

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

May 15-16, 2013

The Regents of the University of California met on the above dates at the Sacramento Convention Center, 1400 J Street, Sacramento.

Present: Regents Blum, De La Peña, Gould, Island, Kieffer, Lansing, Makarechian, Mendelson, Pattiz, Reiss, Rubenstein, Ruiz, Stein, Varner, Yudof, and Zettel

In attendance: Regents-designate Feingold, Flores, and Schultz, Faculty Representatives Jacob and Powell, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Dorr, Executive Vice President Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Beckwith, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Drake, Katehi, Khosla, Leland, and Yang, Acting Chancellor Conoley, and Recording Secretary Johns

The meeting convened at 12:15 p.m. with Chairman Lansing presiding.

1. SPECIAL REPORT: STATE OF THE UNIVERSITY OF CALIFORNIA

President Yudof noted that the Regents had received a report titled “State of the University of California” which summarizes achievements at UC over the previous six years. The report does not seek to document any particular point of view, but to present relevant data on admissions, research, budget, and the most pertinent reforms and policy changes. President Yudof suggested that the report might prove useful to the new president. The report’s numbers underscore the University’s rare and defining ability to serve large numbers of disadvantaged and low-income students while producing world-class research. Many universities can achieve one of these two results, but it is rare for a university to be able to achieve both. As an important conclusion from the report, President Yudof cited the University’s need to find a more cost-effective delivery model that would preserve UC’s quality, graduation requirements, the role of faculty in shaping the curriculum, and access for low-income students, while responding to current fiscal and societal changes. He expressed his concern about loss of UC faculty to other institutions and cautioned that even small changes in the University’s competitiveness can have serious effects.

The Regents recessed at 12:20 p.m.

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The Regents reconvened at 11:20 a.m. on May 16, 2013 with Chairman Lansing presiding.

Present: Regents Blum, De La Peña, Island, Kieffer, Lansing, Makarechian, Mendelson, Reiss, Rubenstein, Ruiz, Stein, Varner, Yudof, and Zettel

In attendance: Regents-designate Feingold, Flores, and Schultz, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Provost Dorr, Executive Vice President Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Blumenthal, Leland, and Yang, Acting Chancellor Conoley, and Recording Secretary Johns

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

Upon motion duly made and seconded, the minutes of the meeting of March 14 and the meetings of the Committee of the Whole of March 13 and 14, 2013 were approved.

3. **REPORT OF THE PRESIDENT**

The President presented his report concerning University activities and individuals. Regent Ruiz and his wife Mitzie have made a gift to the Merced campus, the Rose R. Ruiz Endowed Scholarship and Fellowship Fund, which will support highly motivated undergraduate and graduate students who face financial difficulties, are first-generation college students, or are working to meet California Development, Relief, and Education for Alien Minors (DREAM) Act standards.

Eleven UC scientists were elected to the National Academy of Sciences. Twenty-six UC-affiliated scholars have been elected to the American Academy of Arts and Sciences, a 233-year-old national honor society. The University now has 463 members in the American Academy of Arts and Sciences. Nine UC faculty members have been awarded Guggenheim Fellowships, which recognize distinguished achievement and exceptional promise. Over the years, UC faculty have received almost 1,500 Guggenheim Fellowships.

On a sad note, President Yudof noted the passing of former alumni Regent David Shewmake, a passionate advocate for higher education and supporter of UCSF. He served on the Board from July 2007 to June 2009.

Finally, President Yudof recognized Staff Advisor Kevin Smith, whose term would end June 30.

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

The Committee presented the following from its meeting of May 15, 2013:

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

The Committee recommended that the expenditure rate per unit of the General Endowment Pool (GEP) for expenditure in the 2013-14 fiscal year shall remain at a rate of 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.

B. *Adoption of Endowment Administration Cost Recovery Rate*

The Committee recommended that the endowment administration cost recovery rate remain at 55 basis points (0.55 percent)¹ and apply to the distributions from the General Endowment Pool (GEP) to be made after July 1, 2013, from the eligible assets invested in the GEP. The funds recovered shall be used to defray, in part, the cost of administering and carrying out the terms of endowments on the campuses and at the Office of the President.

C. *Approval of Fiscal Year 2013-14 CapEquip Financing Authorizations*

The Committee recommended that:

- (1) The fiscal year 2013-14 CapEquip authorizations delineated in Attachment 1 be approved as one-year authorizations expiring June 30, 2014.
- (2) The President be authorized to approve and obtain external financing for the CapEquip program in an amount not to exceed \$151,025,000.
- (3) The general credit of the Regents shall not be pledged.
- (4) The President be authorized to execute all documents necessary in connection with the above.

D. *Authorization to Create a Separate 501(c)(3) Nonprofit Corporation to Oversee the Management of Intellectual Property and Industry-Sponsored Research Contracting, Los Angeles Campus*

The Committee recommended that the Regents:

- (1) Authorize the President to approve formation of and participation in a separate nonprofit corporation (“Newco”) to manage the types of intellectual property and industry-sponsored research contracting activities of University of California, Los Angeles (UCLA) currently managed by UCLA’s Office of Intellectual Property and Industry Sponsored Research, subject to the following conditions:
 - a. Entity Type: Newco shall be organized exclusively for charitable, scientific and/or educational purposes, within the meaning of § 501(c)(3) of the Internal Revenue Code of 1986, as amended. Newco shall be organized pursuant to and remain in compliance with any and all applicable State and federal regulations, including those relating to the management of employees and the

¹ One basis point is 0.01 percent of yield (i.e., one hundred basis points equals one percent); 55 basis points are the equivalent of \$55 on endowment assets with a 60-month average market value of \$10,000.

appointment of directors and officers. Newco shall apply for and maintain its tax-exempt status for the duration of its existence. Should Newco ever be dissolved, any assets of Newco shall be distributed to the Regents, for the benefit of UCLA.

- b. Governance: Newco shall be governed by a Board of Directors (the Board) comprised primarily of individuals possessing extensive experience in the business of commercializing research. The Board shall include at least one (1) person who is a UCLA Academic Senate member, and such officers as required by State and/or federal law, as applicable. The President shall have the authority to appoint initial members of the Board. Thereafter, any new members of the Board and replacement members of the Board shall be nominated by the Board, subject to the approval of the President. The Regents and the President shall hold the absolute right to dissolve Newco and/or dismiss its Board at any time with or without cause.

Directors shall not receive compensation for their services to Newco; however, they may receive reimbursements or advancements of expenses related to their service as Board members.

Newco and its Board, including its prospective and incumbent Directors, shall abide by all applicable conflict of interest and ethics laws, policies of the University, and policies of UCLA. Newco shall comply with all laws applicable to the University and (unless otherwise authorized by the President following consultation with the General Counsel), Newco shall comply with all University policies, and any policies adopted by Newco shall be consistent with applicable University policies and published University practices. Applicable laws and University policies shall include, without limitation, those relating to intellectual property (IP) and industry-sponsored research contracting (ISR), including, without limitation, policies relating to restrictions on publication and laws relating to procurement and public records. Any exceptions to such policies must be approved according to the relevant delegated authority.

- c. Corporate Documents: Prior to adoption by Newco, the initial Bylaws and Articles of Incorporation of Newco, and any amendments thereto, shall be subject to the approval of the President following consultation with the General Counsel.

- (2) Authorize the President to negotiate and enter into a Technology Management Agreement with Newco, pursuant to which Newco shall

manage the IP and ISR of UCLA, under the following terms and conditions:

- a. Ownership of IP/ISR: All IP and ISR contracts of the University shall remain the property of the Regents and shall be managed by Newco for the benefit of the Regents.
- b. IP/ISR Management: Newco shall be authorized to direct the activities of UCLA Office of Intellectual Property and Industry Sponsored Research (OIP-ISR) staff, including with respect to: (i) serving as the sole recipient of invention disclosures from UCLA inventors; (ii) prosecution and defense of UCLA patents; (iii) negotiation of licensing agreements for UCLA IP; (iv) negotiation of UCLA's ISR contracts (excluding the kinds of contracts that are currently handled by other UCLA offices); (v) negotiation of material transfer agreements, non-disclosure agreements and certain other contractual agreements relating to ISR; (vi) assessment of candidates for proof-of-concept grants; (vii) coordination of technology transfer activities with UCLA technology incubators and accelerators, such as the Institute for Technology Advancement at the Henry Samueli School of Engineering and Applied Science, the Business of Science Center, and other incubators and accelerators that may be created at UCLA; and (viii) any other activities currently under the purview of UCLA OIP-ISR (collectively, "IP/ISR Management"). The Newco Board shall make risk-based business decisions on ISR contracts, especially on large ISR contracts that typically include patent and licensing agreements and inherently require risk-based decisions. With respect to ISR and agreements relating to ISR, Newco will, consistent with current practice, negotiate and approve agreements that are consistent with University policy and published University practices, and are consistent with the academic interests of the involved UCLA researchers. The Executive Director of UCLA OIP-ISR shall report to Newco and shall be responsible for regularly informing the University of any and all of Newco's activities.
- c. Flow of Funds: Royalty income, licensing income, licensing equity and ISR funds (collectively, the "IP/ISR Proceeds") shall continue to flow to UCLA through the Regents. The University shall continue to make any mandatory distributions, as required under University policy, and other discretionary distributions. The UCLA Chancellor, through existing delegated authority from the President, shall continue to have the authority to allocate a portion of IP/ISR Proceeds that are within his or her spending discretion to fund the activities of Newco, in consultation with Newco's Board

and UCLA leadership. No funds shall flow to separate Newco accounts; all funds allocated to Newco by the UCLA Chancellor shall be held in University accounts. Newco shall obtain the President's prior approval before engaging in any fundraising activities. To ensure financial transparency, all funds that are managed by Newco, regardless of source, shall remain in UCLA's accounts.

- d. **Outside Contractors:** Newco shall be authorized to instruct the Executive Director of UCLA OIP-ISR to retain outside contractors, as needed, to assist with certain aspects of IP/ISR Management, such as: (i) patent prosecution, (ii) pre-patent application research, (iii) market studies and (iv) the development of database management software; subject to the University's authority over the budgets and operational plans of Newco and UCLA OIP-ISR and University Oversight set forth in Section (2)e below.
- e. **University Oversight:** The President shall have the right to conduct periodic reviews of Newco's programs and operations, and to require Newco to submit reports to the President, to ensure that Newco is operating at a level consistent with the University's standards of excellence. In addition, Newco shall continue to report UCLA invention and licensing data and ISR data into the relevant systemwide databases. The Regents and the President shall retain the right and the authority to inspect the records of Newco at any time. Notwithstanding Newco's status as an independent entity, Newco's authority shall be subject to the existing authority of the General Counsel under University policy, which shall include the authority to: (i) initiate, direct and resolve any proceedings involving the Regents as a party (including any proceeding involving prosecution or defense of University patents); (ii) approve any use of retained counsel; (iii) approve the legal form and substance of all contracts proposed by Newco with respect to UCLA IP and ISR, to the extent necessary to guard against legal liability and/or reputational risk; (iv) provide legal advice concerning any claims or disputes arising out of contracts managed by Newco; and (v) approve the legal form and substance of all agreements and amendments thereto proposed by Newco to which the Regents are to be a party, to the extent necessary to guard against legal liability and/or reputational risk and to ensure compliance with University policies.
- f. **Term:** The initial term of the Technology Management Agreement shall be not less than five (5) years and a formal review of the Board performance shall be conducted within two (2) years from

the start of the initial term and no longer than at five (5) year intervals thereafter; provided, however, the Regents and the President each shall have the absolute right to terminate the Technology Management Agreement at any time with or without cause. The termination of the Technology Management Agreement shall result in the automatic dissolution of Newco's Board.

- g. Indemnification: The President shall be authorized to agree to terms in the Technology Management Agreement by which the Regents agree to indemnify, defend and hold harmless Newco's officers and directors against third-party claims made against them arising in connection with their activities under the Technology Management Agreement, except to the extent any such claims arise out of the alleged fraudulent or other intentionally wrongful acts or omissions of said officers and directors.

- (3) Authorize the President, following consultation with the General Counsel, to approve and execute: (i) any documents reasonably required to accomplish the above; and (ii) any modifications, addenda or amendments (collectively, "amendments") thereto; provided, however, that the authority to approve and to execute the Articles of Incorporation, Bylaws, and Technology Management Agreement and any amendments thereto may not be delegated by the President.

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

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

The Committee presented the following from its meetings of April 15 and May 7, 2013:

A. *Chairman of the Board*

Regent Bruce Varner be elected Chairman of the Board for the year commencing July 1, 2013.

B. *Vice Chair of the Board*

Regent Fred Ruiz be elected Vice Chair of the Board for the year commencing July 1, 2013.

C. *Standing Committee Assignments*

The following Standing Committee assignments for the year commencing July 1, 2013 (members listed in seniority order except for the Chair and Vice Chair):

Committee on Compensation

Regent Kieffer, Chair
Regent De La Peña, Vice Chair
Regent Blum
Regent Ruiz
Regent Wachter
Regent Reiss
Regent Feingold

Committee on Educational Policy

Regent Reiss, Chair
Regent Island, Vice Chair
Regent Ruiz
Regent Gould
Regent Kieffer
Regent Pérez
Regent Newsom
Regent Feingold
Regent Flores
Regent Torlakson, ex-officio

Committee on Finance

Regent Ruiz, Chair
Regent Kieffer, Vice Chair
Regent Blum
Regent Wachter
Regent Gould
Regent Island
Regent Reiss
Regent Pérez
Regent Newsom
Regent Flores

Committee on Grounds and Buildings

Regent Makarechian, Chair
Regent Zettel, Vice Chair
Regent Ruiz
Regent De La Peña
Regent Feingold
Regent Flores
Regent Schultz

Committee on Compliance and Audit

Regent Zettel, Chair
Regent Makarechian, Vice Chair
Regent Ruiz
Regent De La Peña
Regent Feingold
Regent Flores
Regent Schultz

Committee on Investments

Regent Wachter, Chair
Regent Gould, Vice Chair
Regent Pattiz
Regent Makarechian
Regent Kieffer
Regent Zettel
Regent Feingold
Regent Schultz

Committee on Long Range Planning

Regent Gould, Chair
Regent Reiss, Vice Chair
Regent Blum
Regent Kieffer
Regent Flores
Regent Schultz

Committee on Oversight of the Department of Energy Laboratories

Regent Pattiz, Chair
Regent Island, Vice Chair
Regent Blum
Regent Gould
Regent De La Peña
Regent Reiss
Regent Zettel
Regent Newsom
Regent Schultz

Committee on Health Services

Regent De La Peña, Chair

Regent Pattiz, Vice Chair

Regent Blum

Regent Island

Regent Reiss

Regent Makarechian

Regent Zettel

Regent Feingold

The President of the Corporation, the Chairman of the Board or in the Chairman's absence the Vice Chairman of the Board, the former Chairman of the Board for the year immediately following a term of office as Chairman provided that the former Chairman is still a Regent, and the President of the University are ex officio members of the Standing Committees listed above, except that the President of the University is not a member of the Committee on Compliance and Audit. The Superintendent of Public Instruction is an ex officio member of the Committee on Educational Policy.

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

6. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS

The Committee presented the following from its meeting of May 15, 2013:

A. *Approval of the Budget and Approval of Design following Action Pursuant to California Environmental Quality Act, Mission Bay Rock Hall Emergency Drain Remediation, San Francisco Campus*

(1) The Committee recommended that:

- a. The 2012-13 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Mission Bay Rock Hall Emergency Drain Remediation – preliminary plans, working drawings, and construction – \$21.4 million to be funded from campus funds.

- b. The scope of the Rock Hall Emergency Drain Remediation project will encompass replacing the under-slab electrical and plumbing systems, including both excavation under Rock Hall as well as interior renovation work to support alternate utility re-routing.

- (2) Upon review and consideration of the environmental consequences of the proposed Rock Hall Emergency Drain Remediation project, the Committee recommended that the Regents:
 - a. Find that the project is categorically exempt from environmental review under California Environmental Quality Act Guidelines Section 15301, Class 1 Existing Facilities.
 - b. Approve the design of the Rock Hall Emergency Drain Remediation Project, San Francisco Campus.

B. *Approval of Preliminary Plans Funding, Clinical Sciences Building Seismic Retrofit and Renovation, San Francisco Campus*

The Committee recommended that the 2012-13 Budget for Capital Improvements be amended to include the following project:

San Francisco: Clinical Sciences Building Seismic Retrofit and Renovation
– preliminary plans – \$2.4 million to be funded from campus funds.

C. *Amendment of the Long Range Development Plan, Merced Campus*

Upon review and consideration of the environmental consequences of the proposed amendment to the 2009 Long Range Development Plan (LRDP), the Committee reported its:

- (1) Adoption of the California Environmental Quality Act Findings for the LRDP amendment.
- (2) Amendment of the 2009 LRDP to create the *Campus Mixed Use* designation, re-designate 182 acres as *Campus Mixed Use*, and make conforming changes to the 2009 LRDP.

[California Environmental Quality Act Documentation and Findings, and the Long Range Development Plan Amendment were provided to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

D. *Amendment of Long Range Development Plan and Approval of Design following Action Pursuant to California Environmental Quality Act, California Aquatics Center, Berkeley Campus*

Upon review and consideration of the environmental consequences of the proposed California Aquatics Center, the Committee reported its:

- (1) Certification of the Subsequent Environmental Impact Report as augmented and updated by the Supplemental Information Memorandum to the UC Berkeley 2020 Long Range Development Plan (LRDP) Environmental Impact Report.
- (2) Approval of the Mitigation Monitoring and Reporting Program.
- (3) Approval of the California Environmental Quality Act Findings.
- (4) Adoption of the amendment to the UC Berkeley 2020 LRDP.
- (5) Approval of the design of the California Aquatics Center, Berkeley campus.

[California Environmental Quality Act Documentation and Findings, including the Supplemental Information Memorandum, were provided to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

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

7. **RESOLUTION IN APPRECIATION – ROBERT J. BIRGENEAU**

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

WHEREAS, Robert J. Birgeneau, an eminent physicist and respected academic administrator, having devoted his outstanding skills, rich talents, and strong leadership to the Berkeley campus for the past eight years as its ninth Chancellor, will step down on May 31, 2013; and

WHEREAS, throughout his chancellorship he has provided academic and administrative leadership rooted in high moral principles, focusing his devoted efforts on expanding UC Berkeley's reputation for academic excellence, public service, and world-changing discoveries, as well as on creating opportunities for all qualified students, no matter their background or income; and

WHEREAS, under his careful stewardship, and despite rapidly shrinking State support, he has steadfastly steered the Berkeley campus on an even course, thus ensuring that the campus has remained one of the finest first-tier research and teaching universities in the world, attracting the most qualified students and award-winning faculty and also ensuring the expansion of multidisciplinary research dedicated to solving the world's most pressing scientific and societal challenges, including global poverty, climate change and sustainable energy; and

WHEREAS, he has been an ardent and devoted champion of diversity, inclusion, and access, overseeing the enrollment of more Pell Grant recipients than all Ivy League schools combined, fashioning the innovative Middle Class Access Plan to provide much-needed financial assistance to middle-income families, and resolutely and compassionately advocating for higher education access for undocumented students and foster children; and

WHEREAS, with a clear vision for the Berkeley campus in this era of disinvestment and severe budgetary challenges, through an innovative and successful fundraising Campaign he inaugurated and through visionary building projects that have changed the physical face of the campus, supported the University's historic mission of teaching, research and public service, and brought a renewed sense of energy and purpose to this venerable campus, he has been meticulous in keeping the University functioning at the highest levels and in building upon the storied and strong foundation laid down by the Presidents and Chancellors that preceded him; and

WHEREAS, no mention of Robert Birgeneau's chancellorship would be complete without paying tribute to his beloved wife, Mary Catherine, who as Associate of the Chancellor and goodwill ambassador for the University, has served with remarkable commitment, warmth, and charm, opening her home and heart to students, alumni, faculty, staff, and the community, and always giving unselfishly and graciously of her time and energy to the University's lasting benefit;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their profound admiration and warmest appreciation to Bob Birgeneau for his perceptive leadership of the Berkeley campus, his steadfast adherence to excellence, his compassion, and his vision;

AND BE IT FURTHER RESOLVED that the Regents extend to Bob and Mary Catherine their warmest good wishes, knowing that in the years ahead they will continue to contribute to the life of the Berkeley campus and to the University of California as a whole, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board's enduring regard, respect, and esteem.

Regent Blum praised Chancellor Birgeneau for his accomplishments in promoting the excellence of the Berkeley campus during a very difficult time.

8. RESOLUTION IN APPRECIATION – ALAN MENDELSON

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

WHEREAS, on June 30, 2013, Alan Mendelson will complete his duties as a member of the Board of Regents of the University of California, having served these past two years with a remarkable commitment and dedication, both as a Regent-designate and as an Alumni Regent; and

WHEREAS, after earning a bachelor of arts degree with *great distinction* in political science from the Berkeley campus in 1969 and a J.D. *cum laude* in 1973 from Harvard University, he began a highly successful career as an attorney advising emerging companies, at all times upholding the highest standards of the legal profession and distinguishing himself among his peers as a “gentleman lawyer” and as one of the profession’s “brightest and most innovative legal advisors”; and

WHEREAS, he employed his considerable Silicon Valley emerging business experience in service on the Regents’ Working Group on Technology Transfer, which was created with the intention of enhancing University technology commercialization, and he has given generously of his knowledge, experience, and legal expertise as a member of the Committees on Compensation, Compliance and Audit, Finance, Investments, and Long Range Planning; and

WHEREAS, he has been a model alumnus, serving as President of the California Alumni Association, Vice President of the Alumni Associations of the University of California, and as a member of the Board of Trustees of the UC Berkeley Foundation, always taking a lively interest in UC’s well-being, contributing generously to support undergraduate scholarships and campus projects, enthusiastically supporting the Regents’ advocacy efforts, and ever firm in his resolve to help the University he loves so well to maintain the excellence of its endeavors and its stature as a world-class institution of learning;

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 Alan C. Mendelson the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Alan Mendelson their profound thanks and deep appreciation for his service as a member of this Board, his commitment to UC’s students and for his unflagging loyalty to his alma mater;

AND BE IT FURTHER RESOLVED that the Regents extend to Alan and Agnes Mendelson their warmest wishes along with the hope that they will continue their close association with the University in the years ahead, and direct that a suitably inscribed copy of this resolution be presented to them as an expression of the Board’s heartfelt regard and lasting friendship.

Regent Varner recognized the valuable contributions made by Regent Mendelson, especially in the area of UC technology transfer. His advice would bring much benefit to the University.

9. RESOLUTION IN APPRECIATION – RONALD RUBENSTEIN

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

WHEREAS, Ronald Rubenstein will complete his term as an Alumni Regent of the University of California on June 30, 2013, having carried out his duties as a Regent-designate and as a Regent with unwavering enthusiasm, loyalty, and dedication to his alma mater; and

WHEREAS, since his graduation in 1966 from UC Santa Barbara, where he earned a bachelor of arts in economics, and in 1969 from UC Berkeley's Boalt Hall with a juris doctor degree, he has remained a close and active member of the University family, dedicating himself to the work of the UC Santa Barbara Alumni Association as its President; as a Trustee of the UC Santa Barbara Foundation; and through his exemplary stewardship as President of the Alumni Associations of the University of California; and

WHEREAS, he has fulfilled the highest standards of public trust in his service to the Board and its Standing Committees – Educational Policy, Grounds and Buildings, Long Range Planning, and Oversight of the Department of Energy Laboratories – and as a committed member of the 2013 Presidential Search Committee and the Committee's Alumni Advisory Committee, thoughtfully sharing his business acumen and legal skills in the governance of the University and supporting wholeheartedly the Regents' advocacy efforts; and

WHEREAS, his participation as a member of the Board of Regents, his continuing efforts to advance UC's advocacy efforts in Sacramento, his participation in countless UC Days in the Capitol, and his efforts to garner alumni support for statewide efforts that have and will have a lasting impact on the future of this grand institution of higher learning are eloquent testimony to his continuing loyalty to the University and to his abiding interest in the critical issues facing the University and all of higher education; 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 Ronald Rubenstein the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California wish to convey to Ronald Rubenstein their deep gratitude for his unswerving devotion to the University of California and those it serves, as well as for his exemplary service as a Regent;

AND BE IT FURTHER RESOLVED that the Regents direct that a suitably inscribed copy of this resolution be given to Ron and Erica Rubenstein as an expression of the Board's esteem, lasting friendship, and warm good wishes for the future.

Regent Varner commended Regent Rubenstein for his work on behalf of the University, in particular his advocacy among alumni and in Sacramento.

10. **RESOLUTION IN APPRECIATION – JONATHAN STEIN**

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

WHEREAS, Jonathan Stein will complete his term as the 38th Student Regent on June 30, 2013, having ably and diligently fulfilled his responsibility, serving as an eloquent and thoughtful member of the Board; and

WHEREAS, he has proven himself a conscientious and intelligent member of the Board, one who has traveled the length and breadth of this state, listening carefully to UC student concerns and working assiduously on their behalf to promote affordable tuition, ensure access for underrepresented communities, and advocate for State support of higher education; and

WHEREAS, he assumed the responsibilities of his Regental position with utmost care and thoughtfulness, enthusiastically participating in the deliberations of the Board and contributing an articulate and considered viewpoint to the Committees on Compensation, Compliance and Audit, Finance, Grounds and Buildings, and Investments and to the 2013 Presidential Search Committee; and

WHEREAS, he discharged his Regental duties with fervent passion combined with professionalism, addressing the concerns of not just the student population, but of all segments of the University, thus earning the Board's respect for his balanced judgments, perceptive insights, and constructive contributions to the governance of 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 Jonathan Stein the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California commend Jonathan Stein for his outstanding service to the Board, his warm wit, and for the effort he always made to hear all sides of an issue before coming to a decision and wish him well as he prepares to graduate from the Berkeley campus with a master's degree in public policy from the Goldman School of Public Policy and a juris doctor from the School of Law;

AND BE IT FURTHER RESOLVED that the Regents convey their hope that Jonathan will enjoy even more success in his professional life than his beloved Golden State Warriors have thus achieved this season and direct that a suitably inscribed copy of this resolution be presented to him as a symbol of the Board's gratitude and esteem.

Regent Reiss thanked Regent Stein for his contributions to the Board and expressed the Regents' wishes for his success in the future.

11. REPORT OF INTERIM AND CONCURRENCE ACTIONS

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

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

Approval for Participation in the Mortgage Origination Program with a Proposed Loan Amount in Excess of the Indexed Program Loan for Meredith Cohen, Assistant Professor, Los Angeles Campus

That a Mortgage Origination Program loan in the amount of up to \$1.5 million to Meredith Cohen as Assistant Professor, Los Angeles campus, be authorized.

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

Authorization to Submit Application for Construction Grant Funding under California Department of Boating and Waterways Grant Program for the Proposed Nimitz Marine Facility Berthing Wharf and Pier Replacement Project, San Diego Campus

That the President be authorized to submit a proposal for Construction Grant Funding under the California Department of Boating and Waterways *Boat Launching Facilities Grant Program* for the proposed Nimitz Marine Facility Berthing Wharf and Pier Replacement project (Project), provided, however, that approval of the budget including financial feasibility for the Project that is the subject of the grant application and for which the grant funding would be applied shall follow the standard University approval practices.

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

Retroactive Approval of the Current Contract Term for Daniel G. Guerrero as Director – Intercollegiate Athletics, Los Angeles Campus

Background to Recommendation

In May 2008, the Regents approved the specific contract compensation terms for Daniel Guerrero, Director of Intercollegiate Athletics at UCLA. Director

Guerrero's contract had an initial term of April 1, 2008 through March 31, 2013. Action under interim authority was requested to retroactively approve the evergreen provision clause that allows the campus to automatically extend the contract term by one year on each July 1, commencing July 1, 2009, unless the Chancellor provides Director Guerrero written notification on or before June 15 of the year that the contract will not be extended. This request was effective upon approval.

The recommendation was to retroactively approve the evergreen provision because it was inadvertently omitted from the May 2008 item. Because this action applies only to the current contract, it needed to be signed before March 31 to be effective.

Because an evergreen clause extends a contract's term, it affects the compensation commitment being made by the University. Therefore, the inclusion of an evergreen clause should have been expressly requested in the recommendation section of the 2008 Regents item. The current action was proposed to correct that inadvertent omission, which the campus only recently identified.

Action under interim authority was requested now because the campus was renegotiating the contract, and clarity was needed with respect to the duration of the contract and the compensation commitment made under it.

This request was urgent because Director Guerrero's contract ended on March 31, 2013 but for the operation of the evergreen provision, and it was extremely critical that the campus retain his services without a break in his contract.

Director Guerrero's contract will be funded exclusively through athletic department revenues and private fundraising. No State or UC general funds will be used.

Recommendation

The following item was approved in connection with the retroactive approval of the current contract term for Daniel G. Guerrero as Director – Intercollegiate Athletics, Los Angeles campus:

Approval of the inclusion of an evergreen provision in the current contract between the University and Director Guerrero. Inclusion of the evergreen provision means that the term of the current contract (April 1, 2008 through March 31, 2013) will automatically extend by one year on each July 1 unless the Chancellor notifies Director Guerrero otherwise by June 15 of that year.

The compensation described above shall constitute the University's total commitment until modified by the Regents, President, or Chancellor, as applicable under Regents policy and shall supersede all other 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.

Submitted by: UCLA Chancellor Block
Reviewed by: President Yudof
Committee on Compensation Chair Ruiz
Office of the President, Human Resources

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

Extension of Lease Terms for President’s Residence, Office of the President

That the Secretary and Chief of Staff to The Regents, after consultation with the General Counsel, be authorized to execute an amendment to the lease agreement for the President’s residence (“Lease”), which provides as follows:

- (1) Extend the Lease for one month through August 31, 2013.
- (2) Rent at current rate of \$12,500 per month for the extended term of the Lease.
- (3) Landlord shall be responsible for all repairs to the premises.
- (4) Except as amended hereby, the Lease shall continue unmodified and in full force and in effect.

12. REPORT OF COMMUNICATIONS RECEIVED

Secretary and Chief of Staff Kelman reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in reports dated April 2 and May 1, 2013.

13. REPORT OF MATERIALS MAILED BETWEEN MEETINGS

Secretary and Chief of Staff Kelman 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, November 2012 Biannual Compensation Monitoring Reports: Deans and Full-Time Faculty Administrators who have transferred from the Senior Management Program to Academic Titles. (April 19, 2013)

To Members of the Committee on Compliance and Audit

- B. From the President, annual audit of Hastings College of the Law for the year ended June 30, 2012. (April 12, 2013)

To Members of the Committee on Educational Policy

- C. From the President, Annual Report on Student Financial Support for 2011-12. (March 20, 2013)
- D. From the President, Statistical Summary of Students and Staff for Fall 2012. (March 25, 2013)

To Members of the Committee on Finance

- E. From the General Counsel and Vice President, Bi-Monthly Reports of New Litigation for reporting periods 10/1/12 – 11/13/12 and 11/13/12 – 1/31/13. (February 28, 2013)
- F. From the General Counsel and Vice President, Bi-Monthly Report of New Litigation for reporting period 1/31/13 – 3/28/13. (April 10, 2013)
- G. From the President, University of California Technology Transfer Annual Report for 2012. (April 17, 2013)

To Members of the Committee on Health Services

- H. From the President, Medical Center Activity and Financial Status Report for the Twelve Months ended June 30, 2012 and the Medical Center Activity and Financial Status Report for the Six Months ended December 31, 2012. (March 14, 2013)

To the Regents of the University of California

- I. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of February. (March 1, 2013)
- J. From the Secretary and Chief of Staff, appointments to the 2012-13 Committee on Governance. (March 6, 2013)
- K. From the Secretary and Chief of Staff, appointments to the 2013-14 Committee on Governance. (March 25, 2013)
- L. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of March. (April 2, 2013)

- M. From the President, annual incentive award reports for fiscal year 2011-12. (April 4, 2013)
- N. From the Secretary and Chief of Staff, appointments to the Special Committee on the Selection of a Student Regent for 2014-15. (April 8, 2013)

The meeting adjourned in memory of former alumni Regent David Shewmake at 11:35 a.m.

Attest:

Secretary and Chief of Staff

Table A: Approval of FY2013-14 CapEquip Authorization

UC Location	FY 2012-13	Description of Expected Equipment Purchases
Berkeley	\$ 5,000,000	Research equipment, telecommunications equipment, other equipment, software, and refinancing of certain existing capital equipment leases
Davis	10,000,000	Science and laboratory equipment, animal caging, facilities maintenance equipment, computer software, UC Path
Irvine	4,000,000	Research equipment, medical equipment, IT equipment
UCLA	5,000,000	Computer hardware, copying equipment, office equipment, furniture & fixtures, musical instruments, medical equipment, diagnostic equipment, research equipment, laboratory instrumentation and equipment, theatrical equipment, shop equipment, communications and networking equipment, vehicles, computer software, fabricated items, and refinancing of existing capital equipment leases.
Merced	1,845,000	Student Housing, Phase 4 (The Summits), Project 906270 equipment; vehicles for fleet services
San Diego	5,000,000	Research, medical and diagnostic equipment; budget software and refiancing of certain existing capital equipment leases.
San Francisco	15,000,000	Scientific equipment, information technology/network and office equipment
San Francisco - Medical Center	25,000,000	Medical/diagnostic/scientific equipment, information technology/network, and office equipment
Santa Cruz	180,000	Vehicles
Office of the President	80,000,000	PPS replacement system (i.e., a single payroll system and a single human resources system that will be deployed across all ten campuses and five medical centers)
Total Authorization:	\$ 151,025,000	