

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

May 15, 2014

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

Members present: Regents Blum, De La Peña, Flores, Island, Kieffer, Lansing, Lozano, Napolitano, Pattiz, Reiss, Schultz, Sherman, Varner, and Zettel

In attendance: Regents-designate Engelhorn and Leong Clancy, Faculty Representatives Gilly and Jacob, Interim Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President and Interim Chief Financial Officer Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Andriola, Budil, Duckett, Lenz, and Sakaki, Chancellors Blumenthal, Drake, Katehi, Leland, and Yang, Interim Chancellor Hawgood, and Recording Secretary Johns

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

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

Upon motion duly made and seconded, the minutes of the meeting of March 20 and the meetings of the Committee of the Whole of March 19 and 20, 2014 were approved.

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

The Committee presented the following from its meeting of May 15, 2014:

A. ***Fiscal Year 2014-15 Budget for the Office of the President***

The Committee recommended that the University of California Office of the President fiscal year 2014-15 budget, as shown in the table below, be approved.

FY 2014-15 BUDGET SUMMARY							
OFFICE OF THE PRESIDENT							
TOTAL BUDGET				UNRESTRICTED BUDGET			
	TOTAL	CHANGE	TOTAL	TOTAL	CHANGE	%	TOTAL
	FY 2013-14		FY 2014-15	FY 2013-14	CHANGE	CHANGE	FY 2014-15
GENERAL ADMINISTRATION AND CENTRAL SERVICES							
Provost Office	163,530,719	36,794,849 *	200,325,568	90,553,401	(893,906)	-1%	89,659,495
Finance	68,623,749	(729,002)	67,894,747	32,720,609	601,921	2%	33,322,530
Business Operations	91,149,449	(2,281,461)	88,867,988	43,778,721	562,181	1%	44,340,902
President's Executive Office	2,592,048	417,798	3,009,846	2,297,204	480,053	21%	2,777,257
Health Sciences	9,079,898	(3,694,074)	5,385,824	3,258,102	127,722	4%	3,385,824
External Relations	16,257,057	206,967	16,464,024	11,087,126	219,252	2%	11,306,378
Lab Management	4,040,647	-	4,040,647	-	-	-	-
Academic Senate	1,873,696	(6,259)	1,867,437	1,843,794	48,113	3%	1,891,907
Regents Officers	-	-	-	-	-	-	-
General Counsel	12,802,504	64,562	12,867,066	10,998,303	(43,064)	0%	10,955,239
Secretary/COS	3,393,068	(199,286)	3,193,782	3,388,068	(199,286)	-6%	3,188,782
Ethics and Compliance	5,634,522	(53,136)	5,581,386	5,625,287	(48,944)	-1%	5,576,343
Centrally Funded	16,660,751	(2,456,315)	14,204,436	13,690,223	(363,045)	-3%	13,327,178
SYSTEMWIDE PROGRAMS AND INITIATIVES							
Agriculture and Natural Resources	90,111,199	518,053	90,629,252	66,083,120	-	0%	66,083,120
President's Initiative	10,000,000	(153,000)	9,847,000	10,000,000	(153,000)	-2%	9,847,000
Public Service, Research & Other	91,515,270	2,916,714	94,431,984	32,202,261	(337,997)	-1%	31,864,264
TOTALS	\$ 587,264,577	\$ 31,346,410	\$ 618,610,987	\$ 327,526,219	-	0%	\$ 327,526,219

* This increase is attributable to the inclusion of the Education Abroad Program budget, which was inadvertently omitted from the 2013-14 submission.

B. *Allocation of Los Alamos National Security LLC and Lawrence Livermore National Security LLC Fee Income to be Expended in Fiscal Year 2014-15*

The Committee recommended that the President be authorized to expend, for the following purposes and in the following amounts, from the University's net share of Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS) income earned between January 1, 2014 and December 31, 2014, the following amounts:

- (1) Unreimbursable compensation for UC-designated key staff at LANS and LLNS (formerly referred to as "Supplemental Compensation") from July 1, 2014 through June 30, 2015 in the amount of \$2.2 million (\$1.2 million in 2013-14). The increase is primarily due to a new requirement by the Department of Energy (DOE) to apply full overhead burdens on all compensation, including the unreimbursable amount, consistent with Cost Accounting Standards under the prime contracts for the management and operations of Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL).
- (2) An appropriation to the Office of the President budget for federally unreimbursed costs of University oversight of its interest in LANS and LLNS, paid or accrued July 1, 2014 through June 30, 2015, including but not limited to an allocable share of the costs of the President's Executive Office, the Provost, the Academic Senate, Human Resources, Financial Management, Compliance and Audit, Laboratory Management Office, Research Security Office, Federal Government Relations, Office of Research, Office of the General Counsel, Office of the Secretary and Chief of Staff to The Regents, and the University-appointed Governors on

the Boards of the LLCs in the amount of \$5.05 million (\$4.9 million in 2013-14). The increase in costs from fiscal year 2013-14 is due primarily to increasing labor and benefits costs as well as changes to the University-appointed Governors.

- (3) An appropriation in 2014-15 to a post-contract contingency fund in the amount of \$1.3 million (no change from 2013-14).
- (4) An appropriation for contingency for factors affecting the final fee in the amount of \$1.65 million (\$1.39 million in 2013-14).
- (5) An appropriation in 2014-15 for the Laboratory-Campus Student Fellowship Pilot Program in the amount of \$400,000. This is a new appropriation.
- (6) An appropriation in 2014-15 for research projects, to include National Laboratory research projects as well as other research projects in the amount of \$13.5 million. (\$15.28 million in 2013-14).

C. ***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 2014-15 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.

D. ***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, 2014, 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.

E. ***Approval of Fiscal Year 2014-15 CapEquip Financing Authorizations***

The Committee recommended that:

- (1) The fiscal year 2014-15 CapEquip authorizations delineated in Attachment 1 be approved as one-year authorizations expiring June 30, 2015.
- (2) The President be authorized to approve and obtain external financing for

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.

the CapEquip program in an amount not to exceed \$71 million.

- (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.

F. ***Approval to Join the Fort Ord Regional Habitat Cooperative and to Participate in a Landscaping and Lighting District, UC Monterey Bay Education, Science and Technology Center, Santa Cruz Campus***

The Committee recommended that:

- (1) The University's participation in the Joint Exercise of Powers Agreement (JEP Agreement) establishing the Fort Ord Regional Habitat Cooperative Membership (Cooperative), for purposes of holding and managing base-wide endangered species incidental take permits on the former Fort Ord lands, which include land owned by the University, be approved.
- (2) The President, after consultation with the Office of the General Counsel, be authorized to execute all documents necessary for the University to become a member of the Cooperative, without limitation, via a JEP Agreement, to include the following provisions:
 - a. The Santa Cruz campus shall manage and administer the Fort Ord Natural Reserve (FONR) lands consistent with an Installation-Wide Multispecies Habitat Conservation Plan (HCP) and its related oversight documents. All monitoring and reporting responsibilities will be performed by the Cooperative.
 - b. The Fort Ord Reuse Authority (FORA) will have the following financial obligations until it sunsets (anticipated in 2020), after which the Cooperative will have the same obligations for the remainder of the 50-year life of the endangered species incidental take permit, with those financial obligations to be met by development fees charged and collected by the FORA:
 - i. Provide approximately \$84,000 annually, indexed to inflation, to the campus for management and operational costs at FONR. After the FORA terminates, the Cooperative will take on this responsibility until such time as the habitat endowments, including the FONR endowment, are fully funded.

- ii. Contribute 25 percent of all development fees collected to fund habitat endowments, including the FONR Endowment, until all endowments are fully funded.
- c. Any party may withdraw from the Cooperative upon 90 days' written notice to the other parties. The withdrawing party shall remain obligated to the same extent, if any, as the remaining parties, including but not limited to debt, liabilities, and obligations arising from or related to any Cooperative actions taken during the period that the withdrawing party was a member of the Cooperative.
- d. The President be authorized to approve and execute a HCP Implementation Agreement with the California Department of Fish and Wildlife, and sign an endangered species incidental take permit issued by the U.S. Fish and Wildlife Service in conjunction with the other members of the Cooperative, and jointly hold a State endangered species incidental take permit applicable to the former Fort Ord land, such agreement to include the following provisions:
 - i. The University will be solely responsible for managing the University's lands at FONR.
 - ii. The University will establish and manage an endowment to provide and receive funding in perpetuity for HCP-required management activities on FONR.
 - iii. The President of the University will adopt a policy to collect funds associated with development of UC-owned lands at the former Fort Ord to be used to mitigate impacts to endangered species.
- e. The President be authorized to negotiate, approve, and execute any other agreements, amendments, or modifications concerning the Cooperative or the JEP Agreement that are reasonably related to the above, provided such agreements, amendments, or other modifications do not materially change the obligations or reduce the consideration to the Regents.
- f. The President of the University be authorized to appoint the University's representative to the board of the Cooperative.
- g. The President of the University be authorized to approve and execute any other agreements, amendments, or modifications concerning the University's joining a Landscaping and Lighting District for the Central North Campus of the UC Monterey Bay

Education, Science and Technology Center to be established by the City of Marina, and to appoint the University's representative to the board of such a District.

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

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

The Committee presented the following from its meeting of May 1, 2014:

A. *Chairman of the Board*

Regent Bruce Varner be elected Chairman of the Board for the year commencing July 1, 2014.

B. *Vice Chair of the Board*

Regent Fred Ruiz be elected Vice Chair of the Board for the year commencing July 1, 2014.

C. *Standing Committee Assignments*

The following Standing Committee assignments for the year commencing July 1, 2014 (members listed in seniority order except for the Chair and Vice Chair):

Committee on Compensation

Regent Kieffer, Chair
Regent Lozano, Vice Chair
Regent Wachter
Regent Gould
Regent Reiss
Regent Saifuddin

Committee on Compliance and Audit

Regent Zettel, Chair
Regent Ruiz, Vice Chair
Regent Makarechian
Regent Sherman
Regent Engelhorn
Regent Saifuddin
Regent Atkins

Committee on Educational Policy

Regent Reiss, Chair
Regent Island, Vice Chair
Regent Lansing
Regent Lozano
Regent Gould
Regent Kieffer
Regent Newsom
Regent Leong Clancy
Regent Engelhorn
Regent Saifuddin

Committee on Investments

Regent Wachter, Chair
Regent Sherman, Vice Chair
Regent Pattiz
Regent Lozano
Regent De La Peña
Regent Makarechian
Regent Kieffer
Regent Zettel
Regent Saifuddin

Committee on Finance

Regent Ruiz, Chair
Regent Kieffer, Vice Chair
Regent Lozano
Regent Gould
Regent Island
Regent Reiss
Regent Makarechian
Regent Newsom
Regent Leong Clancy
Regent Saifuddin

Committee on Grounds and Buildings

Regent Makarechian, Chair
Regent Zettel, Vice Chair
Regent Ruiz
Regent De La Peña
Regent Sherman
Regent Leong Clancy
Regent Saifuddin

Committee on Health Services

Regent De La Peña, Chair
Regent Lansing, Vice Chair
Regent Pattiz
Regent Blum
Regent Ruiz
Regent Island
Regent Makarechian
Regent Zettel
Regent Sherman
Regent Atkins

Committee on Long Range Planning

Regent Gould, Chair
Regent Kieffer, Vice Chair
Regent Lozano
Regent Ruiz
Regent Engelhorn
Regent Saifuddin
Regent Sherman

Committee on Oversight of the Department of Energy Laboratories

Regent Pattiz, Chair
Regent De La Peña, Vice Chair
Regent Blum
Regent Reiss
Regent Zettel
Regent Newsom
Regent Sherman
Regent Atkins

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.

4. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS

The Committee presented the following from its meeting of May 14, 2014:

A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Infill Apartments Repairs, Santa Cruz Campus*

The Committee recommended that:

- (1) The 2013-14 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Cruz: Infill Apartments Repairs – preliminary plans, working drawings, and construction – \$32,982,000 to be funded from Colleges, Housing and Educational Services (CHES) Auxiliary Reserves (\$7,982,000) and external financing (\$25 million).

To: Santa Cruz: Infill Apartments Repairs – preliminary plans, working drawings, and construction – \$43.44 million to be funded from CHES Auxiliary Reserves (\$18.44 million) and external financing (\$25 million).

- (2) The revised scope of the Infill Apartments Repairs project shall be to repair construction defects, including scope triggered by the repairs, in 17 student apartment buildings (148 apartment units, with a current total of 742 beds) constructed as a result of the Infill Apartments project at Cowell, Stevenson, Porter, and Kresge Colleges and minor enhancements to the 17 buildings.
- (3) The President of the University be authorized to execute all documents necessary in connection with the above.

B. *Authorization to Approve Transfer of Five Acres from the UC Monterey Bay Education, Science and Technology Center Master Plan (West Campus) to the Fort Ord Natural Reserve and Remove the Remaining West Campus from the Master Plan, Santa Cruz Campus*

The Committee recommended that:

- (1) The President of the University be authorized to approve an amendment to the UC Monterey Bay Education, Science and Technology (MBEST) Center Master Plan to modify the boundaries of the Fort Ord Natural Reserve (FONR) by removing five acres from FONR and include five acres of the West Campus of the MBEST Center Master Plan.

- (2) The President be authorized to approve an amendment to the MBEST Center Master Plan to modify the boundaries of the MBEST Center by removing the remaining 51 acres of the West Campus from the Master Plan.
- (3) The President be authorized, after consultation with the Office of the General Counsel, to approve and execute all documents, amendments, and modifications thereto, as may be necessary or appropriate to effectuate the foregoing approvals and meet the conditions of the Master Plan, provided that such approvals do not materially increase the Regents' obligations and/or decrease their authority.

C. ***Adoption of the Long Range Development Plan Pursuant to California Environmental Quality Act, and Acceptance of the Physical Design Framework, Richmond Bay Campus, Berkeley Campus***

- (1) Upon review and consideration of the environmental consequences of the proposed Long Range Development Plan (LRDP) as evaluated in the Final Environmental Impact Report (FEIR), the Committee reported its:
 - a. Certification of the FEIR including Supplement 1 analyzing the 2014 LRDP for the Richmond Bay Campus.
 - b. Adoption of the Mitigation Monitoring Program for the FEIR.
 - c. Adoption of the Findings and Statement of Overriding Considerations.
- (2) The Committee recommended that:
 - a. The name be changed from Richmond Field Station and Regatta property to Richmond Bay Campus.
 - b. The 2014 Long Range Development Plan, Richmond Bay Campus, be approved.
 - c. The Physical Design Framework, Richmond Bay Campus, be accepted.

[The LRDP, FEIR including the Mitigation Monitoring Program, and CEQA Findings 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 the Long Range Development Plan following Action Pursuant to the California Environmental Quality Act, Santa Barbara Campus*

Based on review and consideration of the environmental consequences of the proposed Long Range Development Plan (LRDP) Amendment as reflected in the California Environmental Quality Act (CEQA) documentation, the Committee reported its:

- (1) Finding that the UC Santa Barbara 2010 LRDP Environmental Impact Report as amended by Addendum #2 is adequate to support the land use designation changes on the South Devereux, West Campus Mesa, and Facilities Management/Public Safety sites, and the addition of the Ocean Meadows site to the LRDP.
- (2) Adoption of the CEQA Findings.
- (3) Amendment of the UC Santa Barbara 2010 LRDP as follows:
 - a. Redesignate 9.3 acres on the South Devereux site from “Housing” to “Academic and Support.”
 - b. Redesignate 8.2 acres on the West Campus Mesa site from “Housing” to “Recreation” and 4.6 acres from “Recreation” to “Housing.”
 - c. Redesignate 4.4 acres on the Facilities Management/Public Safety site from “Academic and Support” to “Housing,” and 0.9 acres from “Academic and Support” to “Open Space.”
 - d. Add the 64-acre Ocean Meadows Golf Course site to the boundaries of the LRDP, designate the site “Open Space,” and authorize further amendments or modifications of the LRDP to ensure compliance with the terms and conditions of the University’s acceptance of the donation including new or revised LRDP policies to allow:
 - i. Conversion of an existing clubhouse into a visitor center and the renovation or removal of an existing storage shed, provided any future University occupancy is consistent with University policies and evaluated under CEQA.
 - ii. Implementation of restoration obligations required by the donation.
 - iii. Use of the site for passive recreation, coastal wetland and wildlife habitat, conservation, research, and public access.

[The Addendum to the 2010 LRDP and CEQA Findings were provided to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

E. ***Amendment of the Long Range Development Plan following Action Pursuant to California Environmental Quality Act, Los Angeles Campus***

Based on review and consideration of the environmental consequences of the proposed Long Range Development Plan (LRDP) Amendment as reflected in the California Environmental Quality Act (CEQA) documentation, the Committee reported its:

- (1) Determination that the environmental consequences of proposed LRDP Amendment #4 are adequately analyzed in the certified 2002 LRDP Environmental Impact Report (EIR), as updated and modified in the certified 2008 Northwest Housing Infill Project and LRDP Amendment EIR, the 2012 UCLA Conference Center Project EIR and Addendum #1 thereto.
- (2) Adoption of the CEQA Findings.
- (3) Approval of Amendment #4 to the UCLA 2002 LRDP to transfer 130,000 gross square feet from the Northwest zone to the Central zone.

[The LRDP and EIR documents and CEQA Findings were provided to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

F. ***Approval of Design following Action Pursuant to California Environmental Quality Act, Engineering VI – Phase 2 Project, Los Angeles Campus***

Upon review and consideration of the environmental consequences of the proposed Engineering VI – Phase 2 Project, the Committee reported its:

- (1) Adoption of the Mitigated Negative Declaration based on an Initial Study tiered from the 2002 Long Range Development Plan (LRDP) Environmental Impact Report (EIR), as Amended Final EIR under the California Environmental Quality Act (CEQA).
- (2) Adoption of the Mitigation Monitoring and Reporting Program and CEQA Findings.
- (3) Approval of the design of the Engineering VI – Phase 2 Project for the Los Angeles campus.

[The Final Initial Study/Mitigated Negative Declaration Summary, including the Mitigation Monitoring and Reporting Program, and CEQA Findings 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 Zettel, duly seconded, the recommendations of the Committee on Grounds and Buildings were approved.

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

The Committee presented the following from its meeting of May 14, 2014:

Appointment of Robert Powell to the Executive Committees of the Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC Boards of Governors

The Committee recommended that:

- A. The appointment of Robert L. Powell as a Governor of the Executive Committees of the Boards of Governors of the limited liability companies known as Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC replacing William R. Frazer, be approved.
- B. The President of the University be authorized to issue any terms of appointment necessary to implement such appointment.

Upon motion of Regent Pattiz, duly seconded, the recommendation of the Committee on Oversight of the Department of Energy Laboratories was approved.

6. **REPORT OF INTERIM AND CONCURRENCE ACTIONS**

Interim Secretary and Chief of Staff Shaw 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, and the President of the University approved the following recommendations:
 - (1) *Modifications to Post-Employment Benefit Terms for Eligible Employees Represented by the American Federation of State, County and Municipal Employees (AFSCME) Local 3299 – Service Workers (SX)*
 - a. The UC Retirement Plan (UCRP or Plan) be amended as follows as applied to eligible employees in the American Federation of

State, County and Municipal Employees (AFSCME) Local 3299 Service Workers (SX) bargaining unit:

- i. UCRP member contributions be set at nine percent of covered compensation effective the first full biweekly pay period starting on or after July 1, 2014 (less \$19 per month for 1976 Tier Members). The nine percent rate effective July 1, 2014 will apply to all UCRP-eligible employees in the SX unit, regardless of UCRP entry date or membership tier.
- ii. A modified version of the 2013 Tier be applied only to represented SX employees who were initially hired and/or became UCRP members on or after July 1, 2013, or who were rehired in UCRP-eligible positions on or after that date. This modified version will be identical to the 2013 Tier except that:
 - (a) the earliest retirement age will be decreased from age 55 to 50 and the age corresponding to the maximum age factor of 2.5 percent will be decreased from age 65 to age 60, which is similar to the factors in UCRP's 1976 Tier.
 - (b) the lump sum cashout, as well as annuity options, will be available as payment options on the 2013 Tier benefit, similar to the 1976 Tier options.
- b. Pursuant to Standing Order 100.4(dd)(4), the President of the University will exercise her authority to modify the Retiree Health Benefit Program, as amended in 2010, for eligible employees in the SX bargaining unit as follows:
 - i. The new graduated eligibility requirements approved by the Regents in 2010 be applied to those represented SX employees who are hired, rehired, or who become UCRP-eligible after December 31, 2013.
 - ii. Represented SX employees who were active members of UCRP as of December 31, 2013 continue to be subject to the graduated eligibility provisions in effect prior to July 1, 2013.
- c. The President of the University be authorized to implement the approved provisions and supporting technical details, and the Plan

Administrator be delegated the authority to amend the Plan documents as necessary to implement the changes.

- d. The proposed amendments be effective upon ratification of the new collective bargaining agreement.

(2) ***Modifications to Post-Employment Benefit Terms for Eligible Employees Represented by the American Federation of State, County and Municipal Employees (AFSCME) Local 3299 – Patient Care Technical (EX)***

- a. The UC Retirement Plan (UCRP or Plan) be amended as follows as applied to eligible employees in the American Federation of State, County and Municipal Employees (AFSCME) Local 3299 Patient Care Technical (EX) bargaining unit:
 - i. UCRP member contributions be set at nine percent of covered compensation effective the first full biweekly pay period starting on or after July 1, 2014 (less \$19 per month for 1976 Tier Members). The nine percent rate effective July 1, 2014 will apply to all UCRP-eligible employees in the EX unit, regardless of UCRP entry date or membership tier.
 - ii. A modified version of the 2013 Tier be applied only to represented EX employees who were initially hired and/or became UCRP members on or after July 1, 2013, or who were rehired in UCRP-eligible positions on or after that date. This modified version will be identical to the 2013 Tier except that:
 - (a) the earliest retirement age will be decreased from age 55 to 50 and the age corresponding to the maximum age factor of 2.5 percent will be decreased from age 65 to age 60, which is similar to the factors in UCRP's 1976 Tier.
 - (b) the lump sum cashout, as well as annuity options, will be available as payment options on the 2013 Tier benefit, similar to the 1976 Tier options.
- b. Pursuant to Standing Order 100.4(dd)(4), the President of the University will exercise her authority to modify the Retiree Health Benefit Program, as amended in 2010, for eligible employees in the EX bargaining unit as follows:

- i. The new graduated eligibility requirements approved by the Regents in 2010 be applied to those represented EX employees who are hired, rehired, or who become UCRP-eligible after December 31, 2013.
 - ii. Represented EX employees who were active members of UCRP as of December 31, 2013 continue to be subject to the graduated eligibility provisions in effect prior to July 1, 2013.
 - c. The President of the University be authorized to implement the approved provisions and supporting technical details, and the Plan Administrator be delegated the authority to amend the Plan documents as necessary to implement the changes.
 - d. The proposed amendments be effective upon ratification of the new collective bargaining agreement.
- B. The Chair of the Committee on Finance and the President of the University approved the following recommendation:

Approval of External Financing, Operational Excellence Revenue Generation Initiative, Berkeley Campus

- (1) The President be authorized to obtain external financing not to exceed \$30 million for Berkeley's Operational Excellence Revenue Generation Initiative. The Berkeley campus shall satisfy the following requirements:
 - a. As long as the debt is outstanding, the general revenues of the Berkeley campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - b. The general credit of the Regents shall not be pledged.
 - (2) The President or her designee be authorized to execute all documents necessary in connection with these transactions.
- C. The Chairman of the Board, the Chair of the Committee on Compensation and the President of the University approved the following recommendations:
- (1) ***Preemptive Retention Salary Adjustment for Margaret Delaney as Vice Chancellor – Budget and Planning, Santa Cruz Campus***

Background to Recommendation

Action under interim authority was requested for a preemptive retention salary adjustment of 23.6 percent for Margaret Delaney as Vice Chancellor – Budget and Planning, Santa Cruz campus, effective April 1, 2014. The proposed adjustment will increase Ms. Delaney's annual base salary from \$210,274 to \$260,000.

Action under interim authority was requested in order to retain Ms. Delaney and to better align her compensation with her experience, her contributions, and the compensation of her peers in comparable roles throughout the UC system.

The Vice Chancellor – Budget and Planning is a senior executive at UC Santa Cruz and is responsible for the strategic oversight of the Budget Office, Institutional Planning and Analysis, Capital Finance and Space Management, and Physical and Environmental Planning. Ms. Delaney's role includes integrating academic and support program needs into the design of the UC Santa Cruz facilities, laboratories and other specialized space, and providing decision support to the Chancellor regarding the strategic allocation and use of campus resources. The Vice Chancellor – Budget and Planning reports jointly to the Chancellor and to the Campus Provost/Executive Vice Chancellor. This position is responsible for the following budget items for fiscal year 2013-14: Planning and Budget Office Budget of \$3.3 million, Operating Budget of \$633.2 million, and the Capital Financial Plan of \$1.082 billion.

Ms. Delaney has been in her current role since 2009. She is a tenured faculty member in the department of Ocean Sciences and has demonstrated her abilities as a senior-level administrator through her service in interim positions, including serving as the Interim Campus Provost/Executive Vice Chancellor, a position she held for one year. She has executed the responsibilities of her current role with exceptional skill, and she is recognized on the campus and throughout the system for her keen communication skills, political acumen, and ability to deconstruct complex issues and create information that enables decision-makers to act.

At the time of Ms. Delaney's original appointment, the practice at Santa Cruz was to provide new hires with no more than a ten percent increase over the previous incumbent's salary. The base salary of \$204,150 offered to Ms. Delaney in 2009 represented a four percent increase over the previous incumbent's salary. The only increase she has received since 2009 was the three percent across-the-board increase effective July 1, 2013.

According to the applicable Market Reference Zone (MRZ), the 60th percentile base salary for a comparable position is \$221,000. Ms. Delaney was the lowest paid Vice Chancellor – Budget and Planning in the UC system. Her base salary was 4.9 percent below the 60th percentile of the MRZ. The proposed base salary of \$260,000 is 9.7 percent above the 75th percentile. The proposed increase will more closely align Ms. Delaney's salary with the average base salary (\$255,333) of other individuals holding the Vice Chancellor – Budget and Planning position.

Regental approval was required because Ms. Delaney's proposed base salary will be over the 75th percentile of the MRZ. This position is partially or fully State-funded.

Recommendation

The following items were approved in connection with the preemptive retention salary adjustment for Margaret Delaney as Vice Chancellor – Budget and Planning, Santa Cruz campus:

- a. Per policy, a salary adjustment of 23.6 percent, increasing Ms. Delaney's annual base salary from \$210,274 to \$260,000 as Vice Chancellor – Budget and Planning at 100 percent time.
- b. Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability after five years of Senior Management Group service).
- c. Per policy, continued eligibility to participate in the UC Home Loan Program, subject to all applicable requirements.
- d. This action will be effective April 1, 2014.

Recommended Compensation

Effective Date: April 1, 2014

Base Salary: \$260,000

Target Cash Compensation:* \$260,000

Funding: partially or fully State-funded

Budget &/or Prior Incumbent Data

Title: Vice Chancellor – Budget and Planning

Base Salary: \$210,274

Target Cash Compensation:* \$210,274

Funding: partially or fully State-funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

COMPETITIVE ANALYSIS FOR VICE CHANCELLOR – BUDGET AND PLANNING

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					Percentiles	MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
	25 th	50 th	60 th	75 th	90 th		25 th	50 th	60 th	75 th	90 th
Market Data	\$167K	\$207K	\$221K	\$237K	\$319K	Market Data	\$186K	\$225K	\$258K	\$291K	\$386K
% Difference from Market	55.7%	25.6%	17.6%	9.7%	-18.5%	% Difference from Market	39.7%	15.6%	0.8%	-10.7%	-32.6%

Survey Source: Towers Watson Top Management, Mercer Benchmark Database, and College and University Professional Association (CUPA) Administrative Compensation Surveys. CUPA reports base salary only.

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

Submitted by: UC Santa Cruz Chancellor Blumenthal
Reviewed by: President Napolitano
 Committee on Compensation Chair Kieffer
 Office of the President, Human Resources

- (2) *Appointment of and Compensation for Nathan Brostrom as Interim Chief Financial Officer, Office of the President, in Addition to His Existing Appointment as Executive Vice President – Business Operations, Office of the President*

Background to Recommendation

Action under interim authority was requested for the appointment of and compensation for Nathan Brostrom as Interim Chief Financial Officer, Office of the President, in addition to his existing appointment as Executive Vice President – Business Operations. The interim appointment was requested because Mr. Brostrom would be assuming the duties of the Chief Financial Officer effective April 25, 2014 and continuing until a new Executive Vice President and Chief Financial Officer is appointed.

This urgent request was necessary because the current incumbent, Peter Taylor, announced his resignation from the University effective April 25, 2014, and a review is currently under way to assess the organizational and work structure to determine a replacement strategy.

It was proposed that Mr. Brostrom receive a base salary of \$400,000 during this interim appointment, which represents a salary increase of \$25,000 (6.7 percent of base salary). The proposed base salary of \$400,000 is equivalent to Mr. Taylor's base salary and is 5.7 percent below the 50th percentile of the Market Reference Zone for the position of Chief Financial Officer. No other element of Mr. Brostrom's compensation will change during the interim appointment. When the new Executive Vice President and Chief Financial Officer is appointed, Mr. Brostrom's interim appointment will end and his base salary will revert to \$375,000.

During the interim appointment, Mr. Brostrom will be responsible for providing financial policy direction and guidance for the University. Mr. Brostrom will also undertake a full review of Business Operations and the Office of the Chief Financial Officer to determine the best structure for both divisions, ensuring maximum effectiveness, efficiency, and support for the goals of the Office of the President. Mr. Brostrom will be overseeing all aspects of financial management at the ten UC campuses, five academic medical centers and the Lawrence Berkeley National Laboratory. He will provide oversight on accounting and financial controls, risk management, strategic sourcing, tax compliance, payroll coordination and long-range financial planning. He will also be responsible for external relationships with rating agencies, investment houses, banks, financial auditors and financial regulators. Mr. Brostrom will be held fully accountable for all Chief Financial Officer responsibilities in addition to his current responsibilities.

Action under interim authority was requested in order to enable Mr. Brostrom to oversee both the Business Operations and the Office of the Chief Financial Officer without a gap in leadership. Mr. Taylor's resignation was announced on March 25, 2014, with an effective date of April 25, 2014. Therefore, this action must be completed before the next regularly scheduled Regents meeting in May. It is imperative that this division have continuity of leadership during this period to ensure the successful completion of a variety of organizational and budgetary initiatives currently in process.

The position will continue to be partially or fully State-funded.

Recommendation

The following items were approved in connection with the appointment of and compensation for Nathan Brostrom as Interim Chief Financial Officer, Office of the President, in addition to his existing appointment as Executive Vice President – Business Operations, Office of the President:

- a. Per policy, appointment of Nathan Brostrom as Interim Chief Financial Officer, Office of the President, effective April 25, 2014 and continuing until the appointment of a new Executive Vice President and Chief Financial Officer.
- b. Per policy, continued appointment of Nathan Brostrom as the Executive Vice President – Business Operations.
- c. Per policy, an annual base salary of \$400,000 during the interim appointment as Chief Financial Officer, Office of the President. At the conclusion of the interim appointment, Mr. Brostrom's annual base salary will revert to \$375,000.
- d. Per policy, continuation of standard pension and health and welfare benefits (including senior management life insurance and executive salary continuation for disability).
- e. Per policy, continuation of a monthly contribution to the Senior Management Supplemental Benefit Program equivalent to five percent of base salary.
- f. Per policy, continuation of participation in the UC Home Loan Program, subject to all applicable program requirements.
- g. Per policy, continuation of annual automobile allowance of \$8,916.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: April 25, 2014

Base Salary: \$400,000

Target Cash Compensation:* \$400,000

Funding: partially or fully State-funded

Budget &/or Prior Incumbent Data

Title: Executive Vice President and Chief Financial Officer

Base Salary: \$400,000

Target Cash Compensation:* \$400,000

Funding: partially or fully State-funded

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend. For participants in the Health Sciences Compensation Plan (HSCP), Target Cash Compensation also includes HSCP payments.

**COMPETITIVE ANALYSIS FOR EXECUTIVE VICE PRESIDENT AND CHIEF
FINANCIAL OFFICER**

MARKET REFERENCE ZONE FOR BASE SALARY						MARKET COMPOSITE FOR TARGET CASH COMPENSATION				
Percentiles	25 th	50 th	60 th	75 th	90 th	25 th	50 th	60 th	75 th	90 th
Market Data	\$354K	\$424K	\$476K	\$546K	\$697K	\$455K	\$584K	\$661K	\$799K	\$1,174K
% Difference from Market	13.0%	-5.7%	-16.0%	-26.7%	-42.6%	-12.1%	-31.5%	-39.5%	-49.9%	-65.9%

Survey Source: Towers Watson General Industry Top Management Compensation Survey, Towers Watson General Industry Executive Survey, Mercer Benchmark Database Survey, and College and University Professional Association (CUPA) Survey. CUPA reports base salary only.

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

Submitted by: President Napolitano
Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

- (3) *Appointment of and Compensation for Kimberly Budil as Vice President – Laboratory Management, Office of the President*

Background to Recommendation

Action under interim authority was requested for appointment of and compensation for Kimberly Budil as Vice President – Laboratory Management, Office of the President, effective on or about May 1, 2014. The Vice President – Laboratory Management is classified as a Level One position in the Senior Management Group (SMG).

With the retirement of the current incumbent, Glenn Mara, effective April 30, 2014, there is a critical need for an experienced, knowledgeable candidate to ensure that the University's oversight of its Department of Energy (DOE) contractual agreements relating to science and technology research programs at the National Laboratories continues to be led effectively and that the University's representation with key stakeholders, including the DOE, the Department of Defense (DOD), the National Nuclear Security Administration (NNSA), and State and federal elected officials, remain in experienced hands.

Following a comprehensive national search, Ms. Budil was selected from a pool of 22 candidates. Ms. Budil is currently the Program Manager of the Nuclear Counterterrorism Program in the Global Security Principal Directorate at the Lawrence Livermore National Laboratory. In this role, she works closely with the other DOE/NNSA Laboratories, as well as the Department of Homeland Security (DHS), DOD, the Department of State, the intelligence community, and the Federal Bureau of Investigation (FBI).

Ms. Budil has the unique knowledge, skills, experience and established relationships with both internal and external constituents that will allow her to guide the Laboratory Management Office in its efforts to support the Lawrence Berkeley National Laboratory (LBNL) as well as the Los Alamos National Security, LLC (LANS) and the Lawrence Livermore National Security, LLC (LLNS) that manage the Los Alamos National Laboratory (LANL) and the Lawrence Livermore National Laboratory (LLNL), respectively. It is especially critical to fulfill the goals of maintaining and fostering world-class research and scientific endeavors at the Laboratories, improving the governance model within the DOE complex as it affects the University-affiliated National Laboratories, and assuring that the Laboratories meet their programmatic missions and contractual obligations to the federal government.

The Vice President – Laboratory Management is responsible for the University's overall Laboratory Management oversight, including business and operations activities, and the programmatic, science and technology activities of LBNL, LANL, and LLNL. This individual works closely with senior leadership at the three Laboratories, the Office of the President, all UC campuses, the Academic Council's Special Committee on Laboratory Issues, the UC Regents Committee on Oversight of the Department of Energy Laboratories, and government sponsors. The government sponsors include the DOE's NNSA and the Office of Science stakeholders, as well as other national security and science sponsors. The Vice President – Laboratory Management oversees a budget of approximately \$4 million in non-State funds.

It was recommended that Ms. Budil be appointed with an annual base salary of \$355,000. This represents a 3.3 percent savings (\$12,000) over the previous incumbent's salary. This position is funded from non-State sources, specifically the DOE contract fee earned as UC's share at LANL and LLNL and reimbursement for Laboratory Management expenses approved by the DOE Contracting Officer at LBNL. The funds for this position are part of the UCOP expenditure budget paid from Laboratory fees annually approved by the Regents.

Action under interim authority was requested to ensure effective leadership and planning for the transition of the organization to a new Vice President – Laboratory Management. Ms. Budil's anticipated start date will be on or about May 1, 2014, which was before the next scheduled Regents meeting.

Recommendation

The following items were approved in connection with the appointment of and compensation for Kimberly Budil as Vice President – Laboratory Management, Office of the President:

- a. Appointment of Kimberly Budil as Vice President – Laboratory Management, Office of the President, at 100 percent time effective on or about May 1, 2014.
- b. Per policy, an annual base salary of \$355,000 funded by non-State funds.
- c. Per policy, annual automobile allowance of \$8,916.
- d. Per policy, standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability after five years of Senior Management Group service).
- e. Per policy, a monthly contribution to the Senior Management Supplemental Benefit Program equivalent to five percent of base salary.
- f. Per policy, eligible to participate in the UC Home Loan Program, subject to all applicable program requirements.
- g. Per policy, an administrative fund will be established for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.
- h. If Ms. Budil maintains an active research program during her appointment as Vice President – Laboratory Management, an annual allocation of laboratory funding will be established for this research.

Recommended Compensation

Effective Date: on or about May 1, 2014

Base Salary: \$355,000

Target Cash Compensation:* \$355,000

Funding: non-State funds

Budget &/or Prior Incumbent Data

Title: Vice President – Laboratory Management

Base Salary: \$367,000

Target Cash Compensation:* \$367,000

Funding: non-State funds

*Target Cash Compensation consists of base salary and, if applicable, incentive and/or stipend.

**COMPETITIVE ANALYSIS FOR VICE PRESIDENT – LABORATORY
MANAGEMENT**

Percentiles	MARKET REFERENCE ZONE FOR BASE SALARY					MARKET COMPOSITE FOR TARGET CASH COMPENSATION					
	25 th	50 th	60 th	75 th	90 th	Percentiles	25 th	50 th	60 th	75 th	90 th
Market Data	\$308K	\$376K	\$411K	\$539K	\$734K	Market Data	\$371K	\$561K	\$699K	\$748K	\$1,244K
% Difference from Market	15.3%	-5.6%	-13.6%	-34.1%	-51.6%	% Difference from Market	-4.3%	-36.7%	-49.2%	-52.5%	-71.5%

Survey Source: Pearl Meyer Executive Compensation Survey

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

Submitted by: President Napolitano

Reviewed by: Committee on Compensation Chair Kieffer
Office of the President, Human Resources

- D. The Chairman of the Board, the Chair of the Committee on Oversight of the Department of Energy Laboratories, and the President of the University approved the following recommendation:

Appointment of Vice President – Laboratory Management Kimberly Budil to the Executive Committees of the Boards of Governors of Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC

- (1) The appointment of Vice President – Laboratory Management Kimberly S. Budil as a Governor of the Executive Committees of the Boards of Governors of the limited liability companies known as Los

Alamos National Security, LLC and Lawrence Livermore National Security, LLC be approved.

- (2) The President be authorized to issue any terms of appointment necessary to implement such appointment.

7. **REPORT OF COMMUNICATIONS RECEIVED**

Interim Secretary and Chief of Staff Shaw reported that, in accordance with Bylaw 16.9, Regents received a summary of communications in a report dated April 17, 2014.

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

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

To Members of the Committee on Finance

- A. From the Office of the General Counsel, the New Litigation Report, February 3 through March 31, 2014. (April 23, 2014)

To the Regents of the University of California

- B. From the President, notice that Chief Financial Officer Peter Taylor will resign to take a position as president of a newly formed private foundation based in Los Angeles. (March 25, 2014)
- C. From the President, Annual Report on Student Financial Support for 2012-13. (April 2, 2014)
- D. From the Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of March. (April 17, 2014)
- E. From the President, a letter concerning the establishment by the Irvine campus of the Michael and Brenda Drake Endowed Scholarship Fund. (April 21, 2014)
- F. From the President, a letter concerning the search for the next Chancellor of the Irvine campus and welcoming any nominations or recommendations. (April 21, 2014)
- G. From the President, a copy of her op-ed piece, "How to diversify a campus, in spite of the Supreme Court," for the *Washington Post*. (April 25, 2014)
- H. From the President, a letter announcing the appointment of Kimberly (Kim) Budil as Vice President for Laboratory Management in the Office of the President and her service as an Executive Committee Governor on the Boards of Governors of

the Lawrence Livermore National Security, LLC and the Los Alamos National Security, LLC. (April 29, 2014)

9. **RESOLUTION IN APPRECIATION – GLENN L. MARA**

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

WHEREAS, the Regents of the University of California wish to express their abiding gratitude to Glenn L. Mara, who has retired as the University's Vice President for Laboratory Management, for his more than 40 years of dedicated and distinguished service to the University, the University-affiliated Lawrence Livermore, Los Alamos, and Lawrence Berkeley National Laboratories, and the national security enterprise of the nation; and

WHEREAS, he has provided exceptional science, technology, and engineering (ST&E) leadership of the highest order, as well as trusted advice to the nation's national security policy and decision-makers, and his contributions to the University's oversight of the National Laboratories it manages has assured their unique and essential role in our country's ST&E enterprise, while stimulating world-class peer-reviewed research; and

WHEREAS, he is nationally recognized for his astute leadership and the depth and breadth of his knowledge in the national security arena, as well as for his many contributions to major national security programs so crucial to the security and well-being of our nation and our allies around the world; and

WHEREAS, with an incisive and analytical mind, he has consistently demonstrated an exceptional grasp of a wide array of issues facing the National Laboratories, the rare ability to master a field completely before rendering an objective and impartial opinion, a profound sensitivity to the needs of the University, and the talent to strengthen the University's bonds of friendship with the Department of Energy, National Nuclear Security Administration, Department of Defense, Congress and the State capitol; and

WHEREAS, his lifetime record of exceptional achievement was formally recognized in 2008, when the United States Department of Energy bestowed upon him The Secretary's Achievement Award for superior performance in support of national security, complex transformation, and critical Stockpile Stewardship activities;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Glenn L. Mara their sincere appreciation for his commitment to the University's historic mission of teaching, research, and public service, as well as for his lifetime of service to the advancement of science, his exceptional managerial leadership, and his sterling accomplishments in overseeing the management of three National Laboratories so vital to our country;

AND BE IT FURTHER RESOLVED that the Regents extend to Glenn and Beth Mara warmest good wishes as they open a new chapter in their lives, hoping that in the years

ahead they will continue their involvement with the University and its research enterprise.

Regent Pattiz praised Glenn Mara as a valued member of the UC community.

10. **RESOLUTION IN APPRECIATION – PETER TAYLOR**

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

WHEREAS, Peter Taylor has served his beloved alma mater with great devotion, giving richly of himself over the years and the Regents of the University of California wish to once again express their heartfelt appreciation to him, this time as he steps down after five years as Chief Financial Officer and Executive Vice President to assume the presidency of a new private education foundation whose focus will be on helping low-income students succeed in their educational pursuits; and

WHEREAS, having earned his bachelor's degree at UCLA and a master's degree at Claremont Graduate University, he entered the business world, displaying the consummate skill and dedication that are the hallmarks of his successful career in finance, all the while never forgetting the struggles of underserved students in obtaining an education and thus with quiet effectiveness turning his talents and personal philanthropy to promote positive outcomes for low-income students; and

WHEREAS, he has served the University of California with unwavering loyalty, giving selflessly of his time and talents as a skilled administrator, strong advocate, and eloquent spokesman for California's greatest educational treasure in his oversight of the management of its vast financial enterprise, carefully guiding the Regents in their exploration of new, creative approaches to revenue generation and budgeting strategies; and

WHEREAS, during a period of extreme budgetary challenges for publicly funded universities, he tirelessly worked to ensure that this great university weathered the state's financial setback by instituting investment practices that generated hundreds of millions in savings for the University and California taxpayers, increasing investment returns, and achieving operating efficiencies with initiatives such as systemwide purchasing and shared services; and

WHEREAS, his good nature combined with his tireless efforts on the University's behalf, both as Chief Financial Officer and previously as a member of the Board of Regents, have brought him the respect of campus leaders and the University community as a whole and have, in no small measure, contributed greatly to the financial well-being and exemplary reputation of the University of California;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Peter Taylor their deep gratitude and warmest appreciation for his

exceptional managerial leadership, forward-thinking approach to public finance, and deep concern for the welfare of the University;

AND BE IT FURTHER RESOLVED that the Regents extend to Peter and Coralyn Taylor their heartfelt gratitude and good wishes, confident in the fact that this is not goodbye but simply another brief pause in the Board's and the University's close association with him, and the Regents look forward with great pleasure to once again working with him in the future.

Regent Kieffer expressed the Board's appreciation for Peter Taylor's work for the University. He recalled Mr. Taylor's long association with UCLA and the UC system.

11. **RESOLUTION IN APPRECIATION – MICHAEL V. DRAKE**

Upon motion of Regent De La Peña, duly seconded, the following resolution was adopted:

WHEREAS, the Board of Regents of the University of California wishes to honor and commend Michael V. Drake, M.D. as he prepares to step down as the fifth Chancellor of the University of California, Irvine, following a career of distinguished service to the University, one marked by dedication and creative leadership that has earned him the high regard and great affection of the entire UC community of learning; and

WHEREAS, an eminent ophthalmologist, he has been a part of the University of California family since his days as a medical student at UC San Francisco, followed by his tenure as eminent member of the UCSF faculty, renowned clinician and glaucoma researcher, and respected Senior Associate Dean for Admissions and Extramural Academic Programs, after which he served with great effect as the University of California's Vice President for Health Affairs, a position in which he oversaw the University's academic program policy for UC's 17 health professional schools as well as its special research programs in vital health issues, including the launch of the PRIME Initiative to train physicians caring for underserved populations statewide; and

WHEREAS, as Chancellor he has left an indelible mark on the Irvine campus, championing the ideals of diversity and access, increasing the enrollment of underrepresented minority, low-income, and first-generation university students, increasing the four-year graduation rate, as well as creating a learning environment that is welcoming and inclusive, enthusiastically inspiring the campus community to practice daily the values of respect, integrity, intellectual curiosity, commitment, empathy, appreciation, and, of course, fun; and

WHEREAS, under his able and visionary leadership, the campus added more than five million square feet of sustainably built academic space, including the UC Irvine Douglas Hospital; created the first public law school in California in 40 years; established a School of Education; and launched new programs in nursing, public health, and pharmacy; and

WHEREAS, he has exercised leadership of the highest order outside the University of California as a Trustee and President of the Alpha Omega Alpha Honor Medical Society, as Chair of the Board of Trustees of the Association of Academic Health Centers, as a member of the Executive and Membership Committees of the Association of American Universities, and as a member of the Executive Committee and the Division I Board of the National Collegiate Athletic Association; he has also been the recipient of numerous well deserved awards and honors, including election to the Institute of Medicine;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their profound admiration and gratitude to Michael V. Drake for his unceasing dedication and commitment to the University and for his perceptive leadership of the Irvine campus, and the Regents also wish to make note that those who have had the honor and pleasure of working with him have benefitted greatly from his intellect, his dignity, and the warmth of his friendship;

AND BE IT FURTHER RESOLVED that, we, the Regents extend to Michael and Brenda Drake heartfelt good wishes as they move on to new challenges and opportunities at The Ohio State University, along with the hope that they will always keep the University of California close to their hearts as we will keep them close to ours.

Regent De La Peña called attention to the long-lasting legacy of accomplishment that Michael Drake would leave to the University. Regent Pattiz noted that Chancellor Drake had worked to maintain a harmonious atmosphere on his campus in difficult circumstances.

12. **RESOLUTION IN APPRECIATION – CINTHIA FLORES**

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

WHEREAS, on June 30, 2014, Cinthia Flores, a graduate of the University of California, Los Angeles and a new graduate of the University of California, Irvine, will complete her term as the 39th student Regent, having carried out her Regental responsibilities with diplomacy, thoughtfulness, and enthusiastic dedication; and

WHEREAS, throughout her years as an undergraduate at UCLA, she made many lasting contributions to the campus community as the first Latina student body president, in assisting her fellow students in helping secure a \$650,000 textbook price reduction, and as a devoted mentor to many; and

WHEREAS, as a Regent of the University of California, she has worked passionately on behalf of all UC students to promote affordable tuition, ensure access for underrepresented communities, achieve a welcoming and inclusive climate throughout the University, and as an advocate for State support of public higher education; and

WHEREAS, her deep understanding of the complex issues facing the University of California and her unfailing efforts to ensure that the Board's decisions benefit the

students and people of California have been the hallmarks of her service on the Board, service in which she has earned the respect and admiration of her fellow Regents as a member of the Regents Committees on Compliance and Audit, Educational Policy, Finance, Grounds and Buildings, and Long Range Planning; 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 Cinthia Flores the title, Regent Emerita;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Cinthia Flores their thanks for her service as a member of the Board, where she brought a delightful sense of humor and decidedly optimistic outlook to its deliberations, and the Regents also wish to extend their heartfelt appreciation and good wishes to her beloved mother and lifelong role model, Esperanza Monterrosa, whose courage and self-sacrifice provided her daughter with the impetus to become a dedicated student, activist, and leader of tomorrow;

AND BE IT FURTHER RESOLVED that the Regents extend to Cinthia Flores their best wishes for a highly successful legal career, and direct that a suitably inscribed copy of this resolution be presented to her, as a symbol of the Board's lasting friendship and esteem.

Regent Island praised Cinthia Flores for her devotion to the University and for her many positive qualities.

13. **RESOLUTION IN APPRECIATION – KENNETH A. FEINGOLD**

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

WHEREAS, Kenneth A. Feingold, a loyal alumnus of the Santa Cruz campus, will complete his term on the Board of Regents on June 30, 2014, having served both as Regent-designate and Regent, exhibiting in these roles the same dedication and loyalty he has demonstrated in all his endeavors on behalf of the University and its students; and

WHEREAS, following his graduation from UC Santa Cruz, he distinguished himself at the University of San Francisco's School of Law, after which he embarked upon a successful career as an attorney, as well as serving as the President of the Alumni Associations of the University of California and as a Trustee and President of the UC Santa Cruz Foundation, working to increase access to the University, establishing the UCSC-Santa Monica High School Scholarship Endowment to award an annual grant to a graduating senior planning to attend UCSC, and serving as an articulate and vigorous advocate for the University of California; and

WHEREAS, he has brought to the Board a steadfast and even-handed commitment to higher education, at all times promoting the value of such an education; seeking to ensure

the University's student body reflects the rich diversity of California; endeavoring to make certain UC's students have access to an education that is not only world-class, but also affordable; and working to make certain that UC's faculty and researchers have the means to conduct the teaching and research the University is known for the world over; and

WHEREAS, he has consistently demonstrated his thoughtful concern for the welfare of the University and its students through his committed service as a member of the Committees on Compensation, Compliance and Audit, Finance, Investments, Educational Policy, Grounds and Buildings, and Health Services, at all times exemplifying the highest standards of public service; 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 Kenneth A. Feingold the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their sincere gratitude to Kenneth A. Feingold for the wonderful "Slug Perspective" he has brought to the Board, for the blue and gold spirit imbued in all he does on the University's behalf, and for his noteworthy accomplishments and achievements as an esteemed alumnus and supporter of the University;

AND BE IT FURTHER RESOLVED that the Regents direct that a suitably inscribed copy of this resolution be presented to Ken and Moira Feingold as an expression of the Board's continuing friendship, gratitude, and warm good wishes for the future.

Regent Zettel noted that Kenneth Feingold's two years of service on the Board was only a fraction of his total service to the University as an alumnus, trustee, donor, and advocate.

14. **RESOLUTION IN APPRECIATION – VAN SCHULTZ**

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

WHEREAS, on June 30, 2014, Van Schultz will complete his term on the Board of Regents having carried out his duties as a Regent-designate and Regent with a strong sense of purpose, keen intellect, and deep sense of loyalty to his beloved alma mater; and

WHEREAS, a proud graduate of UCLA with a bachelor's and a master's degrees in engineering and a certificate in general management from the Anderson School of Management Executive Program, he has distinguished himself both in his profession and as a loyal and dedicated alumnus, contributing to endeavors vital to the University of California and, most especially, its Los Angeles campus; and

WHEREAS, as the Vice President of the Alumni Associations of the University of California, former Director and Chair of the UCLA Alumni Association, and former President of the UCLA Engineering Alumni Association, he has a keen understanding of the inner workings of the University and of the importance to its alumni of lifelong learning and, as such, he has represented his fellow alumni with exemplary skill and enthusiasm, working diligently to involve them in the University's pursuit of excellence; and

WHEREAS, his interest in and concern for this venerable institution of higher learning have been reflected in his generous commitment of time and energy to the Board, most notably in his effective service as a member of the Committees on Compliance and Audit, Grounds and Buildings, Investments, Oversight of the Department of Energy Laboratories, and Long Range Planning; 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 Van Schultz the title, Regent Emeritus;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California convey their deep gratitude to Van Schultz for his unflagging support of the University of California and for able service as an ex officio member of the Board of Regents;

AND BE IT FURTHER RESOLVED that the Regents direct that a suitably inscribed copy of this resolution be presented to Van and Susan Schultz as an expression of the Board's continuing friendship, gratitude, and warm good wishes for the future.

Regent Zettel praised Van Schultz for his valuable input in the Board's discussions and for his loyal and dedicated service to the University.

15. **RESOLUTION IN APPRECIATION – JOHN A. PÉREZ**

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

WHEREAS, John A. Pérez has served with distinction as the 68th Speaker of the California State Assembly and as an ex officio member of the Board of Regents of the University of California; and

WHEREAS, during his term as an ex officio Regent, he has brought to the deliberations of the Board and its committees a perspective gained from a highly successful career as an activist and labor leader; and

WHEREAS, he has been a formidable voice on behalf of public higher education in California and, in particular, on behalf of the University of California, consistently advocating to keep public postsecondary education a true State priority, helping secure

the passage of Proposition 30 in 2012, and supporting higher levels of funding for UC during his term as a Regent; and

WHEREAS, he has been a champion for the interests of college students throughout California, seeking not only to find alternatives to tuition increases, but standing up against reductions in State financial aid, and speaking out for traditionally under-represented student populations, including undocumented students, students of color, and members of the lesbian, gay, bisexual, transgender (LGBT) community; and

WHEREAS, he has ably and faithfully fulfilled his public trust as a member of the Assembly, working to advance the interests of the people of California through his advocacy for social justice and equality and, in 2012, authoring the proposal to create the Middle Class Scholarship program, which will not only significantly ease the cost of attendance for thousands of students at UC and the California State University, but will help ensure that no qualified student is priced out of an education at these institutions;

NOW, THEREFORE, BE IT RESOLVED that the Regents commend and thank John A. Pérez for his committed service to the people of California and for his considered contributions to the governance of our state's great public research university;

AND BE IT FURTHER RESOLVED that the Regents extend to John A. Pérez their warmest wishes as he steps down as Speaker of the California Assembly and direct that a suitably inscribed copy of this resolution be presented to him as an expression of the Board's enduring respect and gratitude.

Regent Lozano noted John Pérez's dedication and determination as Speaker of the State Assembly and as Regent, in particular his work on the timely completion of a State budget, the passage of Proposition 30, and advocacy for public higher education.

16. **REPORT OF THE PRESIDENT**

The President presented her report concerning University activities and individuals. Regent Lansing, Chancellor Dirks, and 23 UC faculty members were elected to the American Academy of Arts and Sciences. UC now has 489 members in the Academy, which is a 234-year-old national honor society comprising leaders from academia, business, and public affairs. Ten UC scientists were elected to the National Academy of Sciences, one of the highest honors that can be accorded to a U.S. scientist. The ten new UC members are among 84 new Academy members and 21 foreign associates. Fifteen UC faculty members were awarded Guggenheim Fellowships. Fellows are appointed on the basis of distinguished achievement and exceptional promise. Over the years, UC faculty have received 1,518 Guggenheim Fellowships, more than any other college or university in the U.S. Twelve UC and UC-affiliated National Laboratory scientists were among the 35 exceptional researchers chosen for the U.S. Department of Energy's Early Career Research Program awards for 2014. President Napolitano recalled that the previous evening, she had presented Chancellor Drake with the UC Presidential Medal, the highest honor the President of the University of California can bestow. She had also

had the honor, the previous week, of presenting the Presidential Medal to President Emeritus Jack Peltason. Finally, President Napolitano recognized Staff Advisor Kathy Barton, whose term would end June 30.

The meeting adjourned at 11:15 a.m.

Attest:

Interim Secretary and Chief of Staff

Table A: Approval of FY2014-15 CapEquip Authorization

UC Location	FY 2014-15	Description of Expected Equipment Purchases
Berkeley	\$ 5,000,000	Research equipment, telecommunications equipment, other equipment, software, and refinancing of certain existing capital equipment leases and other eligible capital investments
Davis	10,000,000	Science and laboratory equipment, animal caging, facilities maintenance equipment, computer software
Irvine	2,000,000	Research equipment, medical equipment, IT equipment
Irvine - Medical Center	5,000,000	Medical equipment, diagnostic equipment, budget software, and refinancing of certain existing capital equipment leases.
UCLA	5,000,000	Computer hardware, copying equipment, office equipment, 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.
UCLA - Medical Center	20,000,000	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	2,000,000	Housing Furniture and Equipment, Fleet Vehicles, Office Furniture, Portable Trailers
San Diego	5,000,000	Research, medical and diagnostic equipment; budget software and refinancing of certain existing capital equipment leases.
San Francisco	15,000,000	Scientific equipment, information technology/network, office equipment and transportation/fleet vehicles
Santa Barbara	2,000,000	Diagnostic equipment and instruments, other equipment, vehicles, and refinancing of certain existing capital leases.
Total Authorization:	\$ 71,000,000	