

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

July 16-17, 2014

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

Members present: Regents De La Peña, Engelhorn, Gould, Island, Kieffer, Lansing, Lozano, Makarechian, Napolitano, Reiss, Ruiz, Saifuddin, Sherman, Varner, Wachter, and Zettel

In attendance: Regents-designate Davis and Gorman, Faculty Representatives Gilly and Jacob, Interim Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Chief Investment Officer Bachher, Provost Dorr, Executive Vice President and Interim Chief Financial Officer Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Andriola, Brown, Budil, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Dirks, Katehi, Khosla, Leland, Wilcox, and Yang, Interim Chancellors Gillman and Hawgood, and Recording Secretary Johns

The meeting convened at 9:55 a.m. with Chairman Varner presiding.

1. **REPORT OF THE SPECIAL COMMITTEE ON SELECTION OF A STUDENT REGENT**

Appointment of 2015-16 Student Regent

The Special Committee recommended that Abraham (Avi) Oved, an undergraduate student at the University of California, Los Angeles, be appointed a Regent of the University of California to serve for the period July 1, 2015 through June 30, 2016, and that he serve as Regent-designate, effective immediately, until the appointment becomes effective.

Regent Kieffer noted that he had served as Chair of the Special Committee on Selection of a Student Regent. He outlined the review and selection process and expressed confidence in Avi Oved's ability to represent UC students on the Board of Regents. The Special Committee understood the UC Student Association's (UCSA) interest in examining issues of transparency concerning election practices for student leaders. Given that Mr. Oved complied with all rules in place at the time of his election in UCLA's student government, this could not affect his ability to serve as a student Regent-designate at the present time. Regent Kieffer emphasized that the Special Committee had listened to and considered the concerns of UCSA, but did not agree with its position.

Regent Saifuddin stated that she looked forward to working with Mr. Oved to advance the student agenda. Unfortunately, she would have to vote against his appointment due to

discomfort felt by students throughout the UC system. She stressed that her vote did not reflect politics or religion, but students' desire for transparency in their leadership. She expressed concern about the relationship between UC students and the Board, which should be based on sincerity, integrity, and honesty. She would vote "no" today, but the next day would begin supporting the student Regent-designate in building a strong relationship with the UC community so that students can have two excellent advocates on the Board of Regents.

Regent Reiss recalled the controversy that arose the previous year over the selection of Regent Saifuddin. She stressed that both Regent Saifuddin and Mr. Oved have the right to hold and express their views. In considering candidates for the student Regent position, the Board should consider the individual himself or herself and that individual's statements and position, not remarks made by supporters.

Upon motion of Regent Kieffer, duly seconded, the recommendation of the Special Committee on Selection of a Student Regent was approved, Regent Saifuddin (1) voting "no."

Student Regent-designate Oved thanked the Board for the honor of serving the University in this capacity. He thanked his family and friends for their support. He stated that he looked forward to working with Regent Saifuddin and stressed his allegiance to the students of the University. The challenges to be met included dwindling State support for UC, a shortage of classes and teaching assistants, the cost of textbooks, sexual assault on campus, and student mental health issues. Recognizing the value of their diversity and differences, the members of the UC community can work together to create solutions to these challenges and move the University forward.

The Regents recessed at 10:15 a.m.

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The Regents reconvened at 10:50 a.m. on July 17, 2014 with Chairman Varner presiding.

Members present: Regents De La Peña, Engelhorn, Island, Kieffer, Lansing, Lozano, Makarechian, Napolitano, Reiss, Ruiz, Saifuddin, Sherman, Torlakson, and Varner

In attendance: Regents-designate Davis, Gorman, and Oved, Faculty Representatives Gilly and Jacob, Interim Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Chief Investment Officer Bachher, Provost Dorr, Executive Vice President and Interim Chief Financial Officer Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Brown, Budil, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Hawgood, Katehi, Wilcox, and Yang, Interim Chancellor Gillman, and Recording Secretary Johns

2. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of May 15 and the meetings of the Committee of the Whole of May 14 and 15, 2014 were approved.

3. REPORT OF THE PRESIDENT

The President presented her report concerning University activities and individuals. She welcomed incoming Staff Advisor Deidre Acker and noted that the Staff Advisor position had now been in existence for ten years. The previous month, Chancellor Katehi received an honorary degree from the American College of Greece. Four UC faculty members had been elected to the American Philosophical Society. The Society, founded by Benjamin Franklin, is the oldest learned society in the U.S., devoted to the advancement of scientific and scholarly inquiry. UCLA Professor of mathematics Terence Tao was one of five inaugural recipients of the \$3 million Breakthrough Prize in Mathematics, an award established by Facebook founder Mark Zuckerberg. The previous month, UCSF Professor Regis Kelly was awarded the title of Officer of the Most Excellent Order of the British Empire (O.B.E.) for his services to science, innovation, and global health. The University was mourning the passing of Regent Emeritus William Matson Roth, who served on the Board during the 1960s, one of the most turbulent periods in the University's history. Regent Roth was known for his wise counsel and lively sense of justice.

4. REPORT OF THE COMMITTEE ON COMPLIANCE AND AUDIT

The Committee presented the following from its meeting of July 16, 2014:

A. *Approval of Internal Audit Plan 2014-15*

The Committee reported its approval of the Internal Audit Plan 2014-15.

B. *Approval of Ethics and Compliance Program Plan for 2014-15*

The Committee reported its approval of the Ethics and Compliance Program Plan for 2014-15.

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

5. REPORT OF THE COMMITTEE ON COMPENSATION

The Committee presented the following from its meeting of July 17, 2014:

A. *Salary Adjustments for Senior Management Group Members*

Recommendation

The Committee recommended that the base salary adjustments for the individuals listed below be approved.

Last Name	First Name	Title	Current Annual Base Salary	Proposed Salary Increase %	Proposed Annual Base Salary
Dirks	Nicholas	Chancellor	\$486,800	3.00%	\$501,404
Katehi-Tseregounis	Linda	Chancellor	\$400,000	3.00%	\$412,000
Rice*	Ann Madden	Chief Executive Officer - UCD Medical Center	\$800,000	3.00%	\$824,000
Gillman	Howard	Interim Chancellor	\$356,380	3.00%	\$367,071
Belmont*	Terry	Chief Executive Officer – Medical Center	\$690,000	3.00%	\$710,700
Block	Gene	Chancellor	\$416,000	3.00%	\$428,480
Feinberg*	David	Associate Vice Chancellor, Health Sciences/CEO Hospital System	\$900,012	3.00%	\$927,009
Leland	Dorothy	Chancellor	\$310,000	3.00%	\$319,300
Brostrom	Nathan Eric	Interim Chief Financial Officer and Executive Vice President - Business Operations	\$400,000	3.00%	\$412,000
Dooley	Daniel M.	Senior Vice President - External Relations	\$370,000	3.00%	\$381,100
Dorr	Aimee	Provost and Executive Vice President - Academic Affairs	\$350,000	3.00%	\$360,500
Robinson	Charles F.	General Counsel and Vice President - Legal Affairs	\$416,000	3.00%	\$428,480
Stobo*	John David	Senior Vice President - Health Sciences and Services	\$580,000	3.00%	\$597,400
Vacca	Sheryl Jeanne	Senior Vice President - Chief Compliance and Audit Officer	\$405,000	3.00%	\$417,150
Wilcox	Kim Arthur	Chancellor	\$354,000	3.00%	\$364,620
Yang	Henry	Chancellor	\$315,000	3.00%	\$324,450
Blumenthal	George	Chancellor	\$310,000	3.00%	\$319,300
Khosla	Pradeep	Chancellor	\$411,084	3.00%	\$423,417
Viviano*	Paul	Associate Vice Chancellor - Health Systems/Chief Executive Officer	\$720,000	3.00%	\$741,600

Hawgood	Sam	Interim Chancellor	\$463,500	3.00%	\$477,405
Laret*	Mark	Chief Executive Officer, Medical Center	\$935,000	3.00%	\$963,050

* These Senior Management Group members are eligible for Regentally approved incentive pay.

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

B. *Extension of the Term Appointment of and Compensation for Barbara Allen-Diaz as Vice President – Agriculture and Natural Resources, Office of the President*

The Committee recommended approval of the following items in connection with the extension of the term appointment of and compensation for Barbara Allen-Diaz as Vice President – Agriculture and Natural Resources, Office of the President:

- (1) Per policy, extension of the term appointment of Barbara Allen-Diaz as Vice President – Agriculture and Natural Resources at 100 percent time effective October 1, 2014 through December 31, 2015.
- (2) Per policy, a salary adjustment of three percent, increasing Ms. Allen-Diaz's annual base salary from \$288,400 to \$297,052, effective July 1, 2014. Ms. Allen-Diaz's proposed base salary reflects the increase for which she will be eligible as part of the 2014-15 Salary Increase Program for non-represented staff.
- (3) 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).
- (4) Per policy, continued eligibility to participate in the UC Home Loan Program, subject to all applicable program requirements.

- (5) Per policy, continued provision of an administrative fund for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as permitted by policy.
- (6) Per policy, continued accrual of sabbatical credits as a member of tenured faculty.

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

C. *Appointment of and Compensation for Anne L. Shaw as Secretary and Chief of Staff to The Regents*

The Committee recommended approval of the following items in connection with the appointment of and compensation for Anne L. Shaw as Secretary and Chief of Staff to The Regents:

- (1) Appointment of Anne L. Shaw as Secretary and Chief of Staff to The Regents.
- (2) Per policy, an annual base salary of \$225,000. Ms. Shaw's proposed base salary includes the increase for which she would be eligible as part of the 2014-15 Salary Increase Program for non-represented staff effective July 1, 2014.
- (3) Per policy, annual automobile allowance of \$8,916.
- (4) Per policy, a monthly contribution to the Senior Management Supplemental Benefit Program.
- (5) Per policy, eligible to participate in the UC Home Loan Program, subject to all applicable program requirements.
- (6) 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).

- (7) 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.
- (8) This appointment is at 100 percent time and will be retroactive to July 1, 2014.

The compensation described above shall constitute the University's total commitment until modified by the Regents, 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: Chairman of the Board of Regents
Reviewed by: President Napolitano
Committee on Compensation Chair Kieffer
Office of the President, Human Resources

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

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

The Committee presented the following from its meeting of July 16, 2014:

A. *Authorization for External Financing for UCPath Project*

The Committee recommended that the President of the University be authorized to approve and obtain external financing for the UCPath project in an amount of \$220.5 million. The President shall require that:

- (1) As long as the debt is outstanding, the Systemwide Assessment (excluding funds from tuition and State operating appropriations) attributed to the UCPath project shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
- (2) The general credit of the Regents shall not be pledged.
- (3) The President be authorized to execute all documents necessary in connection with the above.

B. *Authorization to Fund University of California Retirement Plan Modified Annual Required Contribution with Contribution from Short Term Investment Pool*

The Committee recommended that the Regents amend the *Amendment of Authorization to Make Additional Contributions toward University of California Retirement Plan's Annual Required Contribution from One or More Multiple Sources*, as shown below.

Additions shown by underscoring; deletions shown by strikethrough

The President be delegated authority and discretion to make contributions to the University of California Retirement Plan (UCRP) to supplement scheduled employer and employee contributions beginning FY 2010-11. The amount and timing of the contributions will be guided by the goal of putting the Plan on a path toward fully funded status, with consideration of the projected budgetary impact to the University. The President may utilize borrowing from the Short Term Investment Pool (STIP), restructuring of University debt, and other internal or external sources to make these contributions to UCRP, fund the gap between scheduled pension contribution from the University and employees, and the required funding amount described above, as follows:

...

F. Transfer funds from STIP to UCRP in FY 2014-15 in an amount equal to the difference between the approved total employer and employee contribution to UCRP and modified ARC for FY 2013-14. This transfer shall satisfy the requirements below and will not exceed a total of \$700,000,000:

- (1) The creation of an internal note receivable ("STIP Note") for the amount above, owned by STIP participants.
- (2) The ability to set the repayment terms on the STIP Note, not to exceed a maximum of a 30-year amortization period.
- (3) Adoption of a waiver to the STIP investment guideline's maximum of five and a half years on investments to accommodate the terms of this STIP Note.
- (4) Assessment of all University fund sources making UCRP payments to include an additional amount for principal and interest payments on the STIP Note, divided proportionally based on covered compensation.
- (5) For funding sources, such as federal contracts and grants, where interest payments for the STIP Note are not billable as direct program costs, campuses will be required to pay these charges using non-federal sources. These fund sources may also be

excluded from the STIP loan repayment if they pre-pay their portion of the modified ARC assessment in FY 2014-15.

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

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

The Committee presented the following from its meeting of July 17, 2014:

A. ***Amendment of the Schedule of Reports to the Regents***

The Committee recommended that the Schedule of Reports be amended, as shown in Attachment 1.

B. ***Appointment of Regents-Designate and Faculty Representatives as Advisory Members to Standing Committees for 2014-15***

The Committee recommended that:

- (1) Regent-designate Davis be appointed as an Advisory Member to the Committees on Compensation, Educational Policy, Finance, Grounds and Buildings, and Health Services effective immediately through June 30, 2015.
- (2) Regent-designate Gorman be appointed as an Advisory Member to the Committees on Educational Policy, Finance, Health Services, Investments, and Long Range Planning, effective immediately through June 30, 2015.
- (3) Contingent upon his appointment as student Regent for 2015-16, Regent-designate Oved be appointed as an Advisory Member to the Committees on Compliance and Audit, Educational Policy, Finance, and Investments, effective immediately through June 30, 2015.
- (4) Faculty Representative Gilly be appointed as an Advisory Member to the Committees on Compensation, Compliance and Audit, Educational Policy, and Oversight of the Department of Energy Laboratories, effective September 1, 2014 through August 30, 2015.
- (5) Faculty Representative Hare be appointed as an Advisory Member to the Committees on Finance, Grounds and Buildings, Health Services, Investments, and Long Range Planning effective September 1, 2014 through August 30, 2015.

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

8. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS

The Committee presented the following from its meeting of July 17, 2014:

A. *Approval of New and Updated Sewer System Management Plans*

The Committee reported its certification and approval of the following new and updated Sewer System Management Plans: UC Berkeley Collection System Sewer System Management Plan, University Village Apartments Sewer System Management Plan, Richmond Field Station Sewer System Management Plan, UC Davis Sewer System Management Plan, UC Davis Medical Center Sanitary Sewer Management Plan, UC Irvine Sewer System Management Plan, UCLA Sewer System Management Plan, UC Merced Sewer System Management Plan, UC Riverside Sewer System Management Plan, UC San Diego Sewer System Management Plan, UC Santa Barbara Sewer System Management Plan, UC Santa Cruz Sewer System Management Plan, and the Kearney Agricultural Research and Extension Center Sewer System Management Plan.

B. *Approval of Preliminary Plans and Working Drawings Budget, Approval of Project Scope and Approval of Design following Action Pursuant to the California Environmental Quality Act, Clinical Sciences Building Seismic Retrofit and Renovation Project, San Francisco Campus*

(1) The Committee recommended that:

- a. The 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

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

To: San Francisco: Clinical Sciences Building Seismic Retrofit and Renovation – preliminary plans and working drawings – \$8,016,000 to be funded from campus funds (\$5,216,000), and external financing serviced by State appropriations under the AB 94 mechanism (\$2.8 million).

- b. The scope of the Clinical Sciences Building (CSB) Seismic Retrofit and Renovation project shall include:
- i. Seismic retrofit and replacement of the building systems.
 - ii. Renovation of 107,600 gross square feet (GSF) of existing CSB, and minor additions totaling 3,000 GSF to CSB at the

sixth and seventh floors because of the seismic retrofit work.

- (2) Following review and consideration of the environmental consequences of the proposed Clinical Sciences Building Seismic Retrofit and Renovation project as required by the California Environmental Quality Act, including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee reported its:

- a. Determination that the project qualifies for both a Class 1 and Class 31 categorical exemption in accordance with the California Environmental Quality Act.
- b. Approval of the design of the Clinical Sciences Building Seismic Retrofit and Renovation Project, San Francisco campus.

C. ***Amendment of the Budget and Scope and Approval of Design following Action Pursuant to California Environmental Quality Act, San Joaquin Apartments, Santa Barbara Campus***

- (1) The Committee recommended that:
 - a. The 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Barbara: San Joaquin Apartments – preliminary plans, working drawings, and construction – \$175 million to be funded from housing auxiliary reserves (\$7.76 million) and external financing (\$167.24 million).

To: Santa Barbara: San Joaquin Apartments – preliminary plans, working drawings, and construction – \$182,544,000 to be funded from housing auxiliary reserves (\$15,304,000) and external financing (\$167.24 million).
 - b. The additional scope of the San Joaquin Apartments project augmentation shall include construction of a new dining commons, general site improvements, landscaping, recreation courts, and approximately nine service and accessibility parking spaces and approximately 760 bicycle parking spaces.
- (2) Following review and consideration of the environmental consequences of the proposed San Joaquin Apartments project, as required by the California

Environmental Quality Act, including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee reported its:

- a. Finding that the project's Environmental Impact Report and Mitigation Monitoring and Report Program and Findings certified in January 2014 included the dining commons and site improvements, and thus no additional analysis is required pursuant to the California Environmental Quality Act.
- b. Approval of the design of the dining commons and site improvements in the San Joaquin Apartments project, Santa Barbara campus.
- c. Authorization of the President of the University or her designee to modify the design, if required, in response to comments received from the California Coastal Commission, provided that any substantial changes in design as described in the approval would be brought to the Regents for consideration.

- (3) The Committee recommended that the President be authorized to execute all documents necessary in connection with the above.

D. ***Amendment of the Budget and Scope, Jacobs Medical Center, San Diego Campus***

The Committee recommended that:

- (1) The 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: UCSD East Campus Bed Tower – preliminary plans, working drawings, construction and equipment – \$839.36 million to be funded from external financing (\$500 million), gifts (\$131 million), hospital reserves (\$104.36 million), Children's Hospital bonds (\$69 million), and capitalized leases (\$35 million).

To: San Diego: UCSD Jacobs Medical Center – preliminary plans, working drawings, construction and equipment – \$859.36 million to be funded from external financing (\$500 million), gifts (\$131 million), hospital reserves (\$124.36 million), Children's Hospital bonds (\$69 million), and capitalized leases (\$35 million).

- (2) The additional scope of the UCSD Jacobs Medical Center project augmentation shall include building out approximately 8,220 assignable square feet (ASF) of shelled space in the new bed tower and renovating approximately 1,700 ASF of space in the existing Thornton Hospital.
- (3) The President of the University be authorized to execute all documents necessary in connection with the above.

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

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

The Committee presented the following from its meeting of May 22, 2014:

Adoption of Expenditure Rate for Total Return Investment Pool

The Committee recommended that the expenditure rate (payout rate) for the Total Return Investment Pool (TRIP) for the fiscal year 2014-15 be 4.75 percent times the average of the month-end TRIP net asset value, calculated over the 60 months ending in June 2015, to be implemented in stages, in order to avoid unnecessary volatility in the dollar amount of payout.

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

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

The Committee presented the following from its meeting of July 17, 2014:

Resolutions to Exclude Access to Federal Classified Information

The Committee recommended that the three resolutions pertaining to the University's Department of Defense Facility Security Clearances be approved, as shown in Attachments 2-4.

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

11. **RESOLUTION IN APPRECIATION – STEVEN BECKWITH**

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

WHEREAS, the members of the Board of Regents of the University of California wish to express their sincere appreciation to Steven Beckwith for his contributions to the University's historic mission of teaching, research, and public service as Vice President for Research and Graduate Studies for the past six years, having given the University his full measure in his many and varied responsibilities; and

WHEREAS, his considerable knowledge and experience were born of a career devoted to the exploration of the heavens, having served with great distinction as a professor of physics and astronomy at the Johns Hopkins Space Telescope Institute, where he also served for seven years as its Director, developing the deepest optical image ever taken of the universe, the Hubble Ultra Deep Field, as managing director of the Max-Planck-Institut für Astronomie, and as a professor of astronomy at Cornell University, his alma mater; and

WHEREAS, he came to the University in 2007 as the first Vice President for Research and Graduate Studies, a position in which he contributed his professional skills and talents to reenergizing the administration of the University's research and graduate education programs, instituting more efficient financial and operational systems within the systemwide Office of Research and Graduate Studies, creating competitive programs for the University's Multicampus Research Programs, and serving with great effect on the Los Alamos National Security and Lawrence Livermore National Security Boards of Governors, as an Advisory Committee Governor to the Los Alamos and Lawrence Livermore National Laboratories, and as a member of the Science and Technology Committee for these Laboratories; and

WHEREAS, with a deep respect for the University's historic system of shared governance, he thoughtfully engaged the Academic Senate and campus administrators in evaluating the research portfolios for Office of the President-supported research programs; and

WHEREAS, as he has stated, the University of California's reputation as a premier research and teaching institution rests on its capacity to attract and retain students and scholars who reflect the rich diversity of California and the nation, thus he has had a strong and positive influence on ensuring the diversity of UC's doctoral programs and academic workforce, most notably through the creation of new programs such as the UC-HBCU Initiative, which seeks to increase the number of scholars from Historically Black Colleges and Universities (HBCUs) enrolling in UC academic doctoral programs;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express to Steven Beckwith their sincere gratitude for the strength of his commitment to the University, his tireless efforts on its behalf, and his exceptional dedication to the University's public research mission;

AND BE IT FURTHER RESOLVED that the Regents extend to Steve and his wife, Susan, their best wishes for a rich and happy new life as Steve returns to his great

passions, teaching and astronomical research, as a member of the faculty on the Berkeley campus.

Regent Makarechian expressed thanks to Vice President Beckwith for his work on technology transfer issues for the University.

12. **RESOLUTION IN MEMORY OF THE UC SANTA BARBARA STUDENTS WHO LOST THEIR LIVES ON MAY 23, 2014**

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

WHEREAS, the Regents of the University of California wish to express their profound sorrow over the tragic events of May 23 in Isla Vista, California in which six vibrant, gifted UC Santa Barbara students lost their lives far too soon, each so different but forever linked in our hearts and minds; and

WHEREAS, the entire University of California community, from Davis in the north to San Diego in the south, unites as one to mourn the heartbreaking loss of these remarkable and cherished members of the UC family, to support the wounded, and to comfort all those who have been grievously touched by one of the most devastating moments in the University's long history; and

WHEREAS, the University mourns the untimely passing of George Chen, a computer science major, brimming with promise, who quietly and without fanfare reached out to those in need, giving much-needed assistance to young and old alike, always with a smile and generous heart; and

WHEREAS, the University remembers the bright light that was Katherine Cooper, Katie to one and all, a soon to graduate art history and classics major with an optimistic outlook, thoughtfulness, and warm compassion who endeared herself to those who knew and loved her; and

WHEREAS, the University grieves the loss of James Cheng-Yuan Hong, a computer engineering major and a gentle, warm-hearted young man whose unheralded kindnesses touched and enriched so many as he sought to achieve his life's goal of making the world a better place for all in which to live; and

WHEREAS, the University is bereaved over the loss of Christopher Michaels-Martinez, a student of English literature, whose deep love for and appreciation of the written word was matched only by his passion for sports, a student who will be fondly remembered for his generosity of spirit and infectious grin; and

WHEREAS, the University cherishes the memory of Weihan David Wang, a student of computer engineering whose love of family and whose dedication and total commitment to all he did, whether in the classroom or on the basketball court, were the hallmarks of a brief life well lived and of a gentle soul well loved by others; and

WHEREAS, the University treasures the effervescent life and spirit that was Veronika Weiss, a mathematics and statistics major, whose youthful enthusiasm and drive, whether in the classroom or as a water polo player, keen intelligence, and warm humanity brought joy and smiles to those who enjoyed the pleasure of her company;

NOW, THEREFORE, BE IT RESOLVED that these six treasured members of the University of California community have left a unique imprint on our university and in our hearts, and while we mourn what might have been, we celebrate the youthful spirit, keen intelligence, and goodness that they embodied and brought to our community of learning;

AND BE IT FURTHER RESOLVED that the Regents convey their profound sympathy to the families of George Chen, Katie Cooper, James Hong, Chris Michaels-Martinez, David Wang, and Veronika Weiss as we mourn with them, and direct that this resolution be sent to them as a declaration of the Regents' deep sense of loss at the passing of these exemplary and beloved students.

Regent Saifuddin recalled that six UC students were killed on May 23, victims of a hateful rampage. This terrible loss has affected hundreds of lives. Regent Saifuddin expressed condolences on behalf of the Regents to the families and friends of the victims of this tragedy at UC Santa Barbara.

13. **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 recommendation:

Sale of Property, Ventura, California, Division of Agriculture and Natural Resources, Office of the President

- (1) Based on review and consideration of the Mitigated Negative Declaration adopted by the City of Ventura (November 17, 2008) in connection with its approval of a Specific Plan and related entitlements for the development of the Property, the University determine that no additional California Environmental Quality Act (CEQA) documentation is required pursuant to CEQA Guideline Section 15162 and adopt the Findings.
- (2) The sale of 35.81 acres at the southeast corner of Telegraph Road and Saticoy Avenue, Ventura, California (Property) be approved for the price of \$20.5 million to Standard Pacific Corporation, or designee (Bidder), all cash at closing.

- (3) The Secretary and Chief of Staff to The Regents will execute the deed required to close escrow on this transaction.
 - (4) The President, after consultation with the General Counsel, will execute all other documents necessary in connection with this transaction, and will approve any modifications to the terms of the sale transaction that do not materially reduce the sale proceeds or increase the Regents' obligations.
- B. The Chairman of the Board and the Chair of the Committee on Governance approved the following recommendation:

Appointment of a Regent to a Standing Committee

That Regent Kieffer be appointed to the Committee on Oversight of the Department of Energy Laboratories for the 2014-15 year, effective July 1, 2014.

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

Establishment of a New Position in the Senior Management Group of Vice Chancellor – Undergraduate Education, Berkeley Campus

Background to Recommendation

Action under interim authority was requested to approve the establishment of a new position within the Senior Management Group: Vice Chancellor – Undergraduate Education, Berkeley campus, effective upon approval. This position will be in Level Two of the Senior Management Group, and, pursuant to Regents policy, the President of the University has authority for appointment and compensation decisions for such positions within certain parameters.

The Vice Chancellor – Undergraduate Education (VC-UE) will report to the Executive Vice Chancellor and Provost (EVCP) and will be responsible for leading, overseeing and administering continued improvements in undergraduate education. The VC-UE will also serve as the Chancellor's lead on his signature Undergraduate Education Initiative. The VC-UE will work in collaboration with deans, department chairs, the Academic Senate, and others to develop and implement campus-wide teaching and learning initiatives and provide leadership in the coordination, development, implementation, and administration of campus-wide undergraduate curricular, academic enrichment, educational development, and instructional technology programs.

To strengthen academic ties, the VC-UE will collaborate closely with the Vice Chancellor – Student Affairs on issues related to admissions and enrollment. In addition, the Dean of Undergraduate Studies in the College of Letters and Science

will report jointly to the EVCP and the VC-UE. (Letters and Science has the largest population of Berkeley undergraduates.)

The portfolio of the VC-UE includes a range of programs and functions involved with teaching and learning at UC Berkeley. The VC-UE will have direct budgetary and management oversight of Educational Technology Services, University Extension (UNEX), Summer Sessions, Study Abroad and Life-Long Learning, the Student Learning Center, and the Athletic Study Center. The VC-UE will also have oversight of Berkeley Connect, a signature program that links undergraduate students with graduate students and faculty in ten departments and is expected to expand to include all campus departments with undergraduate students. These programs currently have a combined budget of approximately \$80 million and 362 FTEs, and an additional headcount of 939 UNEX instructors.

Chancellor Dirks has made undergraduate education a pillar of his administration and part of his vision to help restore the public's confidence in and support for higher education. The aim of the Undergraduate Education Initiative is to engage holistically with the issues and challenges confronting undergraduate education in a research university in the 21st century, creating a signature Berkeley experience for undergraduates and finding ways to provide a high-quality and "high-touch" collegiate experience for students that can also serve as a new paradigm for higher education. The initiative will focus attention on three areas: how the campus can support and expand its considerable achievements in diversity; how the campus can evaluate and strengthen its curriculum; and how the campus can find ways to connect and support student life more comprehensively.

The benchmark percentiles for the proposed Market Reference Zone (MRZ) for the position of VC-UE are as follows: 25th percentile – \$206,000, 50th percentile – \$233,000, 60th percentile – \$243,000, 75th percentile – \$289,000, and 90th percentile – \$385,000. The survey source used to establish the proposed MRZ is the College and University Professional Association (CUPA) Administrators in Higher Education Salary Survey.

This interim action was requested in order to coordinate communications and transition planning related to this new position. Chancellor Dirks, after one year in his position, was ready to announce a series of organizational changes that align with the priorities he established in his November 2013 inaugural speech. Establishing this Vice Chancellor position is central to his reorganization plan, which he wanted to announce close to his one-year anniversary (June 1) and before the majority of Berkeley faculty, staff, and students depart for the summer. In addition, it was necessary to make this announcement as soon as possible in order to allow for transition planning for the reorganization, which were effective July 1. Several parts of the campus are affected by the reorganization, and specifically by the establishment of this position, and Chancellor Dirks wanted to be able to involve stakeholders in the transition plans.

Funding for this position will come partially or fully from State funds.

Recommendation

The following items were approved in connection with the establishment of a new position in the Senior Management Group of Vice Chancellor – Undergraduate Education, Berkeley campus:

- (1) The establishment of the new Senior Management Group position of Vice Chancellor – Undergraduate Education, Berkeley campus. This position will be in Level Two of the Senior Management Group.
- (2) The establishment of a Market Reference Zone for the position of Vice Chancellor – Undergraduate Education includes the following benchmark percentiles: 25th percentile – \$206,000, 50th percentile – \$233,000, 60th percentile – \$243,000, 75th percentile – \$289,000, and 90th percentile – \$385,000.
- (3) This action will be effective upon approval.

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

14. **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 reports dated June 5, 2014 and July 1, 2014.

15. **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 Compensation

- A. From the President, the May 2014 Biannual Transaction Monitoring Report. (June 24, 2014)
- B. From the President, a copy of the Biannual Compensation Monitoring Reports: Actions for Certain Athletic Positions and Coaches Systemwide – May 2014. (May 16, 2014)

- C. From the President, the Annual Report on Compensated Outside Professional Activities for Reporting Period July 1, 2012 through June 30, 2013: Deans and Certain Other Full-Time Faculty Administrators (OPA Report). (May 27, 2014)

To the Regents of the University of California

- D. From the Secretary and Chief of Staff, an announcement relating the appointment of members to the Special Committee on the Selection of a Student Regent. (March 12, 2014)
- E. From the President, a letter concerning the status of UCSF's negotiations with respect to its Laurel Heights campus location. (May 12, 2014)
- F. From the Interim Secretary and Chief of Staff, an announcement of an additional member to the Special Committee on the Selection of Student Regents for 2015-16. (May 15, 2014)
- G. From the President, information on the 2014-15 UC Budget Update, May 21, 2014. (May 21, 2014)
- H. From the President, a second update on the 2014-15 UC Budget Update (May 22, 2014). (May 22, 2014)
- I. From the President, a message and statement concerning the tragic incident in Isla Vista involving UCSB students on May 23, 2014. (May 24, 2014)
- J. From the President, a letter relating details concerning a memorial service at UCSB on May 27 and other accommodations for students to cope with the tragic death of six UCSB students. (May 25, 2014)
- K. From the Interim Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the months of April and May 2014. (June 4, 2014)
- L. From the President, letter relating budget agreement between Governor and Legislature for the University. (June 10, 2014)
- M. From the President, letter relating updated 2014-15 budget for the University. (June 13, 2014)
- N. From the President, letter establishing a task force on sustainable investing and a list of the members. (June 16, 2014)
- O. From the President, letter establishing a task force concerning issues related to the prevention of sexual violence and sexual assault and a list of the members. (June 20, 2014)

- P. From the President, news release announcing the formation of the UC Innovation Council. (June 26, 2014)
- Q. From the Interim Secretary and Chief of Staff, summaries of correspondence sent to the Regents for the month of June. (July 1, 2014)

The meeting adjourned at 10:55 a.m.

Attest:

Interim Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough

SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to Bylaw 16.8(a)]
Amended ~~January 2014~~ July 2014

	Month(s) Provided to Regents
BOARD	
Report of the President Concerning University Activities and Individuals (the President's Report)	January March May July September November
COMMITTEE ON COMPENSATION	
Annual Reports on Executive Compensation for Calendar Year ____: (a) Incumbents in Senior Management Positions and (b) Deans and Certain Faculty Administrators (<i>mbm</i> ¹)	July
Annual Report on Compensated Outside Professional Activities for Calendar Year ____: Incumbents in Senior Management Positions (<i>mbm</i>)	July
Annual Report on Compensated Outside Professional Activities for Calendar Year ____: Deans and Faculty Administrators (<i>mbm</i>)	January
Annual Report on Health Sciences Compensation Plan Participants' Compensation that Exceed the Reporting Threshold (<i>mbm</i>)	November
Annual Report on Academic Personnel Salaries Above the Indexed Compensation Level (<i>mbm</i>[*])	November
Annual Report on Adjustment of the Indexed Compensation Level (<i>mbm</i>)	September

¹ *mbm*: Report is sent to all Regents as a mailing between meetings (*mbm*)

~~Biannual Compensation Monitoring Reports: (a) Incumbents in Certain Senior Management Positions; and (b) Deans and Full-Time Faculty Administrators (mbm*)~~ May
November

Annual Compensation Monitoring Report for Calendar Year ____ : Actions for Certain Athletic Positions and Coaches Systemwide (mbm) July

COMMITTEE ON COMPLIANCE AND AUDIT

Internal Audit Plan July

Annual Review of External Audit of Hastings College of the Law (mbm) March

Annual Report on Ethics and Compliance September

Annual Report of External Auditors for the Year Ended June 30, ____ November

Annual Report on Internal Audit Activities November

COMMITTEE ON EDUCATIONAL POLICY

Annual Report on Private Support, Major Donors, and Namings and Endowed Chairs (mbm) November

Annual Report on Student Financial Support (mbm) March

Annual Report on Undergraduate Admissions Requirements and Comprehensive Review (mbm) November

~~Annual Report on Proposals Seeking Research Funding from the Tobacco Industry (mbm*)~~ September

Annual Report on Self-Supporting Professional Degree Programs (mbm) August

Annual Accountability Sub-Report on Diversity at the University of California January

COMMITTEE ON FINANCE

Annual Report on Risk Management (mbm) January

Annual Report on Use of Outside Counsel (mbm) January

Annual Report on Settlements and Separation Agreements	January
Annual Report on University Housing Assistance Programs (<i>mbm</i>)	January
Annual Report on Expenditures of Associates to the President and Chancellors (<i>mbm</i>)	September
University of California Financial Reports	November
Annual University of California Retirement Plan-Actuarial Valuation Report	November
Annual Report on Debt Capital and External Finance Approvals (<i>mbm</i>)	January
Annual Report on the University of California Technology Transfer Program (<i>mbm</i>)	May
Annual Report on Administrative Efficiencies	May <u>September</u>
Annual Report on Newly Approved Indirect Costs (<i>mbm</i>)	November
Bi-Monthly Report on New Litigation (<i>mbm</i>)	January March May July September November
Annual Report on the Net Fee Income Received as Owner of a Limited Liability Company Managing a Department of Energy National Laboratory and Expenditures Made Therefrom (<i>mbm</i>)	November
Annual Report on the Commission on the Future Recommendations (<i>mbm*</i>)	July

COMMITTEE ON GROUNDS AND BUILDINGS

Annual Report on Sustainable Practices (<i>mbm</i>)	January
Annual Report on Chancellor’s Residence and Office Capital Projects (<i>mbm</i>)	September
Annual Report on Major Capital Projects Implementation (<i>mbm</i>)	October

Ten Year Consolidated State and Non-State Capital Financial Plan November

COMMITTEE ON HEALTH SERVICES

Biannual Activity and Financial Status Report on Hospitals and Clinics (*mbm*) March
November

COMMITTEE ON INVESTMENTS

Annual Endowment Investment Report (*mbm*) February

Annual Report of the Treasurer (*mbm*) November

COMMITTEE ON LONG RANGE PLANNING

Annual University of California Accountability Report July

RESOLUTION

Pursuant to the *Policy on Security Clearance for Access to Federal Classified Information* adopted on March 29, 2012 and this Resolution, the following named member of the Board of The University of California shall not require, shall not have, and can be effectively excluded from access to all classified information and/or special nuclear material released to the Regents of the University of California until such individual is granted the required access authorization from the cognizant security agency. And, as a consequence of this Resolution, such individual does not occupy a position that would enable her to adversely affect the policies or practices of the University of California, or its subsidiary, regarding the performance of classified contracts for the United States Government.

NAME	TITLE
Karen Leong Clancy	Regent

RESOLUTION

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NAME	TITLE
Sheldon Engelhorn	Regent

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NAME	TITLE
Sadia Saifuddin	Regent