

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

July 17, 2014

A special meeting of the Regents of the University of California was held on the above date 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, Torlakson, Varner, and Zettel

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, Wilcox, and Yang, Interim Chancellors Gillman and Hawgood, and Recording Secretary Johns

The meeting convened at 9:25 a.m. with Chairman Varner presiding.

1. **READING OF NOTICE OF MEETING**

For the record, it was confirmed that notice had been given in compliance with the Bylaws and Standing Orders for a special meeting of the Regents of the University of California, for this date and time, for the purpose of considering the appointment of Samuel Hawgood as Chancellor, San Francisco campus.

2. **REPORT OF THE PRESIDENT: APPOINTMENT – CHANCELLOR**

Appointment of Samuel Hawgood as Chancellor, San Francisco Campus

The President recommended that Samuel Hawgood be appointed as Chancellor, San Francisco campus, at 100 percent time, effective upon approval. Dr. Hawgood will also continue to hold an academic appointment, at zero percent time, on the San Francisco campus.

Upon motion of President Napolitano, duly seconded, the President's recommendation was approved.

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

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

Compensation for Samuel Hawgood as Chancellor, San Francisco Campus

The Committee recommended that, contingent upon and effective with Samuel Hawgood's appointment by the Regents as Chancellor of the San Francisco campus, the following items be approved in connection with that appointment:

- A. Per policy, annual base salary of \$500,000, which will be funded by State sources, plus an additional \$250,000, which will be funded through an endowed chair, the Arthur Rock and Toni Rembe Distinguished Professorship, created specifically for the Chancellor position by the UCSF Foundation using no State funds.
- B. Per policy, annual automobile allowance of \$8,916.
- C. Per policy, continued participation in standard pension and health and welfare benefits and standard senior management benefits (including senior management life insurance and executive salary continuation for disability).
- D. Per policy, a University-provided house while serving as Chancellor.
- E. Per policy, the University will arrange for the packing and relocation of household goods and personal effects associated with the relocation to the University-provided house on campus. The University will also arrange to pack and move Dr. Hawgood's personal library, laboratory, and other related equipment and materials, subject to the limitations under University policy.
- F. Per policy, when Dr. Hawgood leaves the Chancellor position and returns to the University faculty at a UC campus, the University will arrange for the relocation of household goods and personal effects, including his personal library, laboratory, and any other related equipment and materials to a location of his choice in California.
- G. Per policy, eligibility to participate in the UC Home Loan Program, in accordance with all applicable policies when stepping down as Chancellor, if Dr. Hawgood assumes a tenured faculty position at San Francisco or at another UC campus.
- H. 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.
- I. If Dr. Hawgood maintains an active research program during his appointment as Chancellor, an annual allocation of campus funding will be established for this research during the term as Chancellor.
- J. 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

Upon motion of Regent Kieffer, duly seconded, the recommendation of the Committee on Compensation was approved.

Chairman Varner congratulated Samuel Hawgood on his appointment.

Dr. Hawgood thanked the Board for this vote of confidence to lead UC San Francisco as its tenth Chancellor. Although he had been appointed this morning, he was aware that his actions over the coming months and years would truly earn him the title. Dr. Hawgood informed the Regents that he had been at UCSF for 32 years and had had the privilege of serving the University in several capacities. He moved with his family from Australia in 1982 to begin his UCSF career as a postdoctoral fellow in the Cardiovascular Research Institute. There he learned the critical role of basic, curiosity-driven research, science purely in the pursuit of new knowledge, which was and is the foundational strength of UCSF. Dr. Hawgood benefited enormously from the unusually collaborative culture of UCSF, an environment that demands excellence and hard work, but where teachers and mentors are eager to see their students and colleagues succeed. The culture that Dr. Hawgood encountered three decades earlier still remains at UCSF today.

After Dr. Hawgood established his own laboratory, he returned to clinical medicine, to practice in the neonatal intensive care unit, connecting scientific work with clinical medicine. There he was daily reminded of the nobility of UCSF's mission to improve the health and lives of the people UCSF is privileged to care for, and of the responsibility and excitement of training the next generation. The nobility of the mission should not be forgotten in the midst of the daily grind. Dr. Hawgood's 32 years at UCSF had been extraordinary, first and foremost for the opportunity to work with the faculty, staff, and students of UCSF. Their talent and commitment to UCSF's public mission is an inspiration. It had also been a privilege to work side by side with volunteers and donors who work on behalf of UCSF. This combination of internal talent and external support gave Dr. Hawgood great confidence in taking on his new role.

The work done at UCSF occurs at the intersection of higher education, health care, and discovery. There are tremendous opportunities for advancement in all three of these areas, but all three areas are also ripe for disruption by new organizational and business models. Dr. Hawgood stressed his understanding of and deep respect for UC's core values that importantly include shared governance with faculty. The University must protect its core values, but should not become nostalgic about the past or complacent about the present. The present time calls for rigorous examination of the reality of the world and a willingness to move forward boldly in new directions. Dr. Hawgood expressed his commitment to work closely with faculty. As Chancellor, he would have

both the opportunity and the obligation to provide forward-looking leadership and make UCSF a model for the country at a time of great opportunity for the health sciences.

In the health care arena, the Patient Protection and Affordable Care Act continues to receive attention in the news media, but the pressure for fundamental change in the U.S. health care system comes from a deeper source than Washington politics. Society itself is demanding greater value in health care. Academic health centers such as UCSF cannot remain above the fray, but must provide the innovation and leadership to solve the value equation in health care. It is also clear that academic health centers can no longer survive alone. They must explore new and sometimes challenging business and governance models. Calibrating risk would be an important issue for UCSF in this new environment. The campus must act boldly to avoid being marginalized by large consolidated non-academic systems. The UC system's strength in health care is a critical asset, and Dr. Hawgood looked forward to working across campuses to make UC Health a national role model for high-value innovative care.

In the area of education, disruption was coming from at least two sources. The first was the rising debt burden of UCSF's students. Addressing this burden would be a key priority for Dr. Hawgood. The second, more profound disruption, and an intellectually interesting one, comes from students' unprecedented access to vast amounts of information and the widening gap between traditional methods of teaching and the way young people who have grown up in a digital world can best learn. With UCSF's singular focus on the graduate and postgraduate health sciences, the campus can lead the way in transforming not only what is taught, but how it is taught.

Curiosity-driven basic scientific research is and would remain the jewel in the UCSF crown. But the campus must face two realities. Federal funding for research and development is flat, with a declining purchasing power of grants that become ever more difficult to obtain. Dr. Hawgood expressed his commitment to doing everything possible to strengthen basic, applied, and population research at UCSF by securing new sources of funding and relieving the financial and administrative burdens currently placed on UCSF's research faculty. The second reality was the merging of the technological, biological, and global population sciences into large integrated knowledge networks, driven by remarkable advances in informatics and technology. This convergence was occurring in ways unimaginable only a few years earlier and required new approaches to team science, and a willingness to expand the traditional boundaries of health sciences pursued at UCSF. Both these realities, and other trends in the research sector, suggest that innovative public-public and public-private partnerships are needed. The University must pursue new routes to funding and even more vigorous approaches to the dissemination and commercialization of its discoveries.

Dr. Hawgood stated that he would embrace the critical role that the UCSF Chancellor must play in San Francisco, across the UC system, nationally, and even internationally, as the academic health sciences adapt to the reality of the world they occupy today. He expressed his hope that throughout his term as Chancellor he could bring to all members of the UCSF family, and to others who look to UCSF for hope and inspiration, the same

sense of excitement, engagement, and optimism that he felt today. He again thanked the Regents for the confidence and trust they had placed in him.

Chairman Varner again congratulated Dr. Hawgood and stated that the Board looked forward to working with him.

The meeting adjourned at 9:30 a.m.

Attest:

Interim Secretary and Chief of Staff