

The Regents of the University of California

**COMMITTEE ON GOVERNANCE**

January 21, 2010

The Committee on Governance met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Island, Kozberg, Lozano, Ruiz, and Varner

In attendance: Regents Bernal, De La Peña, Gould, Lansing, Makarechian, Marcus, Schilling, Stovitz, Yudof, and Zettel, Regents-designate Cheng, DeFreece, and Hime, Faculty Representatives Powell and Simmons, 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, Interim Executive Vice President Brostrom, Vice Presidents Lenz and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Kang, Katehi, White, and Yang, and Recording Secretary Johns

The meeting convened at 11:40 a.m. with Regent Kozberg presiding.

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

Upon motion duly made and seconded, the minutes of the meeting of July 16 and the joint meeting of the Committees on Compliance and Audit and Governance of November 19, 2009 were approved.

**2. AMENDMENTS TO VARIOUS POLICIES ON DEFENSE AND INDEMNIFICATION FOR REGENTS, EMPLOYEES, AND OTHER AFFILIATES OF THE UNIVERSITY**

This item was deferred.

**3. CONSENT AGENDA**

**A. *Amendment of Bylaw 12.6 and Standing Order 100.4 and Regents Policies to Conform to Current University Relationship with the Department of Energy National Laboratories***

The President recommended that, following service of appropriate notice:

- (1) Bylaw 12.6 and Standing Order 100.4 be amended, as shown in Attachment 1.
- (2) The Policy on University of California Legal Services, the Policy on

Appointment of the President of the University, the Principles for Review of Executive Compensation, the Senior Leadership Compensation Policy, the Policy on Extended Administrative Leaves with Pay, and the Policy on Payroll Deductions for Charitable Contributions and Development Programs be amended, as shown in Attachment 2.

This item itself constitutes the notice of proposed amendments that is required pursuant to Bylaw 30.1 and Standing Order 130.1. Final action to approve these amendments will be recommended at the March 2010 meeting.

**B. *Dates of Regents Meetings for 2011***

The Chairman of the Board recommended that the following dates of Regents meetings for 2011 be approved:

2011  
January 18-20  
March 15-17  
May 17-19  
July 12-14  
Sept 13-15  
Nov 15-17

**C. *Revisions to the Schedule of Reports to The Regents***

The President recommended that the Schedule of Reports be revised, as shown in Attachment 3.

[Background material was mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

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

The meeting adjourned at 11:45 a.m.

Attest:

Secretary and Chief of Staff

**Proposed Bylaw and Standing Orders Amendments to  
Reflect Current Relationship with Department of Energy Laboratories**

**Deletions are shown by strikeout; additions by underscore**

**1. Amendment of Bylaw 12.6(a) and (b)**

12.6 Committee on Oversight of the Department of Energy Laboratories.

The Committee on Oversight of the Department of Energy Laboratories shall:

(a) Consider and report to the Board, or to appropriate Committees of the Board, on matters concerning relations with the United States Department of Energy and matters relating to the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory~~ Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC.

(b) Act in an advisory capacity to the President of the University with respect to appointments of the Directors and Deputy Directors of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory;~~ and to the President of the University and the Chairman of the Board with respect to appointments to the University positions on the Executive Committee of the Boards of Governors of Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC.

\*\*\*

**2. Amendment of Standing Order 100.4(c)**

100.4 Duties of the President of the University.

\*\*\*

(c) The President of the University, in accordance with such regulations as the President may establish, is authorized to appoint, determine compensation, promote, demote, and dismiss University employees, except as otherwise provided in the Bylaws and Standing Orders and except those employees under the jurisdiction of the Secretary and Chief of Staff, Chief Investment Officer, and General Counsel of The Regents. Before recommending or taking action that would affect personnel under the administrative jurisdiction of Chancellors, Executive Vice Presidents, Senior Vice Presidents, other Vice Presidents, or the Directors of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~the Ernest Orlando Lawrence Livermore National Laboratory, and the Los Alamos National Laboratory,~~ the President shall consult with

or consider recommendations of the appropriate Officer. When such action relates to a Professor, Associate Professor, or an equivalent position; Assistant Professor; a Professor in Residence, an Associate Professor in Residence, or an Assistant Professor in Residence; a Professor of Clinical (e.g, Medicine), an Associate Professor of Clinical (e.g., Medicine) or an Assistant Professor of clinical (e.g., Medicine); a Senior Lecturer with Security of Employment, or a Lecturer with Security of Employment, the Chancellor shall consult with a properly constituted advisory committee of the Academic Senate.

\*\*\*

**3. Amendment of Standing Order 100.4(e)**

\*\*\*

e) The President is authorized to grant leaves of absence with or without pay, in accordance with such regulations as the President may establish, except that paid leaves of absence that exceed ninety days for Chancellors, the Ernest Orlando Lawrence Berkeley National Laboratory Directors, Executive Vice Presidents, Senior Vice Presidents, and other Vice Presidents shall be subject to approval by the Board upon recommendation of the President of the University.

\*\*\*

**4. Amendment of Standing Order 100.4(m)**

\*\*\*

(m) The President is authorized to negotiate and approve indirect cost rates to be applied to contracts and grants under which the University conducts programs supported by extramural funds, provided that such negotiations shall be directed toward full recovery of indirect costs, ~~except that the fixed payment in lieu of indirect costs under the major United States Department of Energy contracts shall be approved by the Committee on Finance.~~ Newly approved indirect cost rates determined under the provisions of *Office of Management and Budget Circular A21*, and any successor publication thereto, shall be reported to the Committee on Finance annually.

\*\*\*

**5. Amendment of Standing Order 100.4(dd)(2)**

\*\*\*

(dd) Except as otherwise specifically provided in the Bylaws and Standing Orders, the President is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the President's duties, including documents to solicit and accept pledges, gifts, and grants, except that specific authorization by resolution of the Board shall be required for documents which involve or which are:

(2) Renewal or modification of the prime contracts with the Department of Energy for the operation of the Ernest Orlando Lawrence Berkeley National Laboratory, ~~Lawrence~~

Livermore National Laboratory, and the Los Alamos National Laboratory; renewals or substantive modifications of the Los Alamos National Security LLC and Lawrence Livermore National Security LLC Agreements; and modifications to the prime contracts pertaining to the Los Alamos National Laboratory or the Lawrence Livermore National Laboratory that would constitute a cardinal change.

\*\*\*

**Proposed Policy Amendments to  
Reflect Current Relationship with Department of Energy Laboratories**

Deletions are shown by ~~strikeout~~; additions by underscore

**1. Amendment of “Policy on University of California Legal Services”**

\*\*\*

The immediate office of the GC-VP is directly responsible for all services required by The Regents, the President, and Vice Presidents; all litigation and other legal proceedings affecting the University, including The Regents, the Office of the President, campuses, and ~~laboratories~~ the Ernest Orlando Lawrence Berkeley National Laboratory; non-litigation services in specialized areas of practice where such expertise is established within the office; in collaboration with resident counsel, all other non-litigation services required by campuses and laboratories; and supervision of outside counsel.

Resident counsel positions at the campuses or the Laboratory ~~laboratories~~ may be established by the GC-VP and the Chancellor or Laboratory Director with the approval of the President. Resident counsel are members of the staff of the GC-VP, and report substantively to the GC-VP, and administratively to the appropriate administrative officer. Resident counsel functions are subject to delegations of authority from the GC-VP. Appointment and compensation actions require the concurrence of the GC-VP.

\*\*\*

**2. Amendment of “Policy on Appointment of the President of the University”**

\*\*\*

C. The Special Committee will consult broadly with constituent groups of the University, including the Academic Advisory Committee appointed by the Academic Council, Chancellors, the Ernest Orlando Lawrence National Laboratory Directors, Vice Presidents, students, staff, and alumni. To facilitate consultation, there shall be appointed advisory committees, each with no more than twelve members, of students, staff, and alumni. The student advisory committee shall be appointed by the Chairman of the University of California Student Association and shall include at least one student from each campus. The staff advisory committee shall be appointed by the Chairman of the Council of UC Staff Assemblies and shall include at least one staff member from each campus. The alumni advisory committee shall be appointed by the President of the Alumni Associations of the University of California and shall include at least one alumnus from each campus. Such consultation will be for the purpose of (1) reviewing the relevancy of the criteria approved by the Board of Regents and (2) presenting the nominee or nominees to members of the groups at the conclusion of the search.

\*\*\*

**3. Amendment of “Principles for Review of Executive Compensation”**

1. Executive compensation shall be defined as including base salary, retirement and other benefits, perquisites, severance payments (except those made in connection with a dismissal or a litigation settlement), all forms of deferred compensation, supplemental retirement, all components of housing allowances or any other form of compensation applicable to the Officers of the University and the Principal Officers of The Regents, as currently and as may subsequently be described in the Bylaws and Standing Orders of The Regents. Pursuant to Standing Order 100.1, the Officers of the University are the President, Senior Vice Presidents, Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, ~~University Auditor,~~ University Controller, Chancellors, Vice Chancellors, ~~the~~ Directors and Deputy Directors of Lawrence Berkeley Laboratory, ~~the Lawrence Livermore National Laboratory, and the Los Alamos National Scientific Laboratory,~~ and Directors of University hospitals. The Principal Officers of The Regents, as consistent with Bylaw 20, are the Secretary, Treasurer and General Counsel; and...

\*\*\*

**4. Amendment of “Senior Leadership Compensation Policy”**

\*\*\*

2. APPROVAL OF COMPENSATION shall be as follows:

- a) Compensation of the President and Secretary of The Regents shall be determined by the Board of Regents upon recommendation of the Committee on Finance.
- b) Compensation of the General Counsel shall be determined by the Board of Regents upon recommendation of the Committee on Finance after consultation with the Office of the President.
- c) Compensation of the Treasurer shall be determined by the Board of Regent upon recommendation of the Committee on Finance after consultation with the Office of the President, the Committee on Investments, and the Investment Advisory Committee.
- d) Compensation of the Chancellors, Senior Vice Presidents and Vice Presidents, Medical Center Heads, and the Laboratory Directors, including compensation upon appointment and subsequent changes in compensation, shall be determined by the Board of Regents upon recommendation of the President through the Committee on Finance.
- e) Compensation of other Officers of the University with annual rates above the Indexed Compensation Level shall be established within the ranges set by the Board of Regents and determined by the President and shall be reported annually to the Board of Regents.
- f) Compensation of all other Officers of the University with annual rates below the

Indexed Compensation Level shall be determined by the President and reported annually to the Board.

\*\*\*

**5. Amendment of “Policy on Extended Administrative Leaves with Pay”**

The Board endorses as Regental policy the Presidential practice announced on April 6, 1994 that no extended paid administrative leaves will be approved for Chancellors, Vice Presidents, or the Laboratory Directors.

**6. Amendment of “Policy on Payroll Deductions for Charitable Contributions and Development Programs”**

The President is authorized to approve payroll deductions from employees' wages: (1) at each campus and at ~~each University-operated Department of Energy~~ the Ernest Orlando Lawrence Berkeley National Laboratory for contributions to the agency handling the principal or a major combined charitable fund drive in the campus or Laboratory area, as recommended by the Chancellor or Laboratory Director; and (2) at each campus for contributions to one or more campus fundraising campaigns as recommended by the Chancellor for specified student assistance and/or campus development programs, with the understanding that any deductions will be voluntarily authorized by the individual employees, the campus or Laboratory will be reimbursed by or on behalf of the campaign for administrative costs, and that each campaign is subject to approval for payroll deductions by the President in accordance with guidelines to be established by the President.



Additions shown by underscoring; deletions shown by strikethrough

| <b>SCHEDULE OF REPORTS TO THE REGENTS</b><br><b>[Pursuant to Bylaw 16.8(a)]</b><br><b>Amended <del>July 2009</del> <u>January 2010</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<br>March<br>May<br>July<br>September<br>November   |
| <b>COMMITTEE ON COMPENSATION</b>  |  |
| Annual Reports on Executive Compensation for Calendar Year ____: (a) Incumbents in Certain Senior Management Positions and (b) Deans ( <i>mbm*</i> )  | March  |
| Annual Reports on Compensated Outside Professional Activities for Calendar Year ____: (a) Incumbents in Certain Senior Management Positions and (b) Deans ( <i>mbm*</i> )                   | March  |
| Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceed the Reporting Threshold ( <i>mbm*</i> )   | November   |
| <u>Annual Report on Adjustment of the Indexed Compensation Level (<i>mbm*</i>)</u>  | <u>September</u>   |
| <u>Bi-Monthly Monitoring Reports: (a) Incumbents in Certain Senior Management Positions; (b) Deans; and (c) Actions for Certain Athletic Positions and Coaches Systemwide (<i>mbm*</i>)</u> | <u>January</u><br><u>March</u><br><u>May</u><br><u>July</u><br><u>September</u><br><u>November</u> |

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

\*\* Modified from annual to biennial report in January 2010

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended ~~July 2009~~ January 2010**

|  | <b>Month(s) Presented or Mailed to Regents</b>                           |
|--|--|
| <b>COMMITTEE ON COMPENSATION and COMMITTEE ON LONG RANGE PLANNING</b>  |  |
| <u>Biennial <del>Annual</del> Accountability Sub-Report on Faculty Competitiveness [Biennial cycle begins 2011]**</u>                        | <del>March</del> <u>January</u>  |
| <u>Biennial Accountability Sub-Report on Staff [Beginning 2010]</u>  | <u>September</u>   |
| <b>COMMITTEE ON COMPLIANCE AND AUDIT</b>   |  |
| Annual Report on Internal Audit Plans  | May  |
| Annual Review of External Audit of Hastings College of the Law ( <i>mbm*</i> )   | March  |
| Annual Report on Compliance  | September  |
| 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<br>May<br><del>August</del> <u>September</u><br><u>December</u> |
| Statistical Summary of Students and Staff ( <i>mbm*</i> )  | March  |
| Annual Report on Student Financial Support ( <i>mbm*</i> )   | March  |
| Annual Report on Undergraduate Admissions Requirements [effective 2013; will include <u>Report on Comprehensive Review</u> ] ( <i>mbm*</i> ) | July   |

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

\*\* Modified from annual to biennial report in January 2010

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended ~~July 2009~~ January 2010**

|   | <b>Month(s) Presented or Mailed to Regents</b> |
|---|--|
| Annual Report on Proposals Seeking Research Funding from the Tobacco Industry ( <i>mbm*</i> )   | September                                      |
| Annual Report on the University Private Support Program   | November                                       |
| Report on Comprehensive Review ( <i>mbm*</i> )<br>[Consolidate with the Annual Report on Undergraduate Admissions Requirements, 2013] | <del>December</del> <u>April</u>               |
| <b>COMMITTEE ON EDUCATIONAL POLICY and COMMITTEE ON FINANCE</b>   |  |
| Annual Report on Self-Supporting Professional Degree Programs ( <i>mbm*</i> )   | <del>November</del> <u>August</u>              |
| <b>COMMITTEE ON EDUCATIONAL POLICY and COMMITTEE ON LONG RANGE PLANNING</b>   |  |
| <u>Biennial Accountability Sub-Report on Graduate Academic and Professional Degree Students [Beginning 2010]</u>                      | <u>July</u>                                    |
| <u>Biennial <del>Annual</del> Accountability Sub-Report on Student Success [Beginning 2011]**</u>                                     | July   |
| Annual Accountability Sub-Report on Diversity at the University of California   | September                                      |
| Annual Accountability Sub-Report on the University of California Admissions and Enrollments   | <del>November</del> <u>March</u>               |
| <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  |

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

\*\* Modified from annual to biennial report in January 2010

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended ~~July 2009~~ January 2010**

|  | <b>Month(s) Presented or Mailed to Regents</b> |
|--|--|
| Annual Report on Settlements and Separation Agreements   | January  |
| Annual Report on University Housing Assistance Programs ( <i>mbm*</i> )  | January  |
| Annual Report on Expenditures of Associates to the President and Chancellors ( <i>mbm*</i> )   | September                                      |
| University of California Financial Reports   | November                                       |
| Annual University of California Retirement Plan Actuarial Valuation Report   | November                                       |
| Annual Report on Debt Capital and External Finance Approvals ( <i>mbm*</i> )   | November                                       |
| Annual Report on the University of California Technology Transfer Program ( <i>mbm*</i> )  | <del>November</del> <u>May</u>                 |
| <b>COMMITTEE ON FINANCE and COMMITTEE ON OVERSIGHT OF THE DEPARTMENT OF ENERGY LABORATORIES</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 ( <i>mbm*</i> ) | November                                       |
| <b>COMMITTEE ON GROUNDS AND BUILDINGS</b>  |  |
| Annual Report on Sustainable Practices   | January  |
| Annual Report on Chancellor's Residence and <del>Other</del> <u>Office</u> Capital Projects  | September                                      |
| Annual Report on Major Capital Projects Implementation ( <i>mbm*</i> )   | October  |

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

\*\* Modified from annual to biennial report in January 2010

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended ~~July 2009~~ January 2010**

|  | <b>Month(s) Presented or Mailed to Regents</b>      |
|--|---|
| 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<br>March<br>May<br>June<br>July<br>November |
| <b>COMMITTEE ON HEALTH SERVICES and COMMITTEE ON LONG RANGE PLANNING</b>   |   |
| <del>Biennial Annual</del> Accountability Sub-Report on Health Sciences and Services [ <u>Biennial cycle begins 2011</u> ]** | <del>November</del> <u>March</u>                    |
| <b>COMMITTEE ON INVESTMENTS</b>  |   |
| Annual Endowment Investment Report   | February  |
| Annual Report on Divestment Policies   | September   |
| Annual Report of the Treasurer ( <i>mbm*</i> )   | November  |

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

\*\* Modified from annual to biennial report in January 2010

**SCHEDULE OF REPORTS TO THE REGENTS**  
**[Pursuant to Bylaw 16.8(a)]**  
**Amended ~~July 2009~~ January 2010**

|   | <b>Month(s) Presented or Mailed to Regents</b> |
|---|--|
| <b>COMMITTEE ON LONG RANGE PLANNING</b>   |  |
| <u>Biennial</u> <del>Annual</del> Accountability Sub-Report on University Private Support [ <u>Biennial cycle begins 2010</u> ]** | January  |
| Annual University of California Accountability Report   | May  |
| <u>Biennial</u> <del>Annual</del> Accountability Sub-Report on the Research Enterprise [ <u>Biennial cycle begins 2010</u> ]**    | <del>November</del> <u>January</u>             |

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

\*\* Modified from annual to biennial report in January 2010