

## THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

July 16, 2009

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

Present: Regents Bernal, Blum, De La Peña, Garamendi, Gould, Island, Johnson, Kieffer, Kozberg, Lansing, Lozano, Makarechian, Marcus, Nunn Gorman, Reiss, Ruiz, Schilling, Stovitz, Varner, Wachter, Yudof, and Zettel

In attendance: Regents-designate Cheng, DeFreece, and Hime, Faculty Representatives Croughan and Powell, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Interim Provost Pitts, Executive Vice Presidents Darling, Lapp, and Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Bishop, Block, Blumenthal, Drake, Fox, Kang, White, and Yang, Interim Laboratory Director Alivisatos, and Recording Secretary Johns

The meeting convened at 10:55 a.m. with Chairman Gould presiding.

### 1. **RESOLUTION IN APPRECIATION – J. MICHAEL BISHOP**

Upon motion of Regent Blum, duly seconded, the following resolution was adopted:

WHEREAS, J. Michael Bishop will step down on August 2, 2009, as the eighth Chancellor of the University of California, San Francisco, having served with vision, integrity and effectiveness, leading the campus through one of the most productive decades in its history, as evidenced by the premier status of its schools, graduate programs, hospitals and affiliated programs, the development of a second major campus, the establishment of innovative research programs, record philanthropic support, and the first comprehensive strategic plan; and

WHEREAS, a modest and unassuming man whose scientific genius was recognized in 1989, when he shared the Nobel Prize with his co-researcher, Harold Varmus, and in 2003, when he was awarded this nation's highest scientific honor, the National Medal of Science, he remains a model for distinguished scholarly inquiry, a passionate and internationally renowned researcher and teacher who has maintained an active research laboratory, one who has taught regularly throughout his service as Chancellor, who has authored more than 300 research publications and reviews, among them his autobiography, *How to Win the Nobel Prize: An Unexpected Life in Science*; and

WHEREAS, through his inspired leadership, UCSF has further enhanced its position on the cutting edge of biomedical research and patient care through the innovative development of its second major campus at Mission Bay, a thriving academic community

that includes four research buildings, housing and a community and conference center, all enhanced by an extensive program of public art; and

WHEREAS, translating vision into reality, he established pioneering research programs, most notably the State-funded California Institute for Quantitative Biosciences, founded in 2000, as an unprecedented consortium among three UC campuses; the UCSF Clinical and Translational Science Institute, which ranks among the country's largest federally-funded institutes of its kind; and the Global Health Sciences program, which serves as the linchpin for the campus' commitment to global health and the care of vulnerable populations at home and throughout the world; and

WHEREAS, bold and creative in his thinking, he oversaw the creation of the first comprehensive campuswide strategic plan, unveiled in 2007 and focusing on the mission of advancing health worldwide, which was developed with extensive input from constituents to serve as a guide for UCSF over the next two decades in its role as a global leader; and

WHEREAS, a champion of diversity, he has been indefatigable in his efforts to ensure that the San Francisco campus reflects the many faces of California through the foundation of ongoing programs that focus on diversity, outreach, and improved communication related to diversity; the appointment of a campuswide committee in 2005 to develop a workable strategy; and the naming of a director in 2007 to shepherd the newly created strategies;

NOW, THEREFORE BE IT RESOLVED that the Regents express their deep and lasting gratitude to J. Michael Bishop, M.D., for his notable leadership and academic vision, his grand aspirations for UCSF, and his ever-present personal qualities of good humor, commanding intellect, and high energy;

AND BE IT FURTHER RESOLVED that the Regents express their confidence that the years ahead will be marked by great happiness and additional distinctive achievement, and direct that a suitably inscribed copy of this resolution be presented to Mike and Kathryn as a token of the Regents' profound respect and affection.

Regent Blum praised Chancellor Bishop for his outstanding human qualities in addition to his intellectual accomplishments. He recalled milestones in Chancellor Bishop's tenure: the development of the Mission Bay campus, the establishment of innovative research programs, the philanthropy and record support enjoyed by the campus, the national recognition of UC San Francisco, and its high ranking in National Institutes of Health funding. Notwithstanding his administrative duties, Chancellor Bishop has remained active in cancer research. Regent Blum emphasized his boldness and creativity and his global health expertise, which reaches beyond the Bay Area and outside the United States. On behalf of the Regents, he expressed profound gratitude to Chancellor Bishop for his service to the University.

The Board recessed at 11:00 a.m.

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The Board reconvened at 11:20 a.m. with Chairman Gould presiding.

Present: Regents Bernal, De La Peña, Garamendi, Gould, Island, Johnson, Kieffer, Kozberg, Lansing, Lozano, Makarechian, Marcus, Nunn Gorman, Reiss, Ruiz, Schilling, Stovitz, Varner, Wachter, Yudof, and Zettel

In attendance: Regents-designate Cheng, DeFreece, and Hime, Faculty Representatives Croughan and Powell, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Interim Provost Pitts, Executive Vice Presidents Darling, Lapp, and Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Duckett, and Lenz, Chancellors Birgeneau, Bishop, Block, Blumenthal, Drake, Fox, Kang, White, and Yang, Interim Laboratory Director Alivisatos, and Recording Secretary Johns

## 2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 19, the special meeting of May 7, and of the meetings of the Committee of the Whole of February 4, March 17, March 18, March 19, and the special meeting of May 7, 2009 were approved.

## 3. **REPORT OF THE PRESIDENT**

President Yudof presented the report concerning University activities and individuals. He paid tribute to two members of the University family who recently passed away. The first was Professor Emeritus Herbert York, founding Chancellor of the San Diego campus, founding Director of the Lawrence Livermore National Laboratory, and one of the most influential scientists of the 20th century. President Yudof noted Professor York's extraordinary breadth as an academic, public servant, and champion of science and of arms control. An exceptional administrator, he was able to translate vision into action, laying a strong foundation for the Lawrence Livermore National Laboratory and for the San Diego campus. A member of the Manhattan Project who helped develop the atomic bomb, he later spent his life dedicated to controlling the proliferation of nuclear arms in an attempt to bring us closer to a world free of nuclear threat. He served as an advisor to UC and U.S. presidents and was a voice for balance and wisdom in the nation and in the world.

The second was Mrs. Ellen Revelle, affectionately known as the "first lady" of the Scripps Institution of Oceanography. She was the widow of the man considered the founder of the campus, Roger Revelle. Mrs. Revelle was a warm, gracious woman who was absolutely devoted to UC San Diego and was in turn much loved by the campus community. Along with her husband, she worked tirelessly not only to make the San Diego campus a reality, but to bring renowned faculty to the campus in its early days.

The Revelles were a highly effective team, and the prestige the San Diego campus now enjoys is a testament to their efforts. Mrs. Revelle is perhaps most remembered for her philanthropy, which knew no bounds. The campus was one of the very fortunate beneficiaries of her thoughtful generosity. The University will ever be in her debt, and she will be remembered as a true UC treasure.

President Yudof reported that Chancellor Birgeneau received the 2009 Pathfinders to Peace award from the Shinnyo-en Foundation. He was honored for his commitment to diversity, equity, and inclusion, and to the integration of public service as an essential component of the academic experience.

Upon motion of Chairman Gould, duly seconded, the President's report was accepted.

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

4. **RESOLUTION IN APPRECIATION – DEBORAH M. COLE**

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

WHEREAS, on June 30, 2009, Deborah M. Cole will complete her term on the Board of Regents having served her alma mater with dedication, energy, and enthusiasm as a Regent-designate and then as an Alumni Regent, at all times exhibiting a strong sense of purpose, keen intellect, and a deep devotion to the University's tripartite mission of teaching, research, and public service; and

WHEREAS, a true "Daughter of California," one of ten family members to graduate from the Berkeley campus, she has distinguished herself in the field of education, demonstrating an unwaveringly strong commitment to secondary education and to the value of a higher education, most notably in the areas of the music, drama, and the arts, as a teacher of gifted middle school students, as a member of the Children's Learning Center, and a member the Board of Directors of the Tahoe-Truckee Youth Theater Board of Directors; and

WHEREAS, her wide-ranging experience and knowledge as a highly successful educator and community leader have been invaluable assets to the Regents' Committees on Compliance and Audit, Compensation, and Educational Policy, and to the Board as a whole in its discussions of the many vital issues facing the University in this historic period of great challenge and change; and

WHEREAS, her fellow Regents greatly admire and appreciate the passion, commitment, and notable idealism she has brought to bear in her committed efforts as Vice President of the Alumni Associations of the University of California, especially with respect to the promotion of a deeper awareness of the contributions of this California treasure and its talented alumni; and

WHEREAS, in recognition of her devoted service as a member of the Board of Regents of the University of California, and in the hope that she will continue as an active and

vital participant in the life of the University, the Regents do hereby confer upon Deborah M. Cole the title Regent Emerita.

NOW, THEREFORE, BE IT RESOLVED that the Regents express their deepest appreciation to Debbie Cole, a valued and cherished colleague and alumna who has displayed a keen and unwavering sense of institutional loyalty and devotion, to this great University's lasting benefit;

AND BE IT FURTHER RESOLVED that the Regents extend to Debbie and Lisa their affectionate best wishes for the future and direct that a suitably inscribed copy of this resolution be presented to them as a token of the Regents' heartfelt esteem and lasting friendship.

5. **RESOLUTION IN APPRECIATION – D'ARTAGNAN SCORZA**

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

WHEREAS, D'Artagnan Scorza, a graduate student at UCLA, has served with distinction as the 34th Student Regent, will complete his Regental term on June 30, 2009, having earned the admiration of all for his wholehearted dedication and passionate advocacy of accountability, transparency, and greater accessibility in public higher education; and

WHEREAS, he has displayed great energy and acumen during his service on a number of Regents' committees charged with oversight of major portions of the University's mission, including the Committees on Compliance and Audit, Educational Policy, Finance, and Long Range Planning, where he helped shape changes to the University's admissions policies; supported efforts to improve student diversity, affordability and graduate education; promoted civic engagement of students in their communities; advocated for sustainability, global health, and socially responsible investment policies; and raised awareness of the University's efforts in developing technological innovations, skilled workforce, and energy efficiencies to keep our economy competitive in the global 21st century; and

WHEREAS, before pursuing his doctoral degree in education, he was active as a UCLA undergraduate in several community service projects, including serving as a mentor at the Student Retention Center, a student representative on the Chancellor's Enrollment Advisory Committee, a UCLA Admissions Workgroup participant exploring admissions changes to address educational access and opportunity, an African Student Union access coordinator, and a member of the UCLA Task Force on African-American Enrollment, and as a McNair Undergraduate Research Scholar examining issues specific to the experience of African-American males in education, thereby bringing invaluable experience and insightful perspectives to the many diverse challenges that come before the Regents; and

WHEREAS, a man of honor with a deep personal commitment to the welfare of his country, following the terrorist attacks on September 11, 2001, he selflessly interrupted his pursuit of a bachelors' degree at UCLA to join the U.S. Navy and serve his country in

Iraq, where he gained an invaluable and very personal perspective on the issues facing the members of the armed services on their return to civilian life, experiences that have served him well as a member of this body who has worked tirelessly to increase veteran support throughout the University; and

WHEREAS, in recognition of his devoted service as a member of the Board of Regents of the University of California, and in the hope that he will continue as an active and vital participant in the life of the University, the Regents do hereby confer upon D'Artagnan Scorza the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California commend D'Artagnan Scorza for distinguished service as the Student Regent, and express their deep appreciation for his notable achievements, outstanding character and great dedication to public higher education;

AND BE IT FURTHER RESOLVED that the Regents extend to D'Artagnan their very best wishes for continued success in the future, secure in the knowledge that he will continue to make important contributions to the state, the nation, and the world in the years ahead, and direct that a suitably inscribed copy of this resolution be presented to D'Artagnan as a token of the Regents' high regard and great affection.

6. **RESOLUTION IN APPRECIATION – DAVID T. SHEWMAKE**

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

WHEREAS, on June 30, 2009, David T. Shewmake will complete his term on the Board of Regents of the University of California having served for the past two years with a strong sense of purpose, keen intellect, and deep dedication, first as a Regent-designate and then as an Alumni Regent; and

WHEREAS, since receiving his doctoral degree in the nascent field of medical information science from the University of California, San Francisco, and while enjoying a exceptional career as a consultant in the areas of health care information technology and biomedical informatics, he has greatly distinguished himself by representing the University's varied alumni interests and concerns with exemplary skill and heartfelt enthusiasm, most notably as President of the UCSF Graduate Division Alumni Association, President of the UCSF Alumni Association, Secretary of the Alumni Associations of the University of California, and currently as President of the Alumni Associations of the University of California; and

WHEREAS, his abiding interest in and concern for this venerable institution of higher learning have been reflected in his generous commitment of time and energy to the Regents' Committees on Grounds and Buildings, Health Services, Long Range Planning, and Oversight of the Department of Energy Laboratories, and as Chairman of the Regents' Special Committee on Student Life and Alumni Affairs, a position in which he served with insight and skill; and

WHEREAS, in mastering the substance and complexity of University affairs, he has made lasting contributions to the life of the University, and has been tireless in lending his support to its endeavors, thereby earning the enduring regard and admiration of all who have had the pleasure of knowing and working with him; and

WHEREAS, in recognition of his devoted service as a member of the Board of Regents of the University of California, and in the hope that he will continue as an active and vital participant in the life of the University, the Regents do hereby confer upon David T. Shewmake the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents express their gratitude for David Shewmake's unflagging service to the University and his keen sense of institutional loyalty, as well as their sincere appreciation for his unceasing devotion to his alma mater as amply demonstrated by his numerous contributions to the University of California as a whole;

AND BE IT FURTHER RESOLVED that the Regents convey their earnest hope that the University and higher education will continue to benefit from the intelligence and skill David has brought to his duties as a Regent, and direct that a suitably inscribed copy of this resolution be presented to David as a token of the Regents' lasting affection and esteem.

7. **RESOLUTION IN APPRECIATION – LARRY N. VANDERHOEF**

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

WHEREAS, the Regents of the University of California wish to honor Larry N. Vanderhoef, as he steps down on August 17, 2009, as UC Davis' fifth chancellor, one of the nation's longest-serving university leaders, who is widely credited for nurturing future university presidents and provosts, helping the Davis campus move rapidly up the ranks of the nation's finest universities, opening wide the campus' doors to the disadvantaged, and advocating academic diplomacy in the resolution of global conflict; and

WHEREAS, the first in his family to complete high school, and one of the very few in his Wisconsin foundry town to attend college, throughout his tenure as Chancellor he has been dedicated to removing barriers to higher education, elevating the campus' Division of Education to a new School of Education at a time when other universities were downsizing theirs, expanding partnerships with community colleges, encouraging disadvantaged elementary school students to stay on track through the innovative "Reservation for College" program, and partnering with leaders of regional communities of color to raise awareness of UC Davis; and

WHEREAS, due in no small part to his careful nurturing and strategic vision, the Davis campus has enjoyed unparalleled growth and prosperity, earning membership in the prestigious Association of American Universities, vastly increasing research funding garnered by its faculty, and expanding private giving, with more than \$1 billion cumulatively raised in support of programs, including an extraordinary \$100 million from the Gordon and Betty Moore Foundation, the largest gift in the University's history, to

launch the Betty Irene Moore School of Nursing, \$35 million from Robert and Margrit Mondavi for the Mondavi Center for the Performing Arts and the Robert Mondavi Institute for Wine and Food Science, and a \$10 million gift from alumnus Maurice J. Gallagher to help fund a new home and endowment for the Graduate School of Management; and

WHEREAS, under his devoted stewardship, the campus has made great strides in recruiting a diverse and accomplished faculty and student body, growing enrollment from 22,000 to more than 31,000 and the faculty by 44 percent, building more than four million square feet of classroom, laboratory, clinical, performance and office space, and transforming an ailing county hospital in Sacramento into an academically distinguished and financially sound regional medical center; and

WHEREAS, his wide-ranging interests and influence stretched far beyond northern California into the realm of academic diplomacy when, in 2004, he led the first high-level university delegation to Iran since that country's 1979 revolution, and when he returned there last fall as a member of a small delegation of university presidents sponsored by the Association of American Universities, and for his efforts to enhance relationships between countries of the world, he has been honored with the prestigious Eisenhower Award for Excellence;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Larry N. Vanderhoef their sincere appreciation for his grand vision of the Davis campus and his dedicated service to the University, as well as their gratitude for the benefits of his counsel, and their admiration for his abiding commitment to the values of higher education;

AND BE IT FURTHER RESOLVED that the Regents direct that a suitably inscribed copy of this resolution be presented to Larry and Rosalie as an expression of the Board's regard and affection and its fond wishes for a full and happy life in all their future activities.

**8. REPORT OF THE COMMITTEE ON COMPLIANCE AND AUDIT**

The Committee presented the following from its meeting of July 14, 2009:

**A. *Annual Report on Internal Audit Plan 2009-10***

The Committee reported its approval of the Annual Report on Internal Audit Plan 2009-10.

**B. *Ethics and Compliance Plan***

The Committee reported its approval of the Ethics and Compliance Services Annual Plan for fiscal year 2009-10.

Upon motion of Regent Ruiz, duly seconded, the report of the Committee on Compliance and Audit was accepted.

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

The Committee presented the following from its meeting of July 16, 2009:

**A. *Individual Compensation Actions***

The Committee recommended:

**(1) *Appointment and Compensation for Jim M. Murry as Chief Information Officer, Medical Center, Irvine Campus***

UC Irvine has concluded a national search for the Chief Information Officer (CIO) at the UC Irvine Medical Center and Jim M. Murry has been selected as the top candidate. Mr. Murry has been serving as Interim CIO since November 1, 2008, after the position was vacated on October 21, 2008. Mr. Murry is uniquely qualified to manage information systems, which play a critical role in several high-priority complex initiatives in the Medical Center. He also has well over 20 years of experience in managing information systems in various large complex organizations, including positions at UC Irvine, City of Hope National Medical Center, and Kaiser Permanente. Most recently, Mr. Murry has demonstrated his technical and leadership abilities within the UC Irvine Medical Center structure through his strong performance as Interim CIO.

This position is funded from the medical center general operating fund, rather than UC general funds provided by the State. The proposed base salary of \$274,300 is below the previous incumbent's base salary of \$301,600 and is slightly above the current market median of \$260,100. Market data are provided by Mercer Human Resource Consulting and include data from the Health Care Executive Compensation Survey by Clark Consulting for "Integrated Academic Health Care Organizations" with median net revenue of \$859 million. The proposed base salary is equal to the midpoint of the salary range for the position and is less than the average base salary (\$313,000) for the Chief Information Officers at the other UC medical centers.

Approval of the following items in connection with the appointment of Jim M. Murry as Chief Information Officer, Medical Center, Irvine campus:

- a. Per policy, appointment salary of \$274,300 (SLCG Grade 109: Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700). No increase to annual base salary is associated with this appointment.
- b. Per policy, participation in the Clinical Enterprise Management Recognition Plan (CEMRP), with a maximum potential incentive

of 25 percent (\$68,575) of annual base salary, with eligibility to begin with performance in fiscal year 2009-10. This incentive program is funded through clinical revenue and does not use state funds.

- c. This appointment is at 100 percent time and effective July 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Position is funded 100 percent by medical center general operating funds. No State general funds are used for this position.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$238,900	\$260,100	\$314,800

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

- (2) ***Appointment and Administrative Stipend for Valerie Jenness as Acting Dean – School of Social Ecology, Irvine Campus***

The Dean – School of Social Ecology position will be vacated by the current Dean on June 30, 2009. The Irvine campus is in the beginning stages of a national search. It is imperative that the School have strong leadership in place during this transitional period. Valerie Jenness has been recognized as an excellent candidate to serve as Acting Dean. She has proven her success as an administrator in prior administrative assignments, such as serving as Chair of the Department of Criminology, Law and Society (2001-2006). She has been the recipient of several outstanding campus service awards as well as prestigious awards recognizing her research. She is highly respected and will be able to provide the School with the continuity of leadership that it needs.

This position is funded from UC general funds provided by the State. The proposed total salary of \$180,000 is below the previous incumbent's base salary of \$195,200 and also is significantly below the current market median of \$255,800. Market data are provided by Mercer Human Resource Consulting and include data from the College and University Professional Association (CUPA) Administrative Compensation Survey for all doctoral institutions. The most comparable benchmark in this survey is the Dean – Social Sciences.

Approval of the following items in connection with the appointment of Valerie Jenness as Acting Dean – School of Social Ecology, Irvine campus:

- a. Per policy, an administrative stipend of \$24,878 (16.0 percent). The stipend plus the adjusted faculty salary of \$155,122 result in total annual compensation of \$180,000. (SLCG Grade 105: Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400).
- b. If an adjustment to the base faculty salary is made prior to the termination of this acting appointment, the total annual compensation of \$180,000 will remain unchanged.
- c. This appointment is at 100 percent time and effective July 1, 2009 through June 30, 2010, or until the appointment of a permanent Dean – School of Social Ecology, whichever occurs first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Position is funded 100 percent by UC general funds provided by the State.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$215,000	\$255,800	\$298,200

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all

previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(3) ***Appointment and Compensation for Joshua S. Adler, M.D., as Chief Medical Officer, Medical Center, San Francisco Campus***

UC San Francisco has concluded a national search for the Chief Medical Officer and Joshua S. Adler, M.D. has been selected as the top candidate. Following the retirement of former Chief Medical Officer (CMO) Ernest Ring, M.D., effective June 27, 2008, the UCSF Medical Center appointed Joshua S. Adler, M.D., and Adrienne Green, M.D., as Acting Co-Chief Medical Officers effective July 1, 2008, through June 30, 2009. A separate correction item seeking retroactive formal approval of the acting appointments and compensation is pending Regental approval. Dr. Adler has been affiliated with UCSF since 1990, holding increasingly responsible positions while displaying ongoing exemplary leadership. Upon his appointment as CMO, Dr. Adler will reduce his clinical practice and will assume a non-tenured academic appointment without salary in addition to his non-academic CMO role.

This position is funded from medical center operating revenue, rather than UC general funds provided by the State. The proposed base salary of \$350,000 is below the previous incumbent's base salary of \$409,500 and also is below the current market median of \$410,500. Market data are provided by Mercer Human Resource Consulting and include data from the Health Care Executive Compensation Survey by Clark Consulting for "Integrated Academic Health Care Organizations" with median net revenue of \$1 billion. The proposed base salary is slightly above the minimum of the salary range for the position and is less than the average base salary (\$364,575) for the Chief Medical Officers at the other UC medical centers.

Approval of the following items in connection with the appointment of Joshua S. Adler, M.D., as Chief Medical Officer, Medical Center, San Francisco campus:

- a. A base salary increase of \$232,700 (198.4 percent), reflecting Dr. Adler's transition from a faculty member to a leadership position in the medical enterprise at UCSF, to increase his current base salary of \$117,300 to slightly above the range minimum at \$350,000 (SLCG Grade 113: Minimum \$333,900, Midpoint \$431,500, Maximum \$529,100).
- b. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Program (CEMRP) with a maximum potential payout of up to 25 percent of base salary (\$87,500).

c. This appointment is at 100 percent time and effective July 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Position is funded 100 percent by medical center operating revenue. No State general funds are used for this position.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$330,200	\$410,500	\$554,900

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(4) ***Retroactive Approval of Appointments and Compensation for Acting Co-Chief Medical Officers, Medical Center, San Francisco Campus***

Following the retirement of former Chief Medical Officer (CMO) Ernest Ring, M.D., effective June 27, 2008, the UCSF Medical Center launched a comprehensive national search for a qualified successor. It became clear that a prolonged recruitment would be required and acting CMO leadership would be necessary during the search. Dr. Adler and Dr. Green have been sharing responsibilities as Acting Co-Chief Medical Officers since July 1, 2008, and are continuing in this role through June 30, 2009. In recognition of the additional responsibilities, Dr. Adler and Dr. Green have each been receiving an annual administrative stipend of \$30,000. Prior to assuming the Acting Co-CMO positions, both Dr. Adler and Dr. Green had partial appointments as Associate CMOs in addition to teaching and clinical care responsibilities. The long-standing practice at the Medical Center has been for academic appointed medical staff to provide partial support to the CMO and to step in for the CMO, should a vacancy occur; both Dr. Adler and Dr. Green assumed the role as Acting Co-CMOs during the search for a permanent replacement. Due to a

misunderstanding of the approval authority, these appointments and stipends were not brought to the Regents for approval.

Retroactive approval of the following items in connection with the appointments of Joshua S. Adler, M.D., and Adrienne Green, M.D., as Acting Co-Chief Medical Officers, Medical Center, San Francisco campus:

- a. A stipend of \$30,000 (25.6 percent) for Joshua S. Adler, M.D., in addition to an annualized base salary of \$117,300, annualized Health Sciences Compensation Plan (HSCP) compensation of \$75,807, and additional annualized academic compensation of \$30,000, for a total academic salary of \$253,107. This stipend is recognition for additional duties assumed as Acting Co-Chief Medical Officer due to the retirement of the former incumbent on June 27, 2008. This is an approval correction request as the stipend has already been implemented. Regental approval is required for the acting appointment of Dr. Adler to this Senior Management Group (SMG) position.
- b. A stipend of \$30,000 (27.2 percent) for Adrienne Green, M.D., in addition to an annualized base salary of \$110,400 and annualized HSCP compensation of \$119,450, for a total academic salary of \$259,850 academic salary. This stipend is recognition for additional duties assumed as Acting Co-Chief Medical Officer due to the retirement of the former incumbent on June 27, 2008. This is an approval correction request as the stipend has already been implemented. Regental approval is required for the acting appointment of Dr. Green to this SMG position.
- c. Retroactive approval for the period covering July 1, 2008, through June 30, 2009.

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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(5) *Appointment Time Reduction for Arthur C. Gossard as Associate Vice Chancellor – Academic Personnel, Santa Barbara Campus*

After three years of extraordinary service as Associate Vice Chancellor – Academic Personnel, Professor Arthur Gossard requested to reduce his appointment time as Associate Vice Chancellor. Due to the current budget situation, the campus is trying to reduce administrative costs as part of a multi-faceted solution. Professor Gossard has agreed to focus only on processing merit and promotion cases, which is 50 percent of the duties normally performed by the Associate Vice Chancellor – Academic Personnel. Other aspects of the job – policy review, faculty housing program oversight, training, and information distribution – will be shifted to the Executive Vice Chancellor and others in the office. In addition, Professor Gossard welcomes the opportunity to devote more time to teaching and research. In recognition of the time to be spent on teaching and research, Professor Gossard will draw 50 percent of his current adjusted faculty rate.

Approval of the following items in connection with the appointment time reduction for Arthur C. Gossard as Associate Vice Chancellor – Academic Personnel, Santa Barbara campus:

- a. A voluntary appointment time reduction to 50 percent time with commensurate reduction of annual salary to \$127,500, based on current annual base salary of \$255,000 (SLCG Grade 106: Minimum \$154,200, Midpoint \$195,200, Maximum \$236,00). Professor Gossard will begin to draw 50 percent of his current adjusted faculty rate (\$150,266), for a total annual salary of \$277,766.
- b. Effective July 1, 2009.

Additional compensation and related items include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(6) ***Interim Re-Slotting and Promotion for Alison Galloway as Vice Provost and Dean – Academic Affairs, Santa Cruz Campus***

The Santa Cruz campus requests approval of a promotion for Alison Galloway from Vice Provost – Academic Affairs to Vice Provost and Dean – Academic Affairs, effective July 1, 2009, due to the permanent assumption of the role and duties of the Dean – University Extension (UNEX) as a part of her current responsibilities. The campus requests a re-slotting of the position from Grade 106 to Grade 107 due to the responsibilities and complexities of the new job, which is supported by an assessment performed by Mercer Human Resource Consulting. In addition, the campus requests that compensation equivalent to Ms. Galloway's current stipend in the amount of \$16,000 be added to her current administrative base salary of \$171,600. This increase in compensation equals Ms. Galloway's current total cash compensation for the temporary assumption of UNEX duties, thus there will be no net increase in her total compensation. In addition, this revised administrative structure will allow for eliminating the stand-alone position of Dean – UNEX which is currently vacant. Based on the current average systemwide salaries of UNEX deans, this translates into an annual savings of approximately \$190,000.

This position is funded 80 percent by UC general funds provided by the State and 20 percent by other non-State funds. The proposed promotional base salary of \$187,600 is below the current market median of \$227,400. Market data are provided by Mercer Human Resource Consulting and include data from the College and University Professional Association (CUPA) Administrative Compensation Survey for the Full Comparison Group cut of UC comparators. The proposed base salary is slightly above the minimum of the salary range for the position and is less than the average base salary (\$244,000) for the Vice Provosts – Academic Affairs at the other UC locations.

Approval of the following items in connection with a promotion for Alison Galloway as Vice Provost and Dean – Academic Affairs, Santa Cruz campus:

- a. Promotion from Vice Provost – Academic Affairs to Vice Provost and Dean – Academic Affairs due to the permanent addition of job duties as the Dean – University Extension.
- b. Interim re-slotting of the position as recommended by Mercer Human Resource Consulting from SLCG Grade 106 (Minimum \$154,200, Midpoint \$195,200, Maximum \$236,100) to Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).

- c. Per policy, promotional increase in compensation in the amount of \$16,000 (9.3 percent) to increase her administrative salary of \$171,600, for a total annual salary of \$187,600 due to the assumption of additional duties as Dean.

Additional compensation and related items include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Position is funded 80 percent by UC general funds provided by the State and 20 percent by other non-State funds.

Base salary market data (as provided by Mercer Human Resource Consulting):

<u>25<sup>th</sup> Percentile</u>	<u>50<sup>th</sup> Percentile</u> (median)	<u>75<sup>th</sup> Percentile</u>
\$211,000	\$227,400	\$287,300

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(7) ***Salary Correction for Jay D. Keasling as Acting Deputy Laboratory Director, Lawrence Berkeley National Laboratory***

Compensation for Jay D. Keasling as Acting Deputy Laboratory Director, Lawrence Berkeley National Laboratory was approved March 23, 2009. A correction to the composition of salary components for the recently approved compensation for Mr. Keasling is requested. The total compensation amount will remain unchanged. Mr. Keasling is serving as the Acting Deputy Director based on his experience and reputation at the Laboratory and his demonstrated excellence in pioneering science and management of large-scale, strategic initiatives.

Approval of the following items in connection with the compensation of Jay D. Keasling as Acting Deputy Laboratory Director, Lawrence Berkeley National Laboratory (LBNL):

- a. An adjustment to the composition of salary components from a base salary of \$221,400 and an administrative stipend of 60 percent (\$132,840) which includes Dr. Keasling's summer salary of \$73,800, to an annualized base salary of \$295,200 (comprised of \$221,400 academic annual salary and \$73,800 summer salary) and a 20 percent (\$59,040) administrative stipend. The total cash compensation will remain \$354,240.
- b. The stipend will be in effect for up to 12 months from the date of Dr. Keasling's acting appointment.
- c. The stipend amount will be recalculated if the base salary is increased, so that the stipend will continue to equal 20 percent of the annualized base salary.
- d. The adjustment to salary components is effective February 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.

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

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(8) ***Reemployment of University of California Retired Employee and Compensation for Glenn L. Mara as Acting Associate Vice President – Laboratory Programs, Office of the President***

With the retirement of John Birely as Associate Vice President – Laboratory Programs, there is an immediate and critical need for a subset of Mr. Birely's duties and responsibilities to continue to be performed at a high level in order to fulfill the University's obligations and responsibilities for science and technology at the National Laboratories with the United States Department of Energy (DOE) and National Nuclear Security Administration (NNSA). These responsibilities are vital to the University's continuing science and technology/research program

oversight for Lawrence Berkeley National Laboratory (LBNL) as well as appropriate oversight and interface with Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS), private sector partners in matters affecting science and technology at Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL). It is proposed that Glenn L. Mara be reemployed in a limited appointment for 12 months or less in order to provide continuity and oversight for a number of extremely high-level programs and DOE contractual arrangements. The remainder of Mr. Birely's duties would be assumed by current Laboratory Management staff and/or evaluated for alternate approaches to perform the job duties.

This position is funded from non-State funds, specifically DOE contract fee earned as UC's partner share at LANL and LLNL, and reimbursed costs for Laboratory Management expenses approved by the DOE Contracting Officer at LBNL.

Approval of the following items in connection with the reemployment of Glenn L. Mara as Acting Associate Vice President – Laboratory Programs, Office of the President:

- a. Recall from retirement with a fixed appointment at 43 percent time, at an annualized base salary of \$136,826 (SLCG Grade 110: Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- b. The effective date will be set by the Office of the President, but is to be no earlier than August 1, 2009. The appointment is for a 12-month period. Per policy, any extension beyond the initial 12-month appointment is subject to approval by the Regents.

Additional items of compensation include:

- Mr. Mara plans to sign and accept the Rehired Retiree Waiver Form that will serve to decline participation in the UC Retirement System (UCRS) and allow Mr. Mara to continue receiving his retirement annuity while receiving compensation related to this appointment.
- Per policy, health and welfare benefits based upon a 43 percent limited-time appointment.

This recommendation will be released to the public immediately following approval by the Regents.

(9) *Additional Compensation of One Summer Month for Various Employees at Multiple Campuses*

Approval of the following items in connection with the payment of additional compensation for various employees:

- a. Payment of additional compensation, approximately equivalent to one month of salary, to various employees at multiple campuses, as listed in Attachment 1. These payments are in accordance with Senior Management Group (SMG) Salary and Appointment Policy 2.110 III. L. 5.

The compensation described above shall constitute the University's total commitment regarding summer salary until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

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

The Committee presented the following from its meeting of July 16, 2009:

*Conferring of Honorary Degrees and Suspension of Bylaw 29.1*

The Committee recommended that a special class of honorary degrees be awarded to students prevented from completing their University of California degrees as a result of Executive Order 9066 pursuant to regulations adopted by the Assembly of the Academic Senate on June 17, 2009.

The Committee further recommended that the Board, on a one-time basis justified by unique circumstances, temporarily suspend Bylaw 29.1 (Honorary Degrees) and the Policy on the Awarding of Honorary Degrees pursuant to Bylaw 7.3 to permit the award of a special honorary degree to these students.

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

**11. REPORT OF THE COMMITTEE ON GOVERNANCE**

The Committee presented the following from its meeting of July 16, 2009:

***Proposed Revisions to the Schedule of Reports to the Regents***

The Committee recommended that the Schedule of Reports be amended as shown in Attachment 2.

Upon motion of Regent Wachter, duly seconded, the recommendation of the Committee on Governance was approved.

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

The Committee presented the following from its meeting of July 14, 2009:

**A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, King Hall Renovation and Expansion Project, Davis Campus***

The Committee recommended that:

- (1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: King Hall Renovation and Expansion – preliminary plans, working drawings, and construction – \$21,849,000, to be funded from State funds (\$17,925,000) and gifts (\$3,924,000).

To: Davis: King Hall Renovation and Expansion – preliminary plans, working drawings, and construction – \$27,997,000, to be funded from State funds (\$17,925,000), gifts (\$6,148,000), and campus funds (\$3,924,000).

- (2) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

**B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Parking Structure III, Davis Medical Center, Davis Campus***

The Committee recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:  
  
Davis: Parking Structure III – preliminary plans, working drawings, construction and equipment – \$46,515,000, to be funded from external financing (\$31,000,000) and parking reserves (\$15,515,000).
- (2) The President be authorized to obtain external financing not to exceed \$31,000,000 to finance the Parking Structure III project. The President shall require that:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, the UC Davis Sacramento Campus Parking System revenues shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

C. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Weyburn Terrace Graduate Student Housing, Los Angeles Campus***

The Committee recommended that:

- (1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:  
  
Los Angeles: Weyburn Terrace Graduate Student Housing – preliminary plans, working drawings, construction, and equipment – \$121,415,000, to be funded from external financing (\$109,915,000) and from the Los Angeles campus' Housing Net Revenue Fund Reserves (\$11,500,000).
- (2) The President be authorized to obtain external financing not to exceed \$109,915,000 to finance the Weyburn Terrace Graduate Student Housing project. The President requires that:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

- b. As long as the debt is outstanding, housing net revenues from the Los Angeles campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

**D. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Anna Head West Student Housing, Berkeley Campus***

The Committee recommended that:

- (1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:
- Berkeley: Anna Head West Student Housing – preliminary plans, working drawings, construction, and equipment – \$69,870,000, to be funded from external financing (\$63,470,000) and Berkeley’s Residential and Student Services Program Net Revenue Fund Reserves (\$6,400,000).
- (2) The President be authorized to obtain external financing not to exceed \$63,470,000 to finance the Anna Head West Student Housing project. The President shall require that:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, Berkeley’s Residential and Student Services Program net revenues and reserves shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

E. ***Certification of Environmental Impact Report and Approval of Design, East Campus Infill Housing, Santa Cruz Campus***

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

- (1) Certification of the Environmental Impact Report.
- (2) Adoption of the Findings, Mitigation Monitoring and Reporting Program, and Statement of Overriding Considerations.
- (3) Approval of the design of the East Campus Infill Housing project, Santa Cruz campus.

[The Environmental Impact Report and Findings were mailed to Committee members in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

F. ***Approval of Sewer System Management Plans***

The Committee reported its approval of the Sewer System Management Plans.

G. ***Acceptance of 2008-18 Capital Financial Plan and Physical Design Framework and Authorization to Participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects, Davis Campus***

The Committee recommended:

- (1) Acceptance of the *UC Davis 2008-18 Capital Financial Plan* and the *Physical Design Framework*.
- (2) Authorization for the Davis campus to participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects on the Davis campus. Capital projects on the Sacramento campus, home of the UC Davis School of Medicine and Health System, will not participate in the Pilot Phase pending completion of a new Long Range Development Plan and Physical Design Framework.

H. ***Acceptance of 2009-19 Capital Financial Plan and Physical Design Framework and Authorization to Participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects, Los Angeles Campus***

The Committee recommended:

- (1) Acceptance of the *UCLA 2009-19 Capital Financial Plan* and the *Physical Design Framework*.

- (2) Authorization for the Los Angeles campus to participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects.

I. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Pauley Pavilion Renovation and Expansion, Los Angeles Campus***

The Committee recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

From: Pauley Pavilion Renovation and Expansion – preliminary plans – \$6.5 million, to be funded from gift funds.

To: Pauley Pavilion Renovation and Expansion – preliminary plans, working drawings, construction, and equipment – \$185 million, to be funded from gift funds (\$100 million), external financing (\$60 million), Student Programs, Activities, and Resources Center (SPARC) fee (\$15 million), and Student Seismic fee (\$10 million).

- (2) The President be authorized to obtain external financing not to exceed \$60 million to finance the Pauley Renovation and Expansion project listed. The President requires that:

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

- b. As long as the debt is outstanding, the UCLA basketball program net revenues shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

- c. The general credit of the Regents shall not be pledged.

- (3) The President be authorized to obtain standby financing not to exceed \$47 million and interim financing not to exceed \$50 million prior to awarding a construction contract for any gift funds not received by that time and subject to the following conditions:

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

- b. Repayment of any debt shall be from gift funds. If gift funds are insufficient, and some or all of the debt remains outstanding, then

the UCLA campus' share of the Unrestricted Short-Term Investment Pool (STIP) shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

c. The general credit of the Regents shall not be pledged.

(4) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

J. ***Adoption of Mitigated Negative Declaration, Amendment of Long Range Development Plan, and Approval of Design, Pauley Pavilion Renovation and Expansion, Los Angeles Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Mitigated Negative Declaration, the Committee reported its:

(1) Adoption of the Initial Study/Mitigated Negative Declaration.

(2) Adoption of the Findings and Mitigation Monitoring Program.

(3) Amendment of the UCLA 2002 Long Range Development Plan to transfer 52,000 gsf from the Core Zone to the Central Zone to accommodate the proposed project.

(4) Approval of the design of the Pauley Pavilion Renovation and Expansion project, Los Angeles campus.

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

K. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of Interim Financing, California Memorial Stadium (CMS) Seismic Corrections and Program Improvements, Berkeley Campus***

The Committee recommended that:

(1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: California Memorial Stadium (CMS) Seismic Corrections and Program Improvements – preliminary plans – \$18,300,000, to be funded from interim financing.

- (2) The President be authorized to obtain interim financing not to exceed \$18,300,000, to finance the *California Memorial Stadium (CMS) Seismic Corrections and Program Improvements* project. The President shall require that:
  - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the preliminary plans phase.
  - b. Repayment of any debt shall be from the Berkeley campus football program gross revenues and as long as the debt is outstanding, the Berkeley campus football program gross revenues shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. Among all the uses of the Berkeley campus football program gross revenues, debt service will be the priority.
  - d. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

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

### 13. **REPORT OF THE COMMITTEES ON FINANCE AND COMPENSATION**

The Committees presented the following from their meeting of July 15, 2009:

#### A. ***Amendment of Standing Order 100.4 – Duties of the President***

The Committee on Finance recommended that:

- (1) Pursuant to Bylaw 7.3, the requirements of Standing Order 130.1 be suspended for purposes of this item.
- (2) Standing Order 100.4 be amended as shown in Attachment 3.

#### B. ***Recommendation for Declaration of Financial Emergency and Approval of Budget Reduction Actions***

The Committee on Finance recommended that the Regents of the University of California take the following actions to address the emergent financial crisis facing the University as a result of proposed drastic reductions in the level of State funding due the University:

- (1) Issue a Declaration of Extreme Financial Emergency, effective September 1, 2009 to August 31, 2010, in the form attached hereto as Attachment 4, based on the findings set forth therein;
- (2) Approve a Furlough/Salary Reduction Plan (“Plan”) developed by the President to address the emergency, as set forth in Attachment 5;
- (3) Authorize the University of California Retirement Plan (“UCRP”) to be amended to preserve UCRP members’ calculation of covered compensation and the rate of accrual of service credit at their pre-furlough/salary reduction level for the duration of the Plan, and that the Plan Administrator of the UCRP be authorized to implement such amendment;
- (4) Authorize the President to make Plan modifications and changes consistent with the Plan principles, as may be required for its implementation, during the Plan period.

C. ***Resolution Regarding Efforts to Increase Funding for Higher Education***

Recognizing the extraordinary harm the proposed State budget will have on the University of California, the Regents instructed the President to:

- (1) Immediately engage in discussions with legislators, leadership of the California State University and the Community College system, representatives of employees of the University, faculty, and alumni for the purpose of developing a specific law to raise revenue to support the higher education system.
- (2) As the first step in this effort to increase funding for the higher education system, the Regents instruct the President to engage the leadership and members of the Legislature to identify means and/or specific legislation to increase and stabilize funding for higher education and bring to the attention of the Regents for their review and potential support any specific means.
- (3) The Regents instruct the President to pursue any other opportunity to increase revenue for the University that might become available, such as initiatives, legislative proposals, direct federal funding, philanthropy, and alumni support.
- (4) Should additional funding beyond that made available from the 2009-2010 State budget become available, the Regents instruct the President to report to the Board regarding potential restoration of the emergency furloughs

and expenditure reductions set forth by the Regents during their July meeting.

Chairman Gould noted that Regent Garamendi had proposed an amendment to the report reflected in the addition of item C above. Upon adoption of the report with this addition, the Board will be approving Regent Garamendi's amendment in addition to the items brought to the Board as recommendations from the meeting of the Committees the previous day.

Regent Garamendi recalled the previous day's robust discussion of how the University should approach these very difficult budgetary times and his proposal to support a specific piece of legislation. In consultation with Chairman Gould and President Yudof, an accommodation was reached. This is reflected in the language of item C of the report, which would instruct the President to engage in discussions with the Governor, Legislature, leadership of the California State University and the Community College system, and UC community to find means of raising revenue to support higher education. It would also instruct the President to identify specific legislation and to pursue other opportunities beyond legislation that might be available. If funding becomes available, that revenue will be used to reduce the impact of furloughs and reductions.

On behalf of the Committee on Finance, Committee Chair Lozano expressed endorsement of the amendment and the commitment to work diligently to move forward with this recommendation.

Chairman Gould stated that the amendment is in concert with one of the key objectives of the UC Commission on the Future and illustrates the urgency felt by the Regents to identify additional resources for the University and the entire higher education community in California.

Regent-designate Hime questioned the language in paragraph (1) of item C regarding development of "a specific law to raise revenue." He expressed concern that this might be too narrow and restrict the University's abilities, because the University might need not a law, but another kind of action. Regent Garamendi responded that paragraph (2) provides the flexibility and references other means. Regent Reiss noted that this concern is also addressed in paragraph (3), which refers to "any other opportunity to increase revenue."

President Yudof recalled that the University has an Office of State Governmental Relations in Sacramento which works on legislation. He described the amendment as a call to action, but emphasized that the Regents, administration, and others have long been active in promoting the University's cause in the ways outlined in this amendment. Regent Reiss concurred that the University has actively and passionately been making its case before the Legislature and the Governor's Office. The amendment expresses the fact that all the Regents support this effort.

Upon motion of Regent Lozano, duly seconded, the recommendations of the Committee on Finance were approved as amended, with Regent Garamendi voting "no."

14. **REPORT OF THE COMMITTEES ON EDUCATIONAL POLICY AND FINANCE**

The Committees presented the following from their meeting of July 16, 2009:

***Approval of Proposed Student Fees for Graduate Students Registered In Absentia***

The Committee on Finance recommended that effective for the 2009 fall term, mandatory systemwide fees for graduate students registered *in absentia* be set at 15 percent of the Educational Fee and 15 percent of the Registration Fee.

Upon motion of Regent Lozano, duly seconded, the recommendation of the Committee on Finance was approved.

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

The Committee presented the following from its meeting of July 16, 2009:

A. ***Confirmation of Appointment of A. Paul Alivisatos as Interim Director, Lawrence Berkeley National Laboratory***

The Committee recommended confirmation of the appointment of A. Paul Alivisatos as Interim Laboratory Director, Lawrence Berkeley National Laboratory. This interim appointment was made pursuant to Standing Order 100.2 (e), and approved by President Yudof on January 21, 2009.

The University has requested the Department of Energy's approval of the total compensation and the appointment of the Interim Laboratory Director. The Department of Energy (DOE) has approved the appointment but its approval of the compensation is still pending. As provided under the University's contract with DOE, any compensation amount approved by the Regents that is over the compensation amount approved by DOE will be paid from the fee earned under the contract.

B. ***Authorization to Approve and Execute Modification to the Department of Energy Contract for the Lawrence Berkeley National Laboratory as a Result of Changes to the Federal Acquisition Regulations and the Department of Energy Acquisition Regulations***

The Committee recommended that the President be authorized to execute a modification to the provisions of Lawrence Berkeley National Laboratory contract DE-AC02-05CH11231 in order to incorporate clause updates and one clause deletion.

C. ***Resolution Regarding Access to Classified Information for Individual Regents***

The Committee recommended adoption of the following resolution pertaining to the University's respective Department of Defense and Department of Energy Facility Security Clearances, as follows:

WHEREAS, current Department of Defense and Department of Energy Regulations contain a provision making it mandatory that the Chairman of the Board, Chief Executive Officer, and those other officers and officials who are to have access to classified information meet the personnel clearance requirements established for a contractor's facility clearance; and

WHEREAS, said Regulations permit the exclusion from the personnel clearance requirements of certain members of the Board of Regents, provided that this action is recorded in the University Regents' Board Minutes;

NOW, THEREFORE, BE IT DECLARED that the Chairman of the Board, at least an official quorum of the Board of Regents, and the Chief Executive Officer at the present time do possess, or will be processed for, the required security clearance; and

BE IT RESOLVED that in the future, when any individual enters upon any duties as Chairman of the Board, as a replacement for one of the cleared quorum of the Board, or as the Chief Executive Officer, such individual shall immediately make application for the required security clearance; and

BE IT RESOLVED FURTHER that the following members of the Board of Regents shall not require, shall not have, and shall be effectively excluded from access to all classified information in the possession of the Corporation and that the following members do not occupy a position that would enable them to affect adversely Corporate policies or practices in the performance of classified contracts for the Department of Defense, U.S. Department of Energy or contracts with other Federal User Agencies of the National Industrial Security Program:

<u>NAME</u>	<u>TITLE</u>
Jesse Bernal	Regent
Hadi Makarechian	Regent
Yolanda Nunn Gorman	Regent

Upon motion of Regent Varner, duly seconded, the recommendations of the Committee on Oversight of the Department of Energy Laboratories were approved.

**16. REPORT OF INTERIM ACTIONS**

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

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

(1) ***Administrative Stipends for Certain Individuals in the Medical Center at the San Francisco Campus***

That the following items be approved in the connection with the administrative stipends for the following individuals in the Medical Center at the San Francisco campus:

- a. Sheila Antrum as Chief Nursing and Patient Care Services Officer
  - i. Per policy, an administrative stipend of \$37,500 (15 percent) to increase her current base salary of \$250,000 to an annual salary of \$287,500. Continued classification as SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700). This appointment is at 100 percent time.
  - ii. The stipend amount will be increased as the base salary is increased, so the stipend will equal 15 percent of the base salary, at 100 percent time.
  - iii. Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Program (CEMRP) at the Tier II level with a maximum potential incentive of up to 25 percent (\$62,500) of base salary.
  - iv. Retroactively effective February 1, 2009 through December 31, 2009, upon approval of the Regents, including a transition period of up to three months following the permanent assignment of the Pharmacy and Perioperative Services oversight, whichever occurs first to facilitate the smooth transition of responsibilities.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, executive

- business travel insurance, and executive salary continuation for disability).
- Per policy, five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

b. Kenneth M. Jones as Interim Chief Operating Officer

- i. Per policy, an administrative stipend of \$30,563 (6.5 percent) to increase his current base salary of \$470,200 to an annual salary of \$500,763. This appointment is at 100 percent time.
- ii. The stipend amount will be increased as the base salary is increased, so the stipend will equal 6.5 percent of the base salary, at 100 percent time.
- iii. Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Program (CEMRP) at the Tier II level with a maximum potential incentive of up to 25 percent (\$117,550) of base salary.
- iv. Retroactively effective February 1, 2009 through December 31, 2009, upon approval of the Regents, including a transition period of up to three months following the permanent assignment of the Chief Operating Officer duties, whichever occurs first, to facilitate the smooth transition of responsibilities.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

c. Susan Moore as Interim Chief Financial Officer

- i. Per policy, an administrative stipend of \$58,625 (25 percent) to increase her current base salary of \$234,500 to an annual salary of \$293,125. Continued classification as SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000). This appointment is at 100 percent time.
- ii. The stipend amount will be increased as the base salary is increased, so the stipend will equal 25 percent of the base salary, at a 100 percent appointment.
- iii. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Program (CEMRP) at the Tier II level with a maximum potential incentive of up to 25 percent (\$58,625) of base salary.
- iv. Retroactively effective February 1, 2009 through December 31, 2009, upon approval of the Regents, including a transition period of up to three months following the permanent assignment of the Chief Financial Officer duties, whichever occurs first, to facilitate the smooth transition of responsibilities.

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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(2) ***Appointment of and Total Compensation for Ralph V. Clayman as Acting Dean – School of Medicine, Irvine Campus***

That the following items be approved in connection with the appointment of Ralph V. Clayman as Acting Dean – School of Medicine, Irvine campus:

- a. Per policy, an administrative stipend of \$120,000 (47.8 percent) to increase his current base salary of \$250,800 to \$370,800 (SLCG Grade 112: Minimum \$298,900, Midpoint \$385,300, Maximum \$471,500).
- b. Per policy, continuation of Health Sciences Compensation salary of \$119,200 for a total annual compensation of \$490,000. This reflects a 32.4 percent increase in the total annual compensation.
- c. This appointment is at 100 percent time and is effective March 1, 2009 through February 28, 2010, or until the appointment of a permanent new Dean – School of Medicine, whichever occurs first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(3) ***Reimbursement for Gerald S. Levey, Vice Chancellor – Medical Sciences and Dean – David Geffen School of Medicine, Los Angeles Campus, for Expenses Related to Audit Finds and Internal Reviews***

That the following item be approved:

Reimbursement in the amount of \$665.56 to Dr. Gerald Levey, who was provided with an incorrect Form W-2 as identified in an audit conducted by the Internal Revenue Service (IRS), for the cost of applicable tax preparation fees and IRS interest charges associated with such reimbursements as evidenced by receipts or other documentation.

(4) ***Administrative Stipend for Max Reynolds as Deputy General Counsel – Health Law and Medical Center Services***

That the following items be approved in connection with the interim appointment of Max Reynolds as Deputy General Counsel, Office of the President:

- a. Per policy, an administrative stipend of \$44,795 (21.8 percent of current base salary) per year, effective March 4, 2009 and continuing for up to 12 months for a total annual salary of \$250,000. Position classified as SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).

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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(5) ***Cash Allowance for Certain Employees Furnished with a University-Provided Cellular Phone***

That for each Senior Management Group (SMG) member or other employee whose salary exceeds the Indexed Compensation Level which requires Regental approval, that:

Such employees receive a monthly cash allowance reimbursing them for the tax on the imputed income added to their taxable earnings for the value of a University-provided cellular phone or a cell phone-enabled personal digital assistant (PDA) and service plan. Since the cash allowance itself is taxable, it will be increased in accordance with the Internal Revenue Service (IRS) formula for grossing up such payments in order to reimburse the employee for applicable payroll taxes related to the payment.

In addition to SMG members, employees eligible to receive a cell phone or PDA include certain faculty, staff, and collective bargaining unit employees. These employees would also receive a cash allowance reimbursing them for the taxes associated with their University-provided cell phone or PDA.

(6) ***Appointment and Compensation for Alessandro Duranti as Dean – Division of Social Sciences, College of Letters and Science, Los Angeles Campus***

That the following items be approved in connection with the appointment and compensation of Alessandro Duranti as Dean – Division of Social Sciences, College of Letters and Science, Los Angeles campus:

- a. An appointment salary of \$275,000 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. Per policy, ineligible for any further merit or equity increase until October 2010.
- c. This appointment is at 100 percent time and is effective July 1, 2009.
- d. Per policy, participation in the University of California Mortgage Origination Program up to a maximum loan amount (currently \$1.33 million). Participation will comply with all University/campus program parameters.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(7) ***Appointment and Compensation for Virginia A. McFerran as Chief Information Officer – UCLA Medical Enterprise, Los Angeles Campus***

That the following items be approved in connection with the appointment and compensation of Virginia A. McFerran as Chief Information Officer – UCLA Medical Enterprise, Los Angeles campus:

- a. Per policy, an appointment salary of \$344,000 (SLCG Grade 110: Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- b. Per policy, ineligible for any further merit or equity increase until October 2010.
- c. Participation in the Clinical Enterprise Management Recognition Plan (CEMRP) with a maximum potential incentive of 25 percent, with eligibility to begin with performance in fiscal year 2009-10.
- d. This appointment is at 100 percent time and effective June 1, 2009.
- e. Per policy, eligibility to receive temporary housing assistance for a period of up to three (3) months not to exceed \$12,000.
- f. Per policy, participation in the University of California Mortgage Origination Program up to a maximum loan amount (currently \$1.33 million). Participation will comply with all University/campus program parameters.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, five percent monthly contribution to the Senior Management Supplemental Benefit Program.
- Per policy, reimbursement of up to 100 percent of reasonable and actual moving expenses.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(8) ***Appointment Extension for J. Keith Gilless as Dean – College of Natural Resources, Berkeley Campus***

That the following items be approved in connection with the appointment extension for J. Keith Gilless as Dean – College of Natural Resources, Berkeley campus:

- a. Extension of the appointment end date up to June 30, 2013, or until the appointment of a permanent Dean, whichever occurs first.

- b. Continued appointment salary of \$172,300 at SLCG Grade 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000).
- c. This appointment is at 100 percent time and effective July 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(9) ***Appointment of and Total Compensation for Carla Hesse as Dean – Division of Social Sciences, College of Letters and Science, Berkeley Campus***

That the following items be approved in connection with the appointment of Carla Hesse as Dean – Division of Social Sciences, College of Letters and Science, Berkeley campus:

- a. Appointment salary of \$221,900. This represents a 15 percent increase in Ms. Hesse's adjusted faculty salary of \$192,944 (SLCG Grade 108: Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). She will not be eligible for annual merit/equity consideration until October 2010.
- b. This appointment is at 100 percent time and effective August 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).

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

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(10) ***Interim Re-slotting and Appointment Salary for George R. Mangun as Dean – Division of Social Sciences, Davis Campus***

That the following items be approved in connection with the interim re-slotting and appointment of George R. Mangun as Dean – Division of Social Sciences, Davis campus:

- a. Approval of re-slotting of the position from SLCG Grade 107 to SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).
- b. Per policy, an appointment salary of \$278,500.
- c. This appointment is at 100 percent time and effective May 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(11) ***Interim Re-slotting for Andrew J. Policano as Dean – Paul Merage School of Business, Irvine Campus***

That the following items be approved in connection with the interim re-slotting of the position held by Andrew J. Policano as Dean – Paul Merage School of Business, Irvine campus:

- a. Interim re-slotting of the position as recommended by Mercer Human Resource Consulting, currently at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700) to SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500).
- b. The position is at 100 percent time and the re-slotting is effective May 1, 2009.
- c. There is no salary increase associated with the re-slotting request.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Per policy, continued participation in the Mortgage Origination Program.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(12) ***Interim Re-slotting for Franklin D. Gilliam, Jr. as Dean – School of Public Affairs, Los Angeles Campus***

That the following items be approved in connection with the interim re-slotting of the position held by Franklin D. Gilliam, Jr. as Dean – School of Public Affairs, Los Angeles campus:

- a. Interim re-slotting of the position as recommended by Mercer Human Resource Consulting, currently at SLCG 107 (Minimum \$172,300, Midpoint \$218,700, Maximum \$265,000) to SLCG

Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400).

- b. This position is at 100 percent time and the re-slotting is effective May 1, 2009.

Additional items of compensation include:

- Per policy, continuation of \$250,000 appointment salary as approved by the Regents in July 2008.
- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(13) ***Appointment of and Stipend for Peter Gourevitch as Acting Dean – Graduate School of International Relations and Pacific Studies, San Diego Campus***

Approval of the following items in connection with the appointment of and compensation for Peter Gourevitch as Acting Dean – Graduate School of International Relations and Pacific Studies, San Diego campus:

- a. As an exception to policy, a 3.2 percent annual administrative stipend of \$7,200 for an annualized base salary of \$223,783 at SLCG Grade 105 (Minimum \$138,200, Midpoint \$174,300, Maximum \$210,400).
- b. If an adjustment to the professorial base salary is made prior to the termination of this acting role, the 3.2 percent stipend will be recalculated against the new professorial base salary.
- c. The appointment is at 100 percent time and is effective August 1, 2009 through January 31, 2010.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(14) ***Appointment of and Compensation for Don E. Wayne as Provost – Revelle College, San Diego Campus***

That the following items be approved in connection with the appointment of and compensation for Don E. Wayne as Provost – Revelle College, San Diego campus:

- a. Appointment salary of \$123,000 (SLCG Grade 103: Minimum \$110,800, Midpoint \$139,000, Maximum \$167,100).
- b. The appointment is at 100 percent time and effective July 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(15) ***Interim Re-slotting for the Chief Financial Officer Position – Medical Center, San Diego Campus***

That the following interim re-slotting of the position of Chief Financial Officer, Medical Center, San Diego campus be approved:

- a. Interim re-slotting of the position from SLCG Grade 108 to SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum

\$374,500) as recommended by Mercer Human Resource Consulting.

- b. This position is at 100 percent time and is currently vacant.
- c. Effective May 1, 2009.

This recommendation and final action will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(16) ***Interim Slotting for Chief Quality Officer – Medical Center, San Francisco Campus***

That the following items be approved in connection with the slotting of the Chief Quality Officer position at the Medical Center, San Francisco campus:

- a. Interim slotting of a new Senior Management Group position of Chief Quality Officer at SLCG Grade 111 (Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100), as recommended by Mercer Human Resource Consulting.
- b. This position is at 100 percent time and is currently vacant.
- c. Effective May 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

This recommendation and final action will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(17) ***Change in Senior Management Group Title and Interim Re-slotting for Vice Chancellor – Chief Information Officer, San Francisco Campus***

That the following items be approved in connection with the interim re-slotting of the Vice Chancellor – Chief Information Officer, San Francisco campus:

- a. Change in Senior Management Group position title from Associate Vice Chancellor – Chief Information Officer to Vice Chancellor – Chief Information Officer.
- b. Interim re-slotting for position of Vice Chancellor – Chief Information Officer at SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700), as recommended by Mercer Human Resource Consulting.
- c. This position is at 100 percent time and is currently vacant.
- d. Effective May 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

This recommendation and final action will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(18) ***Interim Slotting for Vice Chancellor – Research, San Francisco Campus***

That the following items be approved in connection with the interim slotting of the Vice Chancellor – Research position at the San Francisco campus:

- a. Interim slotting of the new Senior Management Group position of Vice Chancellor – Research at SLCG Grade 110 (Minimum \$239,700, Midpoint \$307,200, Maximum \$374,500), as recommended by Mercer Human Resource Consulting.
- b. This position is at 100 percent time and is currently vacant.
- c. Effective May 1, 2009.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and

standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).

- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program.

This recommendation and final action will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(19) *Stipend Extension for Certain Individuals at the San Francisco Campus*

That the following administrative stipend extensions for the following individuals at the San Francisco campus be approved:

- a. As an exception to policy, extension of the appointment duration for Randy Lopez as Acting Vice Chancellor – Finance and Administration, effective July 1, 2009, through June 30, 2010, or until a permanent organizational structure is implemented, whichever occurs first and including up to a three-month overlap in service for transition of duties. This constitutes an exception to policy which allows for acting appointments of up to 12 months. In addition:
  - i. Per policy, extension of the administrative stipend of \$41,625 (15 percent) to increase his current base salary of \$277,500 to an annual salary of \$319,125.
  - ii. The stipend amount will be increased as the base salary is increased, so the stipend will equal 15 percent of the base salary, at a 100-percent-time appointment.
  - iii. Per policy, continued eligibility for participation in the Finance and Administrative Services Incentive Plan (FAS) with a maximum potential incentive of up to 10 percent of base salary (\$27,750). This item is contingent on Regental actions related to Senior Management Group (SMG) eligibility for bonus and incentive payments.
  - iv. Per policy, standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
  - v. Per policy, continued five percent monthly contribution to the Senior Management Supplemental Benefit Program.

- b. As an exception to policy, extension of the appointment duration for Eric Vermillion as Acting Associate Vice Chancellor – Finance, effective June 1, 2009 through May 31, 2010, or until a permanent organizational structure is implemented, whichever occurs first and including up to a three-month overlap in service for transition of duties. This constitutes an exception to policy which allows for acting appointments of up to 12 months. In addition:
- i. Per policy, extension of the administrative stipend of \$20,813 (7.5 percent) to increase his current base salary of \$277,500 to an annual salary of \$298,313.
  - ii. The stipend amount will be increased as the base salary is increased, so the stipend will equal 15 percent of the base salary, at a 100-percent-time appointment.
  - iii. Per policy, continued eligibility for participation in the Finance and Administrative Services Incentive Plan (FAS) with a maximum potential incentive of up to ten percent of base salary (\$27,750). This item is contingent on Regental actions related to SMG eligibility for bonus and incentive payments.
  - iv. Per policy, standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
  - v. Per policy, continued five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(20) ***Promotional Appointment of and Compensation for Jeffrey A. Blair as Deputy General Counsel – Litigation, Labor and Employment, Office of the General Counsel, Office of the President***

That the following items be approved in connection with the promotional appointment of and compensation for Jeffrey A. Blair as Deputy General

Counsel – Litigation, Labor and Employment, Office of the General Counsel, Office of the President:

- a. Appointment of Jeffrey A. Blair as Deputy General Counsel – Litigation, Labor and Employment, effective May 1, 2009.
- b. Base salary of \$250,000 per annum (SLCG Grade 108: Minimum 192,300, Midpoint \$244,900, Maximum \$297,400). This represents a 9.6 percent increase over current total salary.
- c. Per policy, eligibility to participate in the University’s Mortgage Origination Program.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(21) ***Promotional Appointment of and Compensation for David M. Birnbaum as Deputy General Counsel – Educational Affairs and Campus Services, Office of the General Counsel, Office of the President***

That the following items be approved in connection with the promotional appointment of and compensation for David M. Birnbaum as Deputy General Counsel – Educational Affairs and Campus Services, Office of the General Counsel, Office of the President:

- a. Appointment of David M. Birnbaum as Deputy General Counsel – Educational Affairs and Campus Services, effective May 1, 2009.
- b. Appointment salary of \$250,000 per annum (SLCG Grade 108: Minimum 192,300, Midpoint \$244,900, Maximum \$297,400). This represents an 11.1 percent increase over current total salary.
- c. Per policy, eligibility to participate in the University’s Mortgage Origination Program.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(22) ***Reimbursement to Diane Griffiths, Secretary and Chief of Staff to the Regents, for Expenses Related to the University's Administrative Error in Withholding Appropriate Taxes***

That the following item be approved:

Reimbursement in the amount of \$125 to Diane Griffiths, who was provided with an incorrect Form W-2, for the costs associated with tax advice resulting from this error as evidenced by receipts or other documentation.

(23) ***Interim Re-Slotting, Appointment, and Compensation for Teri Schwartz as Dean – School of Theater, Film, and Television, Los Angeles Campus***

That the following items be approved in connection with the appointment of Teri Schwartz as Dean – School of Theater, Film and Television, Los Angeles campus:

- a. Approval of interim re-slotting of the position from SLCG Grade 107 to SLCG Grade 109 (Minimum \$214,700, Midpoint \$274,300, Maximum \$333,700) as recommended by Mercer Human Resource Consulting.
- b. An appointment salary of \$325,000. Per policy, ineligible for any further merit or equity increase until October 2010.
- c. This appointment is at 100 percent time and is effective July 1, 2009.
- d. Per policy, participation in the University of California Mortgage Origination Program up to a maximum loan amount (currently

\$1.33 million). Participation will comply with all University/campus program parameters.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured academic appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(24) ***Appointment of and Total Compensation for Peter A. Hayashida as Vice Chancellor – University Advancement, Riverside Campus***

That the following items be approved in connection with the appointment and compensation of Peter A. Hayashida as Vice Chancellor – University Advancement, Riverside campus:

- a. Appointment of Peter A. Hayashida as Vice Chancellor – University Advancement, Riverside campus, at 100 percent time, effective July 1, 2009.
- b. Base salary of \$265,000 at SLCG Grade 108 (Minimum \$192,300, Midpoint \$244,900, Maximum \$297,400). This represents a 37.8 percent increase to Mr. Hayashida's current base salary of \$192,300 at MSP VI (Minimum \$97,400, Midpoint \$136,400, Maximum \$175,300).
- c. Per policy, an annualized automobile allowance in the amount of \$8,916.
- d. Per policy, eligibility to participate in the University's Mortgage Origination Program.
- e. Per policy, 100 percent reimbursement of actual and reasonable relocation expenses, to be completed within one year of assuming

the position of Vice Chancellor – University Advancement.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- Per policy, a five 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 and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

Keith E. Alley has been asked by the Chancellor to continue to serve as Executive Vice Chancellor and Provost for an additional period of up to three years. Mr. Alley was appointed to this post in June 2006 when the former Chancellor and the former Executive Vice Chancellor resigned their posts within a two-month period. It was the intent that a search for a successor to Mr. Alley would be undertaken following the appointment of a successor Chancellor. A national search effort was launched last fall to identify a new Executive Vice Chancellor and Provost; however, the search was deemed unsuccessful upon the withdrawal of the leading candidate. Mr. Alley is an effective and seasoned academic administrator who brings an extensive knowledge of the campus to the post of Executive Vice Chancellor and Provost.

That the following items be approved in connection with the appointment extension for Keith E. Alley, Executive Vice Chancellor and Provost, Merced campus:

- a. Continued appointment salary of \$240,500 (SLCG Grade 108: Minimum \$192,300 Midpoint \$244,900 Maximum \$297,400), at 100 percent time.
- b. This appointment is effective July 1, 2009 through June 30, 2012, or until the effective date of the appointment of a permanent Executive Vice Chancellor and Provost, whichever occurs first, including up to a three-month overlap in service.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability.)
- Per policy, an annualized automobile allowance in the amount of \$8,916.
- Per policy, ineligible to participate in the Senior Management Supplemental Benefit Program due to tenured faculty appointment.
- Per policy, accrual of sabbatical credits as a member of tenured faculty.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(26) ***Administrative Stipend for Larry A. Coldren as Acting Dean, College of Engineering, Santa Barbara Campus***

After a decade of extraordinary accomplishments and contributions as Dean of the College of Engineering, Professor Matthew Tirrell will be taking a new position at UC Berkeley. Following consultation with the Academic Senate and administrative and faculty colleagues, UC Santa Barbara is appointing Professor Larry Coldren as Acting Dean, College of Engineering, effective July 1, 2009. The search for the next Dean of Engineering is already well under way, and the successful conclusion of this search is anticipated within a year's time.

That the following items be approved in connection with the appointment of Larry A. Coldren as Acting Dean, College of Engineering, Santa Barbara campus:

- a. Per policy, administrative stipend of 9.6 percent to increase his base salary to a total annual salary of \$270,900.
- b. This appointment is at 100 percent time, effective July 1, 2009 through June 30, 2010, or until the appointment of a permanent Dean – College of Engineering, whichever occurs first.

Additional items of compensation include:

- Per policy, standard pension and health and welfare benefits.
- Per policy, continued accrual of sabbatical credits as a member of tenured faculty.
- Per policy, ineligible to participate in the Senior Management

Supplemental Benefit Program due to tenured faculty appointment.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

(27) ***Appointment Compensation Amendment for Pierre Wiltzius as the Susan and Bruce Worster Dean of Science, Division of Mathematical, Life, and Physical Sciences, College of Letters and Science, Santa Barbara Campus***

After a national search, the Santa Barbara campus recently recruited and hired Professor Pierre Wiltzius as the Worster Dean of Science, Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara campus. He was appointed to this position effective October 1, 2008. At the request of the Santa Barbara campus, the appointment item for Professor Wiltzius stipulated reimbursement of 100 percent of actual and reasonable moving expenses, up to \$10,000. The campus now finds that \$10,000 is inadequate to provide 100 percent reimbursement of actual expenses for moving Professor Wiltzius, his family, and his household goods from Champaign, Illinois to Santa Barbara. Professor Wiltzius has obtained several competitive bids, the lowest of which is approximately \$17,000. The campus wishes to reimburse Professor Wiltzius for the full cost of his relocation, and is seeking approval to pay 100 percent of all actual and reasonable moving expenses.

That the following items approved in connection with the appointment salary for Pierre Wiltzius as the Susan and Bruce Worster Dean of Science, Division of Mathematical, Life and Physical Sciences, College of Letters and Science, Santa Barbara campus, be amended:

- a. Per policy, reimbursement of 100 percent of actual and reasonable moving expenses.

Additional items of compensation already approved in July 2008 include:

- Per policy, appointment salary of \$255,000 (SLCG Grade 107: Minimum \$167,600, Midpoint \$212,700, Maximum \$257,800) at 100 percent time.
- Per policy, standard pension and health and welfare benefits.
- Per policy, \$63,750 (25 percent) lump sum relocation allowance, subject to a repayment requirement in the event that Professor Wiltzius resigns within the first four years of employment.

- Per policy, reimbursement of 100 percent of the actual moving expenses up to \$10,000.
- Per policy, one house-hunting trip not to exceed four days, for Professor Wiltzius and his spouse. Coach air fare, meals and lodging will be reimbursed up to \$2,500.
- Per policy, participation in the Mortgage Origination Program Loan (MOP).

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

- B. The Executive Vice President – Business Operations and the Chair of the Committee on Compensation approved the following recommendation:

***Administrative Stipend and Extension of Interim Appointment for John R. Sandbrook as Interim Chief of Staff, Office of the President***

That the following items be approved in connection with the extension of the interim appointment of John R. Sandbrook as Chief of Staff, Office of the President:

- (1) In accordance with the original appointment request approved at the May 2008 Regents meeting, the President recommends approval to extend Mr. Sandbrook's interim appointment, currently scheduled to end May 31, 2009, for an additional period not to exceed seven months, or not later than December 31, 2009. The appointment salary would remain unchanged at \$200,000 per annum. This appointment is at 100 percent time. A search to fill the position on a permanent basis will begin with an anticipated appointment date of no later than the end of the calendar year. A reasonable transition will be accommodated, but not to exceed December 31, 2009.
- (2) Effective June 1, 2009, continue Regent-approved reimbursements for temporary housing (up to \$3,500 per month) and weekly roundtrip coach airfare (estimated at approximately \$1,200 per month) and reimbursement of ground transportation/rental car. These reimbursements to Mr. Sandbrook for the first year were nontaxable, but IRS regulations require these to be treated as taxable income once the duration exceeds one year.
- (3) Effective June 1, 2009, and continuing through Mr. Sandbrook's interim appointment, provide a stipend in the amount of \$2,000 (12 percent) per month. The stipend, which is within policy, will be subject to normal taxes

and withholding. This stipend is for the temporary additional duties that Mr. Sandbrook assumed in relation to the search processes and transitions for two chancellors and other senior management personnel as part of President Yudof's transition.

Additional items of compensation include:

- Standard health and welfare benefits.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

***Approval of Costs Associated with the Relocation of Automobiles for Mark G. Yudof as President of the University of California***

That the following item be approved in connection with costs associated with the relocation of personal effects for President Mark G. Yudof:

Authorization to pay the balance of costs amounting to \$3,548.92 relating to the shipment of two vehicles from Austin, Texas to Oakland, California.

- D. The Chairman of the Board and the Chair of the Committee on Governance approved the following recommendation:

***Appointment of Regents to Standing Committees***

That, effective for the year commencing July 1, 2009:

- (1) Regent Kieffer be appointed to the Committees on Investments, Long Range Planning, and Oversight of the Department of Energy Laboratories.
- (2) Regent Zettel be appointed to the Committees on Compliance and Audit, Grounds and Buildings, and Health Services.
- (3) Regent Zettel shall serve as the alternate Regents' representative to the California Postsecondary Education Commission.

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

*Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, 3200 Regatta Renovation, Berkeley Campus*

**Pursuant to Standing Order 100.4(q)**

- (1) That the Budget for Capital Improvements and the Capital Improvement Program include the following project:

Berkeley: 3200 Regatta Renovation – preliminary plans, working drawings, and construction – \$16,900,000, to be funded from external financing (\$15,100,000) and campus funds – campus real estate revenues (\$1,800,000).

**Pursuant to Standing Order 100.4(nn)**

- (2) That the President be authorized to obtain external financing not to exceed \$15,000,000 to finance the 3200 Regatta Renovation project. The President requires that:

- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
- b. As long as the debt is outstanding, the Berkeley campus will receive as rent from building tenants amounts sufficient to pay the debt service and meet the related requirements of the authorized financing.
- c. The general credit of the Regents shall not be pledged.

- (3) That the Officers of The Regents be authorized to execute all documents necessary in connection with the above.

- F. The Chair of the Committee on Grounds and Buildings and the President of the University approved the following recommendations:

- (1) *Certification of Environmental Impact Report and Approval of Design, National Oceanic and Atmospheric Administration La Jolla Laboratory Replacement Project, San Diego Campus*

Upon review and consideration of the environmental consequences of the proposed project:

- a. Certification of the Environmental Impact Report.
- b. Adoption of the Findings and Mitigation Monitoring Program.

- c. Approval of the design of the National Oceanic and Atmospheric Administration La Jolla Laboratory Replacement Project, San Diego campus.

(2) ***Adoption of Mitigated Negative Declaration and Approval of Design, Porter College Phase 2 – House A Seismic, Capital Renewal and Expansion Project, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project:

- a. Adoption of the Initial Study and Mitigated Negative Declaration.
- b. Adoption of the Findings and Mitigation Monitoring Program.
- c. Approval of the design of the Porter College Phase 2 – House A Seismic, Capital Renewal and Expansion Project, Santa Cruz campus.

- G. The Vice Chair of the Committee on Grounds and Buildings, the Chair of the Committee on Finance, and the President of the University approved the following recommendation:

***Authorization to Submit Applications for Facility Grant Funding Under the American Recovery and Reinvestment Act of 2009***

That the President be authorized to solicit Facility Grant Funding under the *American Recovery and Reinvestment Act of 2009*. Approval of the individual capital projects that are the subject of the award, including financial feasibility for which the grant funding would be applied, would follow the standard University approval practices.

17. **SUPPLEMENTAL REPORT OF INTERIM ACTIONS**

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

- A. The Chair of the Committee on Compensation and the President of the University approved the following recommendation:

***Extension of Appointment Time Reduction Under START Program for Bruce W. Spaulding as Senior Vice Chancellor – University Advancement and Planning, San Francisco Campus***

That the following items be approved in connection with the extension of the time reduction under the START program for Bruce W. Spaulding as Senior Vice Chancellor – University Advancement and Planning, San Francisco campus. All originally approved terms of the appointment are unchanged, and this is an extension of time only:

- (1) Per Staff and Academic Reduction in Time (START) program policy, continuance of a voluntary appointment time reduction to 55 percent time with commensurate reduction of annual salary to \$207,130, based on the previous annual base salary of \$376,600 (SLCG Grade 111: Minimum \$267,700, Midpoint \$344,000, Maximum \$420,100).
- (2) Per START program policy, continued eligibility to participate in the Senior Management Supplemental Benefit Program at the rate of five percent of the reduced base salary of \$207,130.
- (3) Per START program policy, continued eligibility to receive standard pension and health and welfare benefits, and standard senior management benefits (including senior management life insurance, executive business travel insurance, and executive salary continuation for disability).
- (4) Effective July 1, 2009 and ending no later than October 31, 2009.

Additional items of compensation include:

- Per policy, continued eligibility to receive an Executive Automobile Allowance in the amount of \$4,904 per annum, which reflects 55 percent of the maximum allowable rate.
- Per START program policies, continued vacation and sick leave accrual at the employee's pre-START rate.
- Per policy, continued participation in the University of California Home Loan Program. Participation to comply with all University/campus normal program parameters.

The compensation described above shall constitute the University's total commitment until modified by the Regents and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

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

- (1) *Approval for Participation in the Mortgage Origination Program for Robert Pedowitz, Professor and Chair in the Department of Medicine, Los Angeles Campus*

Authorization of the making of a Mortgage Origination Program loan in the amount of up to \$2,000,000 to support the recruitment of Robert Pedowitz in the Department of Medicine at the Los Angeles campus.

- (2) *Approval for Participation in the Mortgage Origination Program for Paul Weiss, Professor of Chemistry and Biochemistry, and Anne Andrews, Professor of Psychiatry and Biobehavioral Sciences, Los Angeles Campus*

Authorization of the making of a Mortgage Origination Program loan in the amount of up to \$2,000,000 to support the recruitment of Paul Weiss in the Department of Chemistry and Biochemistry and Anne Andrews in the Department of Psychiatry and Biobehavioral Sciences at the Los Angeles campus.

#### 18. **REPORT OF OUTSIDE PROFESSIONAL ACTIVITIES**

Secretary and Chief of Staff Griffiths reported that, in accordance with the Policy on Outside Professional Activities of the President, Principal Officers of The Regents, and Officers of The Regents, the Chairman of the Board has reviewed and approved outside professional service for President Mark Yudof as a member of the Board of Directors for the Lumina Foundation for Education, based in Indianapolis, Indiana.

If compensation is received for service on a corporate board, such service shall be reported to the Board at its next meeting following approval pursuant to the Policy on Outside Professional Activities of the President, Principal Officers of The Regents, and Officers of The Regents.

Lumina Foundation Board members are paid an annual retainer plus compensation for participation in Board and committee meetings. Assuming President Yudof participates in all four full Board meetings and all four committee meetings, his total annual compensation from the Lumina Foundation will be \$21,500.

President Yudof's total compensation from outside professional activities will be separately reported in the Annual Report on Outside Professional Activities presented to the Regents at the March meeting.

#### 19. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary and Chief of Staff Griffiths reported that, in accordance with Bylaw 16.9, Regents received summaries of communications in reports dated June 1 and July 1, 2009.

**20. REPORT OF MATERIALS MAILED BETWEEN MEETINGS**

Secretary and Chief of Staff Griffiths reported that, on the dates indicated, the following were sent to the Regents or to Committees:

**To Members of the Committee on Compensation**

- A. From the President, report of salary actions taken for professors, as well as administrators in the Academic Personnel Program. (May 20, 2009)

**To Members of the Committee on Educational Policy**

- B. From the President, Quarterly Report on Private Support, Quarterly Report on Major Donors, and Quarterly Report on Namings and Endowed Chairs approved by the President for the third quarter of the 2009 fiscal year. (May 29, 2009)

**To Members of the Committee on Health Services**

- C. From the President, the Medical Center Activity and Financial Services Report for the eight months ended February 28, 2009. (April 29, 2009)

**To Members of the Committee on Oversight of the Department of Energy Laboratories**

- D. From the President, copy of *Building the Future With Science and Technology*, the 2008 Los Alamos National Security, LLC Annual Report. (May 4, 2009)

**To the Regents of the University of California**

- E. From the President, letter and handouts regarding the President's media availability meeting. (April 29, 2009)
- F. From the President, announcement of two candidates for the UCSF and UC Davis Chancellor positions. (May 1, 2009)
- G. From the Secretary and Chief of Staff, report of communications received subsequent to the April 1, 2009 report of communications. (May 1, 2009)
- H. From the Secretary and Chief of Staff, announcement and press release regarding two new Regents appointed by Governor Schwarzenegger. (May 4, 2009)
- I. From the Secretary and Chief of Staff, correspondence from the UC Student Association regarding student fees, sent on behalf of Regent Scorza. (May 6, 2009)
- J. From the Chief Investment Officer and Vice President, UC Investment Performance Summary for the quarter ended March 31, 2009. (May 12, 2009)

- K. From the President, letter highlighting the UC Santa Barbara community's public service concerning the Jesusita fire in Santa Barbara County. (May 14, 2009)
- L. From the President, letter and press release regarding the Governor's May Revision to the State budget. (May 14, 2009)
- M. From the President, letter informing of the passing of Professor Emeritus Herbert F. York and his contributions to the University and the nation. (May 19, 2009)
- N. From the President, copy the President's statement to the University community on the State budget. (May 22, 2009)
- O. From the President, letter regarding State budget reductions. (May 27, 2009)
- P. From the Secretary and Chief of Staff, report of communications received subsequent to the May 1, 2009 report of communications. (June 1, 2009)
- Q. From the President, email message providing a link to video of the President's remarks to the Legislative Conference Committee on Budget. (June 3, 2009)
- R. From the President, background information on Universities Allied for Essential Medicines communications with the University. (June 3, 2009)
- S. From the President, letter regarding key issues in the budget process for the University of California. (June 5, 2009)
- T. From the Secretary and Chief of Staff, opinion piece titled "Cal Grants Seed Future Innovation" by Chairman Blum printed in the *San Francisco Chronicle*. (June 9, 2009)
- U. From the President, report on the fee levels for self-supporting professional degree programs approved for 2009-10. (June 12, 2009)
- V. From the Secretary and Chief of Staff, letter regarding committee assignments for Regents Kieffer and Zettel. (June 15, 2009)
- W. From the President, a summary of *Furlough/Salary Reduction Plan Options*. (June 16, 2009)
- X. From the President, open letter to Chairman Blum and all Regents from The UCLA Faculty Association. (June 17, 2009)
- Y. From the President, copy of letter from Academic Council Chair Mary Croughan and response to the letter regarding the University Committee on Faculty Welfare's comments concerning the need for a strategic response to the University's fiscal crisis. (June 25, 2009)

- Z. From the President, announcement of the selection of Juliann Martinez as the Staff Advisor to the Board of Regents for 2009-2011. (June 29, 2009)
- AA. From the President, copy of a resolution the Academic Assembly has adopted in opposition to Senate Constitutional Amendment 21 and Assembly Constitutional Amendment 24. (June 29, 2009)
- BB. From the Secretary and Chief of Staff, announcement of Regent Makarechian's confirmation to the Board of Regents by the State Senate. (June 29, 2009)
- CC. From the President, press release announcing the formation of the search committee for the next Director of the Lawrence Berkeley National Laboratory. (July 1, 2009)
- DD. From the Secretary and Chief of Staff, report of communications received subsequent to the June 1, 2009 report of communications. (July 1, 2009)

The meeting adjourned at 11:35 a.m.

Attest:

Secretary and Chief of Staff

**2009 Summer Salary Approvals  
Presented at July 2009 Regents Meeting**

Location	Employee Name	Title	Current Salary	Summer Salary	Total Annual Salary	Time Period of Research	Vacation Forfeited	Funding Source	Comments
UCB	Dennis Levi	Dean-School of Optometry	\$223,000	\$18,583	\$241,583	7/6-8/5/2009	23 days	NIH-National Eye Institute	
UCLA	No-Hee Park	Dean - School of Dentistry	\$361,800	\$16,392	\$378,192	8/1-8/31/2009	21 days	National Institutes of Health	\$16,392 represents the maximum allowable award from the National Institute of Health (NIH). Base salary \$295,300, Health Science Compensation Plan (HSCP) \$66,500.
UCLA	Vijay Dhir	Dean - Henry Samueli School of Engineering and Applied Science	\$270,300	\$22,525	\$292,825	8/1-8/31/2009	21 days	NASA	
UCLA	Michael Schill	Dean - School of Law	\$316,900	\$26,408	\$343,308	7/15-8/16/2009	23 days	Grant Overhead Return Funds	
UCSB	David Marshall	Executive Dean, College of Letters and Science and Dean, Division of Humanities and Fine Arts, College of Letters Science	\$257,900	\$21,491	\$279,391	8/1-8/31/2009	21 days	Unrestricted Gift Funds	
UCSB	Melvin Oliver	Dean, Division of Social Sciences, College of Letters and Science	\$213,900	\$17,825	\$231,725	8/1-8/31/2009	24 days	Unrestricted Gift Funds	
UCSB	Pierre Wiltzius	Susan and Bruce Worster Dean of Science, Division of Mathematical, Life and Physical Sciences, College of Letters and Science	\$255,000	\$21,250	\$276,250	8/1-8/31/2009	18 days	Unrestricted Gift Funds	
UCSC	Stephen Thorsett	Dean, Physical and Biological Sciences	\$203,300	\$12,101	\$215,401	8/3 - 8/21/2009	15 days	NASA/NSF	Stephen have planned and organized a week long workshop at the campus for the month of August and will only be able to take 15 days off for his summer research.
UCSD	Mark Thiemens	Dean, Division of Physical Sciences	\$297,400	\$24,783	\$322,183	8/1-8/31/2009	24 days	NASA grant funds	

Additions shown by underscoring; deletions shown by strikethrough

<b>SCHEDULE OF REPORTS TO THE REGENTS</b> <b>[Pursuant to Bylaw 16.8(a)]</b> <b>Amended <del>November 2008</del> <u>July 2009</u></b>	
	<b>Month(s) Presented or Mailed to Regents</b>
<b>BOARD</b>	
Report of the President Concerning University Activities and Individuals (the President's Report)	January March May July September November
<b>COMMITTEE ON COMPENSATION</b>	
Annual Report on Executive Compensation for Calendar Year ___: Incumbents in Certain Senior Management Positions	March
Annual Report on Compensated Outside Professional Activities for Calendar Year: Incumbents in Certain Senior Management Positions	March
Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceed the Reporting Threshold ( <i>mbm</i> *)	November
<b>COMMITTEE ON COMPENSATION and COMMITTEE ON LONG RANGE PLANNING</b>	
Annual Accountability Sub-Report on Faculty Competitiveness	March
<b>COMMITTEE ON COMPLIANCE AND AUDIT</b>	
Annual Report on Internal Audit Plans	May
<u>Annual Review of External Audit of Hastings College of the Law</u> ( <i>mbm</i> *)	<u>March</u>
Annual Report on Compliance	<del>January</del> <u>September</u>

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended November 2008 July 2009**

	<b>Month(s) Presented or Mailed to Regents</b>
Annual Report of External Auditors for the Year Ended June 30, ____	November
Annual Report on Internal Audit Activities	November
<b>COMMITTEE ON EDUCATIONAL POLICY</b>	
Quarterly Report on Private Support, Major Donors, and Namings and Endowed Chairs ( <i>mbm*</i> )	February May August
Statistical Summary of Students and Staff ( <i>mbm*</i> )	March
Annual Report on Student Financial Support ( <i>mbm*</i> )	March
<u>Annual Report on Undergraduate Admissions Requirements [effective 2013] (<i>mbm*</i>)</u>	<u>July</u>
Annual Report on Proposals Seeking Research Funding from the Tobacco Industry ( <i>mbm*</i> )	September
Annual Report on the University Private Support Program	November
<u>Report on Comprehensive Review (<i>mbm*</i>)</u>	<u>December</u>
<b><u>COMMITTEE ON EDUCATIONAL POLICY and COMMITTEE ON FINANCE</u></b>	
<u>Annual Report on Self-Supporting Professional Degree Programs</u>	<u>November</u>
<b>COMMITTEE ON EDUCATIONAL POLICY and COMMITTEE ON LONG RANGE PLANNING</b>	
<u>Annual Accountability Sub-Report on Student Success</u>	<u>July</u>
Annual Accountability Sub-Report on Diversity at the University of California	September

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended November 2008 July 2009**

	<b>Month(s) Presented or Mailed to Regents</b>
Annual Accountability Sub-Report on the University of California Admissions and Enrollments	November
<b>COMMITTEE ON FINANCE</b>	
Annual Report on Risk Management ( <i>mbm*</i> )	January
Annual Report on Use of Outside Counsel ( <i>mbm*</i> )	January
<u>Annual Report on Settlements and Separation Agreements</u>	<u>January</u>
Annual Report on University Housing Assistance Programs ( <i>mbm*</i> )	January
<del>Annual Dept Capital Report (<i>mbm*</i>)</del>	<del>May</del>
<u>Annual Report on Expenditures of Associates to the President and Chancellors (<i>mbm*</i>)</u>	<u>September</u>
University of California Financial Reports	November
Annual University of California Retirement Plan Actuarial Valuation Report	November
Annual <u>Report on Debt Capital and Report on External Finance Approvals (<i>mbm*</i>)</u>	November
Annual Report on the University of California Technology Transfer Program ( <i>mbm*</i> )	November

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended November 2008 July 2009**

	<b>Month(s) Presented or Mailed to Regents</b>
<b><u>COMMITTEE ON FINANCE and COMMITTEE ON OVERSIGHT OF THE DEPARTMENT OF ENERGY LABORATORIES</u></b>	
Annual Report on the Net Fee Income Received as Owner of a Limited Liability Company Managing a Department of Energy National Laboratory and Expenditures Made Therefrom	November
<b>COMMITTEE ON GROUNDS AND BUILDINGS</b>	
Annual Report on <u>Sustainable Practices</u> <del>Green Building, Clean Energy, and Sustainable Transportation Policy</del>	January
Annual Report on Chancellor's Residence and Other Capital Projects	September
Annual Report on Major Capital Projects Implementation ( <i>mbm</i> *)	October
Budget for State Capital Improvements	November
University of California Five-Year Capital Program State Funds	November
Annual Report on Campus' Ten-Year Capital Financial Plans	November
<b>COMMITTEE ON HEALTH SERVICES</b>	
Activity and Financial Status Report on Hospitals and Clinics ( <i>mbm</i> *)	January March May June July November

\*mbm: Report is sent to all Regents as a mailing between meetings (mbm)

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended ~~November 2008~~ July 2009**

	<b>Month(s) Presented or Mailed to Regents</b>
<b><u>COMMITTEE ON HEALTH SERVICES and COMMITTEE ON LONG RANGE PLANNING</u></b>	
<u>Annual Accountability Sub-Report on Health Sciences</u>	<u>November</u>
<b>COMMITTEE ON INVESTMENTS</b>	
Annual Endowment Investment Report	February
<u>Annual Report on Divestment Policies</u>	<u>September</u>
Annual Report of the Treasurer	November
<b>COMMITTEE ON LONG RANGE PLANNING</b>	
Annual Accountability Sub-Report on University Private Support	January
Annual University of California Accountability Report	May
Annual Accountability Sub-Report on the Research Enterprise	November

**Additions shown by underscoring; deletions shown by strikethrough**

100.4 Duties of the President

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100.4(qq)

- (1) “Extreme Financial Emergency” for purposes of this Standing Order shall mean any event(s) or occurrence(s) creating an imminent and substantial deficiency in available University financial resources which could reasonably be expected to jeopardize the ability of the University, campus, or multiple campuses, to sustain its current or future operations in a manner which would allow it to fulfill its tripartite mission consistent with past practices. The deficiency in available financial resources may result from significant reductions in any of the following: legislative appropriation; state revenues which make appropriated funds unavailable; income from other sources including auxiliary enterprises and services, contracts, grants, gifts, tuition and fees.
  
- (2) The President of the University shall have authority, consistent with legal requirements, to implement furloughs and/or salary reductions, on terms that the President deems necessary, for some or all categories of University employees, upon Declaration of Extreme Financial Emergency, as specified below. The President further shall have the authority, during the pendency of the Declaration and consistent with applicable legal requirements, to suspend the operation of any existing Regental or University policies otherwise applicable to furloughs and/or salary reductions that are contrary to or inconsistent with the terms the President deems necessary to the proposed implementation. The authority provided herein may be exercised with regard to the University as a whole or with regard to a campus or multiple campuses. For purposes of this section, Furlough means temporary unpaid time off of work where use of accrued vacation leave, compensatory time off, or any other paid leave or compensation may not be used.
  
- (3) Extreme Financial Emergency may be declared only by the Regents on the President’s recommendation. Any request by the President for approval of such a Declaration shall be made in writing directed to the Chair and Vice Chair of the Board and to the Chair of the systemwide Academic Senate, with copies directed to the Principal Officers of The Regents and appropriate University Officers. Such writing must generally describe the emergency conditions underlying the Declaration, the current or future effects of such conditions on campus or University operations, the expected duration of the Declaration if known (which in no event may extend beyond one year), a summary of the plan for implementing the

proposed furloughs and/or salary reductions, and the expected outcome of the proposed plan.

- (4) The President shall engage in consultation with campus Chancellors, representatives of the systemwide Academic Senate and the appropriate representatives of systemwide staff and academics concerning the matters to be included in the request for approval of a Declaration of Extreme Financial Emergency prior to submitting the request to The Board of Regents. If the request for approval of a Declaration of Extreme Financial Emergency is submitted by a Chancellor to the President, the Chancellor shall engage in consultation with representatives of the divisional Academic Senate and the appropriate representatives of campus staff and academic representatives concerning the matters to be included in the request for approval of a Declaration of Extreme Financial Emergency prior to submitting the request to the President.
- (5) The authority provided under this Standing Order is in addition to any authority otherwise provided University officials under other Regental or University policies and, except as provided herein, nothing in this Standing Order shall limit such other authority.

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## **Attachment 4**

# **Declaration of Extreme Financial Emergency July 16, 2009**

### **The Regents Find as Follows:**

- 1) In the last two months, the Governor and the Legislature have proposed an \$813.2 million reduction in the University's State appropriation for FY 2008-09 and FY 2009-10, representing a 20 percent reduction from FY 2007-08 levels.
- 2) The level of the proposed reduction in State funding is unprecedented for the University over a twelve month period of time.
- 3) Left unaddressed, the reductions would substantially affect the University's ability to deliver on its mission.
- 4) The fiscal challenges presented by the proposed reduction in State funding for the University are likely to persist at least through August 31, 2010.
- 5) In order to assist the University in addressing this funding reduction in the coming 12 months, the President has developed a Furlough/Salary Reduction Plan, effective September 1, 2009, to generate savings of an estimated \$515.5 million of which \$184.1 million in General Funds savings can be utilized to offset the \$813.2 million State funding reduction.
- 6) The Plan, together with the Regentally approved student fee increases for FY 2008-09 (7 percent) and FY 2009-10 (9.3 percent) will partially provide the University with the ability to address the emergent fiscal conditions described above with the least impact possible to University operations.
- 7) The savings generated by the Plan combined with the student fee increases will not be sufficient to entirely address the State funding shortfall and further budgetary measures will still be required.
- 8) Steps have been taken and are being taken by the President and the Chancellors to reduce expenditures further, including continued reductions in the Office of the President, restructuring UC debt to achieve debt service savings in the next two fiscal years, severely curtailing faculty and staff hiring, eliminating positions and implementing lay-offs, closing and/or consolidating programs, reducing services on campus, and significantly restricting travel and purchasing.
- 9) In addition to the State appropriation reduction, the University is also facing an additional \$335 million budget gap over the next two year period due to increasing costs not funded

by the State, including previous years' increases in student enrollment, health benefit and utility cost increases; the gap is exacerbated by the fact that State has not fulfilled its obligation to fund its share of the employer contribution to URCP for FY 2009-10.

- 10) In recognition of the severity of the current State budget reduction and the fiscal constraints the State continues to confront, University leadership is taking immediate steps to convene a Task Force to focus on long term structural planning so as to determine more permanent solutions to the reduction in State appropriations for the University.
- 11) The proposed furlough/salary reduction Plan was developed through an extensive consultation process consistent with the requirements of Standing Order 100.4(qq).
- 12) The Plan adequately incorporates the principles of balance, fairness and consistency.

**WHEREFORE THE REGENTS DECLARE:**

Based on the above findings, and on the information provided in the written materials and oral presentations submitted at the meeting of the Regents on July 15, 2009, the Regents hereby Declare an Extreme Financial Emergency for the period September 1, 2009 through August 31, 2010, and authorize the President to implement the provisions of Standing Order 100.4(qq).

## **ATTACHMENT 5**

### **Furlough/Salary Reduction Plan July 16, 2009**

#### **I. Introduction**

This Furlough/Salary Reduction Plan (Plan) is submitted to the Regents pursuant to Standing Order 100.4(qq), to be added by amendment at the July 2009, Regents meeting. The Plan has been prepared under the procedures set forth in the Furlough/Salary Reduction Guidelines, a Presidential Policy to be implemented by the President following adoption of the Standing Order amendment. While the current Plan was prepared before the Guidelines had been formally adopted as policy, the University followed the draft Guidelines -- which are in substance the same as the Guidelines that have now been adopted -- as closely as possible under the circumstances in formulating the Plan.

#### **II. Plan Goals and Principles**

- The overall goal is to achieve payroll savings from General Funds of approximately \$184.1 million over the Plan period. (Total savings from all fund sources is projected to be \$515.5 million.)
- The Plan incorporates graduated furlough/salary reduction levels ranging from 4 percent to 10 percent so that higher compensated employees bear a relatively larger percentage of a reduction.
- The Plan protects employee retirement benefits (i.e., UCRP service credit and covered compensation) similar to the voluntary Staff and Academic Reduction in Time (START) Program (a voluntary reduction in time program).
- The Plan applies to as many UC employees as is legally permissible and operationally feasible.
- Flexibility on the use of furloughs is incorporated into the Plan to minimize disruption of essential services and work on campuses, the medical centers and the Office of the President.

#### **III. Applicable Term**

The Plan term is one year (12 consecutive months) for each Included Employees (defined below). In order to reprogram University payroll systems, the general Plan term will commence on September 1, 2009, and will run for 12 consecutive months thereafter. However, for equity and fairness as it is expected that every Included Employee will participate in the Plan for 12 consecutive months commencing from the first month the Plan is implemented as to that employee, some Included Employees will continue to participate whether or not the Emergency

Declaration period has been extended. By way of example, if, for reasons of collective bargaining or otherwise, an employee does not commence participation until November of 2009, the Plan would remain in effect for that employee for 12 consecutive months, through October of 2010, whether or not the Regents has renewed the Declaration of Extreme Financial Emergency.

#### **IV. Included/Excluded Employees**

The following employees are exempted from the Plan:

- Employees at the Lawrence Berkeley National Laboratory (LBNL) to the extent their compensation is funded pursuant to a contract with the U.S. Department of Energy, including Work for Others authorized by the Department of Energy, as the Department of Energy declined to approve an amendment to the Contract;
- Academic and staff employees whose Included Compensation as defined in the Plan is 100 percent funded from federal, state, other government or private contracts, grants or cooperative agreements, because salary savings from these employees must remain within the contract, grant or cooperative agreement, and thus cannot contribute to increasing campus general fund resources. (Academic and staff employees whose salaries are partially funded from federal, state, other government or private contracts, grants or cooperative agreements are included. However, the campuses, working with the Office of the President, will determine by October 15, 2009, whether the University's payroll systems and processes required to support the Plan can be modified such that, as to those employees, contract/grant funded salary can be prospectively excluded.)
- Student Employees, including postdoctoral, graduate and undergraduate employees, health sciences trainees and postdoctoral fellows, except where covered by collective bargaining agreement in recognition that their salaries help support their education and training;
- Foreign national employees working pursuant to H-type Visas in recognition that operational and administrative issues outweigh the small salary reduction savings for this group;
- Employees currently enrolled in the Staff and Academic Reduction in Time (START) Program (a voluntary reduction in time program) to the extent their voluntary reduction is maintained at a level equaling or exceeding the percent reduction for their respective pay band as set forth in Table 1;
- Employees whose participation is precluded by law. (Employees with contracts that cannot be changed unilaterally by the University will be asked for a voluntary salary reduction appropriate for their pay band.)

The Plan includes all other full and part-time University of California employees, including, but not limited to:

1. Non-Represented Staff;
2. Represented Staff (subject to obligations under the Higher Education Employer-Employee Relations Act);
3. Academic Senate Faculty;
4. Non-Senate Faculty;
5. Non-Senate Academics;
6. Members of the Health Sciences Compensation Plan Faculty;

With respect to represented staff, existing rights under law or contract will be used to implement the Plan. Where bargaining is required, the University will bargain in good faith so as to avoid implementing layoffs of employees to the greatest extent possible.

#### **V. Included Compensation Under the Plan**

Included Compensation subject to the Plan includes base pay, similar forms of regular pay and stipends, except as otherwise exempted, whether that income is derived from state funds, student fees, contracts, grants, cooperative agreements, auxiliary enterprises or other fund sources.

For Health Science Compensation Plan Faculty, their UCRP covered compensation -- X and X prime, but not the negotiated Y and Z -- will be reduced by the amount specified in Table 2(B), below.

#### **VI. Plan Features**

Included Employees will have their work time reduced by a specified number of furlough days to be taken throughout the Plan term as discretionary days off and/or during closure days, if any, as determined by their campus or location. The reductions will be calculated at the commencement of the Plan term and taken as a percent of salary such that Included Employees' pay will be reduced by the same percentage for each pay period during the Plan term.

In order to reprogram University payroll systems, the general Plan term will commence on September 1, 2009, and will run for 12 consecutive months thereafter. At the conclusion of the Plan term, all Included Employees' compensation will revert to its prior level.

The Plan is graduated such that the higher the Included Compensation of the employee, the greater the percentage of participation. Table 1 shows the participation level and effective salary reduction for all Included Employees except faculty. Tables 2(A) and 2(B) show the participation level and effective salary reduction for faculty.

**TABLE 1\***  
**Staff**

Salary Band	Compensation	Furlough -- Days Off	Total Equivalent Salary Reduction (Approximate)
1	<= \$40,000	11	4%
2	\$40,001-\$46,000	13	5%
3	\$46,001-\$60,000	16	6%
4	\$60,001-\$90,000	18	7%
5	\$90,001-\$180,000	21	8%
6	\$180,001-\$240,00	24	9%
7	>\$240,000	26	10%

\*All Senior Management Group (SMG) members will be provided only ten 10 furlough days regardless of their respective salary reduction level.

**TABLE 2(A)**  
**Academic Year Faculty**

Salary Band	Compensation	Furlough -- Days Off	Total Equivalent Salary Reduction (Approximate)
1	<=\$40,000	7	4%
2	\$40,001-\$46,000	9	5%

3	\$46,001- \$60,000	10	6%
4	\$60,001- \$90,000	12	7%
5	\$90,001- \$180,000	14	8%
6	\$180,001- \$240,00	15	9%
7	>\$240,000	17	10%

**TABLE 2(B)**  
**Fiscal Year Faculty**

Salary Band	Compensation	Furlough -- Days Off	Total Equivalent Salary Reduction (Approximate)
1	<= \$40,000	10	4%
2	\$40,001- \$46,000	12	5%
3	\$46,001- \$60,000	14	6%
4	\$60,001- \$90,000	16	7%
5	\$90,001- \$180,000	19	8%
6	\$180,001- \$240,00	22	9%
7	>\$240,000	24	10%

**VII. Plan Implementation**

The Plan is created to achieve the greatest possible payroll savings while allowing necessary flexibility for the work force to minimize disruption of essential services and work throughout

the Plan term. This is achieved through calculating the reduction at the commencement of the Plan term, effectively as a percent pay reduction thus allowing Included Employees to be paid evenly through their pay periods throughout the Plan term. Included Employee pay will be reduced for the covered 12 month period per column 4 of Tables 1, 2(A) and 2(B).

The corresponding reduction in time (furlough days) will be reflected as time off days (column 3 of Tables 1, 2(A) and 2(B)). Some of the furlough days may be taken under a formal closure of a campus or Office of the President. Other days may be taken as floating days, subject to the individual's work schedule and supervisor's approval.

By way of example, an Included Employee (staff) is given 18 furlough days reflecting a seven percent salary reduction for the Plan term. Some of these 18 days may be used during formally scheduled furlough days that will be directed by a campus or the Office of the President throughout the year. The remaining days can be used at the employee's discretion as floating days off of work, subject to supervisor approval.

In order to ensure that essential services are not disrupted at the medical centers, the President may consider alternate plans from some or all of the medical centers for achieving the same level of savings. Senior Vice President Stobo will work closely with Medical Center Chief Executive Officers to ensure that the medical centers fully participate either through the Plan terms or through an alternate savings structure that may be determined to be less disruptive to clinical care.

### **VIII. Employees Participating in the START Program**

In May of 2008, to achieve salary savings, the Regents approved a voluntary staff reduction program, known as Staff and Academic Reduction in Time (START) Program, a temporary voluntary time reduction personnel program effective from July 1, 2008, through June 30, 2010. Subject to individual departmental approval to participate, all full-and part-time non-probationary career ("regular status") staff employees and academic appointees, except those in faculty and student academic titles and Postdoctoral Scholars, are eligible to volunteer to reduce their time. Participation in the START Program for represented employees is dependent upon agreement by the applicable union.

Employees who have elected voluntary reductions in time under the START program will only be affected if their percentage of time under START is less than the reduction required for their respective salary bands set forth in Tables 1 and 2(A) and (B). For example, if an employee in START currently has a five percent reduction in time, but is required to take a seven percent reduction under this Plan, the employee will receive an additional two percent reduction under the Plan.

Employees who voluntarily terminate START before the expiration of the Plan term will have their salary reduced under their respective salary band for the remainder of the Plan term following such termination. If START is not extended beyond its current termination date of June 30 2010, START participants will continue to have salaries and time reduced per their relevant pay band from July 1, 2010 through the Plan term.

## **IX. Protection of Employee UCRP Retirement Benefits**

For UCRP members impacted by a reduction in their rate of pay, the covered compensation used to calculate UCRP benefits, HAPC and Final Salary, may be negatively impacted. It is proposed to maintain members' pre-furlough/salary reduction rate of covered compensation so that their UCRP benefits are not negatively impacted by the furlough/salary reduction plan.

To protect a UCRP member's benefits from being negatively impacted from a loss of service credit, it is proposed to preserve the members' service credit accrual rate at the pre-furlough/salary reduction level. The proposed amendment to maintain the UCRP service credit accrual rate is similar to the UCRP amendment approved by the Regents for the voluntary START program. Similarly, for CalPERS members impacted by the State of California furlough program, a member's CalPERS benefit is not reduced by the reduction in time worked and the resulting reduction in pay.

While restoring members' UCRP benefits due to the impact of the Plan does not result in increasing benefits above what would otherwise have been expected, there are actuarial savings that would be foregone. The Regents' Consulting Actuary, The Segal Company (Segal), has evaluated the impact of the Plan on UCRP by estimating the actuarial impact that would occur if member's benefits are not restored. This "actuarial experience gain" is expressed as amount of Present Value of Benefits (PVB), which represents the discounted value as of a given date of the projected benefits expected to be paid over all future years. Segal has determined that if member's UCRP benefits are not restored, then the estimated effect on UCRP of the Plan occurring from September 1, 2009, through August 31, 2010, would be an actuarial experience gain that would reduce UCRP's PVB by an estimated \$100 million (0.2% of UCRP PVB).

Segal also determined that an estimated \$10 million less in UCRP employer and member contributions would be made from April 15, 2010 through August 31, 2010 as a result of the Plan. Those University employees who took a reduction in pay effective July 1, 2009 would be included in the proposal to maintain their rate of covered compensation so that their UCRP benefits are not negatively impacted.

## **X. Delegated Authority to Modify the Plan as Appropriate**

Given the breadth and scope of this Plan and the very short time for its planning and implementation, it is recognized that issues may arise -- legal, operational, or otherwise -- that may require alterations or changes to the Plan during the Plan term. The President proposes that the Regents expressly delegate authority to the President to make Plan alterations and changes, consistent with the Plan Goals and Principles (Section II), as may be required for its implementation, during the Plan period.