

The Regents of the University of California

COMMITTEE ON COMPENSATION

March 27, 2008

A Special Meeting of the Committee on Compensation was held on the above date by teleconference at the following locations: UCSF Mission Bay Community Center, 1675 Owens Street, San Francisco campus; James E. West Alumni Center, Founders Room, Los Angeles campus; 2107 Atkinson Hall, San Diego campus; 5123 Cheadle Hall, Santa Barbara campus; M.I.N.D. Institute, Room 1112, UC Davis Medical Center, Sacramento; 501 South Alta Avenue, Dinuba; 700 South Flower Street, Los Angeles; 1875 Century Park East, Los Angeles; 777 California Avenue, Palo Alto; 3750 University Avenue, Riverside; State Capitol Office, Room 1114, Sacramento; 1133 5th Street, Santa Monica; 3110 Main Street, Santa Monica; 10000 West O'Hare, Chicago; and 5200 Blue Lagoon Drive, Miami.

Members present: Regents Blum, Dynes, Hopkinson, Kozberg, Lozano, Núñez, Pattiz, and Varner; Advisory members Cole and Brown

In attendance: Regents Brewer, Bugay, De La Peña, Garamendi, Gould, Hotchkis, Island, Marcus, Ruiz, and Wachter, Regent-designate Shewmake, Faculty Representative Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Executive Vice President Lapp, and Recording Secretary Bryan

The meeting convened at 3:15 p.m. with Chairman Blum presiding.

1. READING OF NOTICE OF MEETING

For the record, it was confirmed that notice had been given in compliance with the Bylaws and Standing Orders for a Special Meeting of the Committee, for this date and time, for the purpose of considering the recommendation for total compensation for a President of the University.

2. PUBLIC COMMENT

Chairman Blum explained that a public comment session was being provided in order to permit members of the public an opportunity to address University-related matters. The following persons, all members of the UC Student Association, addressed the Board:

A. Ms. Caro Jauregui, a UC Berkeley student, reported that as a member of the student presidential search advisory committee she had met with Chancellor Yudof. She conveyed the committee's desire to work with him to ensure diversity in admissions, staff, and faculty.

- B. Mr. Alex Greninger, a UCSF student, stated that the incoming UC president will need to focus on bringing more money into the University by increasing the endowment, building alumni organizations, and getting students involved in fundraising initiatives.
- C. Mr. Sam Fong, a UC Merced student, noted that incoming President Yudof's salary represented a substantial increase over the incumbent's. He reported that students expect to see concomitant improvements – specifically, greater student involvement in decision making, and the establishment of a student advisory committee.
- D. Mr. Matt Corrales, a UC Santa Cruz student, noted that holding this meeting during spring break represented a hardship for some students who wished to attend. He expressed the hope that incoming President Yudof would be committed to transparency and greater shared governance at all levels of UC management.
- E. Ms. Louise Hendrickson, President of UCSA, was hopeful that the Regents would hold Mr. Yudof accountable with respect to the list of priorities he had presented to the students, including a commitment to diversity and the establishment of a student advisory committee. She reported that the students had great expectations for the new president.

At this point, Regent Lozano assumed the Chair.

3. **TOTAL COMPENSATION FOR MARK G. YUDOF AS PRESIDENT OF THE UNIVERSITY OF CALIFORNIA**

The Committee recommended that, contingent upon his appointment by the Regents as President of the University, 100 percent time, an annual salary of \$591,084 be approved for Mark G. Yudof as President of the University, effective no later than September 1, 2008, along with the additional compensation and related items listed below.

Additional compensation and related items include:

- Per policy, an automobile allowance of \$743 per month (\$8,916 per annum).
- As an exception to policy, supplemental pension funding will be provided by the University that, in combination with normal UC Retirement Plan (UCRP) benefits, will produce a vested single life annuity at the end of each of the first seven years of employment of approximately the following amounts if Mr. Yudof retires at the end of those years: Year 1-\$29,554; Year 2-\$60,217; Year 3-\$92,029; Year 4- \$127,307; Year 5- \$230,000; Year 6- \$300,000; Year 7-\$350,000. In Year 8 of Mr. Yudof's employment and beyond, he will accrue additional vested pension benefits beyond the \$350,000 annuity amount at the normal UCRP accrual formula for individuals over age 60, which is 2.5 percent of the highest three-year average salary. In addition to the normal UCRP funding provided under UCRP for all members (16.35

percent of covered compensation, which in this case is approximately \$97,000), the University will make supplemental pension contributions for the first seven years, which are estimated to be: \$228,000; \$237,286; \$246,487; \$256,065; \$266,001; \$229,673; and \$229,673, respectively. For years 8 and beyond, funding will occur in accordance with the normal UCRP funding policy that is applicable to funding the benefits of all UCRP members.

- Per policy, Mr. Yudof would be eligible for a relocation allowance of up to 25 percent of base salary, which is \$147,771 and which he will not be receiving. An amount equivalent to this allowance will be used by the University to offset, in part, the first year contribution to fund the supplemental pension benefit described above.
- Per policy, as a condition of employment and for the convenience of the University, Mr. Yudof would ordinarily be required to reside at Blake House, unless the housing is not suitable as a residence and for University-related events. In this event, the University will provide Mr. Yudof with suitable alternative housing for this purpose, with the terms to be approved by the Committee on Compensation.
- Per policy, the University will provide Mr. Yudof with temporary housing for up to 30 days until suitable long-term University housing is identified and Mr. Yudof can move in. If suitable housing is not identified by the University and the move cannot be accomplished within the 30 days, the Regents authorize extending temporary housing up to a total of 90 days, inclusive of the 30 days provided for within policy.
- In accordance with University policy, Mr. Yudof will be provided with reasonable lodging, transportation, and other business related expenses associated with University business prior to his relocation.
- Per policy, actual costs for packing and relocation of household effects will be reimbursed (up to a maximum of \$25,000) to be completed within one year from the date Mr. Yudof assumes the Presidency, in order for it to be nontaxable. The move may be accomplished in one or more stages.
- Per academic policy, actual costs will be reimbursed for packing and relocation of Mr. Yudof's library.
- Consistent with past practice, upon leaving the President position to assume a position on the Berkeley faculty, the University will arrange for the relocation of Mr. Yudof's personal belongings to a location of his choice within the greater San Francisco Bay Area near the Berkeley campus.
- Per policy, Mr. Yudof will be eligible for a Mortgage Origination Program (MOP) loan in order to purchase a primary residence in which to live after stepping down as President, if he assumes a tenured faculty position at Berkeley. The benefit will be available for 12 months after stepping down as President. If granted a MOP loan, Mr. Yudof will be entitled under policy to continue under the program during retirement as long as he remains in the home.
- Per policy, an Administrative Fund will be established. Adjustments may occur annually as allowed by policy.
- Per policy, Mr. Yudof will be eligible for standard UC health and welfare and vacation and sick leave benefits and standard senior management benefits, including

senior manager life insurance, executive business travel insurance, and executive salary continuation for disability.

- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to holding a tenured faculty position.
- Per policy, eligible to accrue sabbatical credits due to dual 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.

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

The meeting adjourned at 3:20 p.m.

Attest:

Secretary and Chief of Staff