benefits transferred to the LLNS defined benefit plan or retained in UCRP and distributed under UCRP terms, including the lump sum option which will not be available in the LLNS defined benefit plan.

B. Provide that if a part-time, eligible LLNL employee with a concurrent (split) appointment at another UC location elects to transfer his or her UCRP benefits and service credit to the LLNS defined benefit plan and continues to work part time for UC following the transition, UCRP will:

- Retain the employee's original UCRP entry date and count the employee's transferred service credit towards UCRP's five-year vesting requirement (but not as actual service credit used in the calculation of future UCRP retirement income).
- Use a Highest Average Plan Compensation (HAPC) to calculate the employee's future UCRP benefit (if eligible) based only on "covered compensation" (as determined under UCRP rules) that the employee earned after the date of the transition.

C. Provide that an LLNL employee who previously retired and suspended UCRP retirement income upon reemployment with UC (i.e., a rehired retiree) would not be required immediately to return to UCRP retirement status upon subsequent separation from UC, as currently required by the Plan. By so doing, the rehired retiree would be treated the same as all other vested LLNL employees and would not be disadvantaged as a result of the transition.

D. Authorize the Plan Administrator to implement the proposed amendments.

Options for Designated Payees

It was recalled that an individual who is entitled to a share of a member's UCRP benefits pursuant to an approved DRO is referred to as a designated payee. In most cases, following the approval of the DRO, the member's UCRP service credit is apportioned and the service credit awarded to the designated payee is established under a separate UCRP account in the designated payee's name.

The RFP does not specifically address how benefits attributable to designated payees should be handled. LLNS, however, has requested that the University follow procedures similar to those agreed to for the transition at the Los Alamos National Laboratory (LANL). Such procedures would allow the designated payee of a LLNL employee who elects to have his or her UCRP benefit transferred to the LLNS defined benefit plan to choose whether to have the designated payee portion retained in UCRP or also transferred to the LLNS plan. The benefits retained in UCRP would be distributed according to UCRP terms, which include a lump sum option that will not be available in the LLNS plan. It is recommended that UCRP be amended consistent with the LLNS request and the procedures adopted for LANL.

Active UCRP Employees at LLNL with a Concurrent (Split) Appointment at Another UC Location

There are fewer than ten part-time LLNL employees with split appointments who work concurrently for another UC location part-time and are paid directly from that UC location for their services. Some of these LLNL employees may wish to continue working for both LLNS and a UC location on a part-time basis following the laboratory's transition on October 1, 2007.

The RFP does not specifically address the issue of benefits for employees with split appointments. For transitioning LLNL employees who continue to work for UC on a part-time basis and wish to keep their accrued benefits and service credit with UCRP, no UCRP amendments are necessary. They would participate in the LLNS market-based plan, similar to vested, full-time LLNL employees who elect inactive membership in UCRP; however, LLNL employees with an ongoing appointment at another UC location who wish to participate in LLNS defined benefit plan must transfer all their UCRP service credit accrued through September 30, 2007 to that plan.

For these continuing part-time employees, it is recommended that UCRP be amended to confirm that: (1) their transferred service credit determined as of September 30, 2007, be counted towards UCRP's five-year vesting requirement, but not as actual service credit used in the calculation of their future UCRP retirement income; and (2) the Highest Average Plan Compensation used to calculate their future UCRP benefit be based only on their UC covered compensation (as determined under UCRP rules) earned after the date of the transition.

Previously Retired Employees

Current UCRP policy requires that retirees who are rehired by UC and elect to suspend their UCRP retirement income must immediately return to retirement status upon subsequent separation from UC employment. If existing UCRP rules were to apply, such rehired retirees at LLNL (currently fewer than 5 employees) would automatically be separated from UC as a result of the transition and required to re-retire under UCRP and, therefore, would not be treated the same as all other vested LLNL employees.

To remedy this situation, it is proposed that UCRP be amended to confirm that these LLNL rehired retirees who accept an employment offer with LLNS would not be required to return to UCRP retirement status upon separation. By doing so, these rehired retirees would be afforded the same options available to all other eligible, vested LLNL employees under the terms of the RFP. A similar amendment was approved by The Regents in May 2006 for rehired retirees affected by the LANL transition.

For purposes of the LLNS employment offers only, LLNL employees who elect a lump sum cashout under UCRP that will be effective prior to October 1, 2007, will be considered to have made a UC retirement election, and the provisions of the RFP would apply accordingly.

Higher Education Employer-Employee Relations Act

The University will take appropriate action concerning proposed changes that may trigger notice, consultation, and meeting and conferring obligations under the Higher Education Employer-Employee Relations Act and UC policy.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 2:10 p.m.

Attest:

Secretary and Chief of Staff