

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 17, 2019

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

Members present: Regents Anderson, Anguiano, Butler, Cohen, Elliott, Estolano, Graves, Guber, Kieffer, Kounalakis, Lansing, Leib, Morimoto, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Sures, Tauscher, Thurmond, and Zettel

In attendance: Regents-designate Um and Weddle, Faculty Representatives Bhavnani and May, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Executive Vice President Stobo, Vice Presidents Brown and Duckett, Chancellors Block, Blumenthal, Christ, Gillman, Hawgood, Khosla, Leland, May, Wilcox, and Yang, and Recording Secretary Li

The meeting convened at 9:15 a.m. with Chair Kieffer presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of November 15, 2018 were approved.

2. PUBLIC COMMENT

Chair Kieffer explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Board concerning the items noted.

- A. Davon Thomas, UC Santa Cruz Student Union Assembly (SUA) External Vice President and Board Chair of the UC Student Association (UCSA), spoke in support of Student-Initiated Outreach Programs (SIOP) for recently admitted students. Mr. Thomas requested that the Regents research SIOPs, give them the funding they deserve, and empower student leaders. He shared that SIOPs were producing great results for underrepresented communities on campus and recounted how such a program helped him decide to attend UC Santa Cruz and prepared him for success there.
- B. Ximena Valdarrago, UC Berkeley student and member of the UC Undocumented Students Coalition, sought funding for mental health services for undocumented students due to the extra stress they were experiencing under the current federal administration. Ms. Valdarrago sought an additional \$2 million on top of the \$5 million Governor Newsom has proposed in his budget to expand mental health services for students.

- C. Jamie Kennerk, External Vice President of the UCLA Undergraduate Student Association Council, voiced her appreciation for the dialogue the Regents had and the questions they asked about UCPATH. Ms. Kennerk touched on two questions she felt were overlooked—who had access to UCPATH resources and what requirements came with these resources, noting that not all campuses joining UCPATH have the same resources. She encouraged the Regents to visit the UCPATH Center for a better sense of what needed to be addressed. As the voter registration chair for UCSA, Ms. Kennerk called for voter centers on campuses to help many first-time student voters. She asked the Regents make this a priority for 2020 voter registration efforts.
- D. Rebecca Ora, External Vice President of the Graduate Student Association at UCSC and Ph.D. candidate, noted that UCSC students were not among members of the community speaking out against Student Housing West during the public comment period of the meeting of the Board on January 16, 2019. Neither the SUA nor the Graduate Student Assembly had opposed the housing project and would continue to prioritize the lives of students, some of who were sleeping in the woods due to homelessness.
- E. Ivar Diehl, Berkeley resident, spoke in opposition to the student housing development planned at People's Park, stating that it would obstruct the view corridor leading to First Church of Christ, Scientist Dwight Way and Bowditch Street. Mr. Diehl had surveyed UC Berkeley alumni on the planned development of People's Park; no respondents approved of the plan, but the other nine housing development sites elicited positive responses.
- F. Siobhan Lettow, Berkeley resident, spoke in opposition to the student housing development planned at People's Park, stating that Berkeley needed more green space and that the University should consider the other nine housing development sites.

The Board recessed at 9:25 a.m.

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The Board reconvened at 11:25 a.m. with Chair Kieffer presiding.

Members present: Regents Anderson, Anguiano, Butler, Cohen, Elliott, Estolano, Graves, Guber, Kieffer, Kounalakis, Lansing, Leib, Morimoto, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Sures, Tauscher, Thurmond, and Zettel

In attendance: Regents-designate Um and Weddle, Faculty Representatives Bhavnani and May, Secretary and Chief of Staff Shaw, General Counsel Robinson, Provost Brown, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Executive Vice President Stobo, Vice Presidents Brown and Duckett,

Chancellors Block, Blumenthal, Christ, Gillman, Hawgood, Khosla, Leland, May, Wilcox, and Yang, and Recording Secretary Li

3. **REMARKS FROM STUDENT ASSOCIATIONS**

President Napolitano introduced UC Student Association (UCSA) President Caroline Siegel-Singh, who welcomed the new additions to the Board. Ms. Siegel-Singh recalled the events of one year ago, when what was initially a vote for a tuition increase met student opposition and became a tuition decrease. Ms. Siegel-Singh stressed the importance of the Board to work with student leaders and hoped that this collaboration would continue. She also noted that student representation within the Board of Regents was a point of entry for students like herself who sought ways to effect change at UC. For instance, Mothers of Color in Academia (MOCA) from UCLA appeared before the Board as Student Advocates to the Regents, and a student parenting task force recently formed to learn more about the experience of student parents and how best to support them.

Ms. Siegel-Singh stated that it was critical for the University to understand that UC student demographics have shifted like the State's demographics. UC should be able to address the basic needs of all students: student parents, undocumented students, students returning to higher education, and others.

Ms. Siegel-Singh thanked Regent Ortiz Oakley for allowing her to make a presentation at the Public Engagement and Development Committee on UC voter registration. She proposed a future where there were vote centers on every UC campus, and the University was a hub of civic engagement.

In light of Governor Newsom's proposed budget, Ms. Siegel-Singh hoped that the existing basic needs services would be funded along with the \$15 million financial aid package in Governor Newsom's proposed budget in a dual effort. She also called on the Board to continue to support undocumented students by funding legal and mental health services in the current sociopolitical climate.

Ms. Siegel-Singh shared her New Year's resolutions for UC: view students as equal stakeholders along with groups such as legislators, alumni, and California residents; include students at all levels of governance; and utilize institutional resources and staffing to support student-led efforts in civic engagement.

4. **COMMITTEE REPORTS INCLUDING APPROVAL OF RECOMMENDATIONS FROM COMMITTEES**

Chair Kieffer stated that Chairs of Committees and Subcommittees that met the prior day and off-cycle would deliver reports on recommended actions and items discussed, providing an opportunity for Regents who did not attend a particular meeting to ask questions.

Report of the Academic and Student Affairs Committee

The Committee presented the following from its meeting of January 16, 2019. The Committee considered one action item and two discussion items.

A. *Approval of Professional Degree Supplemental Tuition for Two Graduate Professional Degree Programs, Berkeley and Santa Cruz Campuses*

The Committee recommended approval of the multi-year plan for charging Professional Degree Supplemental Tuition (PDST) for the Natural Language Processing program at UC Santa Cruz. Effective upon approval of the multi-year plan, PDSTs are established for the program and the maximum annual PDST levels for the five-year period specified in the program's multi-year plan can be assessed (as shown in Display 1).

DISPLAY 1: Proposed Professional Degree Supplemental Tuition Levels for AY 2019-20 through AY 2023-24*

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Natural Language Processing, UC Santa Cruz					
Resident PDST Level	\$20,000	\$20,600	\$21,220	\$21,856	\$22,508
Nonresident PDST Level	\$20,000	\$20,600	\$21,220	\$21,856	\$22,508

* The amounts in the display reflect the maximum PDST levels to be assessed, effective as of the academic year indicated. Assessing PDST levels less than the level indicated in the display requires approval by the President with the concurrence of the Chancellor. PDST levels may be assessed beyond the period covering the program's approved multi-year plan but not in excess of the maximum levels specified in the final year. Assessing PDST levels greater than the amounts in the display requires Regental approval of a new multi-year plan.

Vice Chair Regent Pérez explained that the Committee had amended this item, removing a proposal for Professional Degree Supplemental Tuition (PDST) for the Leadership for Educational Equity Program at UC Berkeley. The Committee was recommending PDST for the Natural Language Processing program at UC Santa Cruz.

Regent Thurmond asked if there were students already enrolled in the Natural Language Processing program and what the tuition increase would be. Vice Chair Regent Pérez responded that UC's professional degree programs were different from its academic graduate programs. Professional degree programs are supported by State funds, but campuses may request authorization to charge PDST. PDST requests are carefully reviewed by the Regents and not all are approved. One purpose of PDST is to create return-to-aid. This program at UC Santa Cruz reflected the campus' increased relationship with dynamic activities in Silicon Valley. The PDST for this program would create pathways for underrepresented groups to study and engage in this field. The cost of this one-year program was \$20,000.

Regent Thurmond appreciated the fact that one-third of tuition would support financial aid and efforts to address disparities in the applicant pool but expressed concern about appropriate due diligence for any proposed tuition increase and the

impact of an increase on students. He asked why PDST was being requested in this case. Provost Brown responded that PDST would fund a range of student support services to promote student success and for outreach.

Regent Thurmond asked if part of the motivation for PDST was the ability to offer competitive wages and attract instructors from industry. Vice Chair Regent Pérez responded that differential pay for instructors was not an issue. The program wished to assemble a team in a very dynamic field. PDST would support outreach staff and staff engaged in partnerships with industry. It was hoped that industry partnerships would result in more financial support for students and a more direct pathway from the UC degree to employment. It was difficult to vote for increased tuition, but Vice Chair Regent Pérez observed that graduates from this program would be in a position to earn much higher wages in a competitive field.

Regent Thurmond stated that he would advocate in the Legislature for more funding for UC. He expressed appreciation for the rationale that had been provided but stated that he would vote “no.”

B. *Student Athletes at the University of California*

The Committee had an extensive discussion about the life of student athletes on UC campuses. Some participants provided recommendations for improving the student athlete experience. The Committee appreciated these recommendations and asked the Office of the President to follow up on these. For future presentations, the Committee requested better disaggregation of data on graduation rates by gender, as well as data on student athletes who leave UC before graduating in order to pursue professional sports employment.

C. *Update on UC Center in Sacramento*

Vice Chair Regent Pérez noted that this discussion was consistent with previous discussions.

Upon motion of Vice Chair Regent Pérez, duly made and seconded, the recommendation of the Academic and Student Affairs Committee was approved, with Regents Kounalakis and Thurmond voting “no.”

Report of the Compliance and Audit Committee

The Committee presented the following from its meeting of January 16, 2018. The Committee considered two items for discussion.

A. ***Update on Implementation of Recommendations from State Audit of University of California Office of the President Administrative Expenditures***

Regent Elliott noted that the California State Auditor had not yet finalized its assessment of the October 2018 update provided by UC. The University hoped that this assessment would be completed soon.

B. ***Update on Implementation of Recommendations from State Audit of Sexual Harassment Cases***

The State audit of sexual harassment cases at UC had produced a large number of recommendations, most of which were due in July 2019. The University was on track to meet these implementation requirements. The Committee recommended that the full Board have a holistic discussion of Title IX and sexual violence and sexual harassment issues at a future meeting.

Report of the Finance and Capital Strategies Committee

The Committee presented the following from its meeting of January 16, 2019. The Committee considered two items for action and three items for discussion:

A. ***Approval of Preliminary Plans Funding, Ambulatory Care Center Expansion with Eye Center, Davis Health Campus***

The Committee recommended that the 2018-19 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Ambulatory Care Center Expansion with Eye Center – preliminary plans – \$6,706,000 to be funded from Medical Center reserves.

Regent Park briefly summarized this item.

B. ***Approval of Budget and External Financing, Franklin Antonio Hall, San Diego Campus***

The Committee recommended to the Regents that:

- (1) The 2018-19 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Franklin Antonio Hall – preliminary plans – \$8 million to be funded from campus funds.

To: San Diego: Franklin Antonio Hall – preliminary plans, working drawings, construction, and equipment –

\$185 million to be funded from external financing (\$180 million) and campus funds (\$5 million).

- (2) The scope of the Franklin Antonio Hall project shall provide approximately 128,800 assignable square feet (188,500 gross square feet) of collaborative research laboratory centers, faculty offices, space for the Institute for the Global Entrepreneur; education space (general assignment classrooms including a 250-seat auditorium and two 100-seat classrooms, student collaborative study space, and an executive outreach classroom); space for undergraduate student extracurricular projects; shared meeting space; and a café.
- (3) The President be authorized to obtain external financing in an amount not to exceed \$180 million plus additional related financing costs. The President shall require that:
 - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - b. As long as the debt is outstanding, the general revenues of the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - c. The general credit of the Regents shall not be pledged.
- (4) The President be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above.

This \$185 million project for Franklin Antonio Hall at the Jacobs School of Engineering at UC San Diego would address significant growth in UCSD's engineering program and the campus' desire to attract and retain more top-notch faculty. The new space would allow for increased enrollment of graduate students, which is crucial for faculty recruitment and undergraduate teaching, and would further Chancellor Khosla's goal of having UCSD's program ranked among the top ten engineering programs in the U.S.

C. ***Pepper Canyon West Upper Division Undergraduate Student Housing Project, San Diego Campus***

The campus discussed this project, a planned 1,400-bed student housing complex, and the Committee asked the campus to increase the project density in order to maximize the use of space in this valuable location near a light rail station. The Committee also expressed its wish that this student housing be as affordable as possible and asked UC San Diego to consider the size of units in relation to costs.

D. ***Long Range Development Plan Amendment and Design, Student Housing West Project, Santa Cruz Campus***

The Committee invited two members of the Santa Cruz community to speak about this project; one was in favor and the other against it. The project would be built on two campus sites. Controversy surrounded one of these, the Hagar site, where there is a large meadow. The Hagar site is near the entrance to the campus, and the project's opponents were concerned about disruption of this meadow and the initial impression one receives when entering the campus. Given the small number of family student housing units planned for the Hagar site, opponents also suggested that if UC Santa Cruz decides to build on this meadow, there should be a larger, more comprehensive plan. Proponents of the project pointed out that UCSC needed housing now. Family housing and childcare facilities at the Hagar site would be close to a local elementary school. The site is near existing development and a busy intersection. Proponents found the proposed design to be modest and not an eyesore. The campus had reviewed proposed alternative sites but found all to be unfeasible for various reasons, such as requirements for Coastal Commission permission, displacement of planned staff housing, and project cost increases that would affect the cost to students. The campus also noted that the geological karst terrain at the Hagar site, with underground caves and sinkholes, would make a grander, more extensive development at this site unlikely. The Committee requested more information about the analysis of alternative sites and aerial and virtual reality views of the site to augment pictures included in the presentation. The Committee has made an effort to hear directly from the community and the campus.

E. ***UCPath Update***

Regent Park noted that problems with payments through UCPath had been reported by speakers during public comment periods. This presentation indicated that many systemic issues had been identified and resolved. The University had improved its outreach to UC employees and the time required to respond to problems. Current issues with UCPath were often unique cases that need to be resolved on an individual basis. In preparation for upcoming deployments, the UCPath team would be increasing training programs; human error is part of this equation, and training would mitigate the frequency of human error. The UCPath team reported that it had decided to move the final deployment three months later, from September to December 2019. September would be a difficult timeframe for deployment, given the number of student hires at that time of year. UC Irvine would also shift from the March deployment to the December deployment group. This change would have the effect of using up almost all the contingency funding, which was based on the extension of staffing. At this point, the UCPath team did not anticipate further delays.

Upon motion of Regent Park, duly made and seconded, the recommendations of the Finance and Capital Strategies Committee were approved.

Governance and Compensation Committee

The Committee presented the following from its meeting of January 17, 2019. The Committee considered five items for action and one item for discussion:

A. ***Approval of Incentive Compensation Using Non-State Funds for Fiscal Year 2017-18 for Jagdeep Singh Bachher as Chief Investment Officer and Vice President– Investments, as Discussed in Closed Session***

The Committee recommended approval of an incentive award of \$490,985 for Plan Year 2017-18, under the Office of the Chief Investment Officer Annual Incentive Plan (AIP), for Jagdeep Singh Bachher as Chief Investment Officer and Vice President – Investments, Office of the President. The recommended incentive award represents 75.252 percent of Mr. Bachher's annual base salary of \$652,454.

Recommended Compensation

Effective Date: upon Regents' approval

Base Salary: \$652,454

AIP Award: \$490,985 (75.252 percent of base salary)

Base Salary Plus Recommended AIP Award: \$1,143,439

Funding: non-State-funded

Prior Year Data (2016-17 Plan Year)

Effective Date: upon Regents' approval

Base Salary: \$652,454

AIP Award: \$1,013,959 (155.407 percent of base salary)

Base Salary Plus Recommended AIP Award: \$1,666,412

Funding: non-State-funded

The incentive compensation described above shall constitute the University's total commitment regarding incentive compensation 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.

Regent Sherman briefly summarized this item.

B. ***Review in Connection with the University of California 10 Campus Study***

This item was not summarized at the Board meeting.

C. ***Amendment of Regents Policy 7707 – Senior Management Group Outside Professional Activities***

The Committee recommended that the Regents amend Regents Policy 7707 – Senior Management Group Outside Professional Activities, as shown in Attachment 1.

Chair Kieffer explained that the Committee had amended this item to clarify that any request to participate in more than two concurrent compensated board membership activities requires approval by the Regents. In the event a Senior Management Group member publishes a University biography, compensated board membership activities must be included.

D. ***Establishment of a New Position in the Senior Management Group of Chief Executive Officer, UC Riverside Health and the Market Reference Zone for the Position, Riverside Campus***

The Committee recommended that the Regents approve:

- (1) Establishment of a new Senior Management Group position of Chief Executive Officer, UC Riverside Health, Riverside campus. This will be a Level One position in the Senior Management Group.
- (2) Establishment of a Market Reference Zone for the position of Chief Executive Officer, UC Riverside Health, Riverside campus, as follows: 25th percentile – \$384,000, 50th percentile – \$464,500, 60th percentile – \$511,300, 75th percentile – \$525,800, and 90th percentile – \$585,700.
- (3) Eligibility to participate in an incentive award plan consistent with Regents Policy 7712, Senior Management Group Incentive Awards, the details of which will be presented to the Regents for approval in connection with the appointment of and compensation for any appointee to this position.
- (4) This action will be effective upon approval.

Regent Sherman briefly summarized this item.

E. ***Establishment of a New Position in the Senior Management Group of Vice Chancellor for Community and Governmental Relations and the Market Reference Zone for the Position, San Francisco Campus***

The Committee recommended that the Regents:

- (1) Establish a new Senior Management Group position of Vice Chancellor for Community and Governmental Relations, San Francisco campus. This will be a Level Two position in the Senior Management Group.

- (2) Establish a Market Reference Zone (MRZ) for the position of Vice Chancellor for Community and Governmental Relations, as follows:
 - a. Campuses with Health Services: 25th percentile – \$227,700, 50th percentile – \$246,700, 60th percentile – \$256,300, 75th percentile – \$276,500, and 90th percentile – \$345,600.
 - b. Campuses without Health Services: 25th percentile – \$200,400, 50th percentile – \$222,900, 60th percentile – \$235,200, 75th percentile – \$258,200, and 90th percentile – \$309,600.
- (3) This action will be effective upon approval.

Regent Sherman briefly summarized this item.

F. *Extension of Student Advisor Pilot Program*

The Committee recommended that the Regents approve a program of Student Committee Observers and Student Advocate to the Regents (StARs), with a goal of increasing student participation in these programs. The Secretary and Chief of Staff to The Regents is directed to work with representatives of student associations, such as the University of California Student Association (UCSA) and others as appropriate, and with the Office of the President, to amend the existing Guidelines for the Student Observer Program to include guidelines for the StARs, and with the goal of increased participation in both programs.

Regent Sherman explained that the Committee had amended this item, allowing the Student Advisor pilot program to expire.

G. *Appointment of Regents to the Health Services Committee*

The Committee recommended that, contingent upon the adoption of amendment of the Bylaws as described in the November 2018 action *Amendment of Bylaws and Committee Charters, Establishment of an Investments Committee and Adoption of Investments Committee Charter, and Establishment of a Special Committee on Nominations*, Regents Guber and Park be appointed as members of the Health Services Committee, effective immediately through June 30, 2021.

Regent Sherman briefly summarized this item.

H. *Appointment of Regents to the Investments Committee*

The Committee recommended that, contingent upon the adoption of amendment of the Bylaws as described in the November 2018 action *Amendment of Bylaws and Committee Charters, Establishment of an Investments Committee and Adoption of*

Investments Committee Charter, and Establishment of a Special Committee on Nominations, effective immediately through June 30, 2019:

- (1) Regents Anderson, Anguiano, Cohen, Leib, Makarechian, Morimoto, Park, Sherman, and Zettel be appointed as members of the Investments Committee, effective immediately through June 30, 2019.
- (2) Regents-designate Simmons and Um, Faculty Representative Bhavnani, Chancellors Hawgood, Khosla, and Yang, Staff Advisor Main, and Student Advisor Huang be appointed as advisory members of the Investments Committee, effective immediately through June 30, 2019.
- (3) Regent Sherman be appointed Chair and Regent Anguiano be appointed Vice Chair of the Investments Committee, effective immediately through June 30, 2019.

Regent Sherman briefly summarized this item.

Upon motion of Regent Sherman, duly made and seconded, the recommendations of the Governance and Compensation Committee were approved, Regents Estolano, Kounalakis, and Thurmond abstaining on item A. above, and Regents Anderson, Butler, Elliott, Estolano, Kounalakis, Morimoto, Thurmond, and Zettel abstaining on item F. above.

Health Services Committee

The Committee presented the following from its meeting of December 11, 2018. The Committee considered four items for action, including one item for action by the full Board, and four items for discussion:

A. ***Remarks of the Executive Vice President – UC Health***

This item was not summarized at the Board meeting.

B. ***Appointment of and Compensation for Chad Lefteris as Chief Operating Officer, UC Irvine Health System, Irvine Campus***

Regent Lansing reported that the Committee approved this item.

C. ***Market-Based Salary Adjustment for Mark Laret as President and Chief Executive Officer, UCSF Health, San Francisco Campus***

Regent Lansing reported that the Committee approved this item.

D. ***Market-Based Salary Adjustment for Paul Staton as Senior Vice President and Chief Financial Officer, UCLA Health, Los Angeles Campus***

Regent Lansing reported that the Committee approved this item.

E. ***Amendment of Regents Policy 3401 – Policy on Student Health and Counseling Centers***

The Committee recommended that the Regents amend Regents Policy 3401, Policy on Student Health and Counseling Centers, as shown in Attachment 2.

Regent Lansing noted that this item concerned the funding of student mental health services. Revenues from the Student Services Fee that support student mental health services were not keeping up with increased student enrollment, and there were not enough counselors on campus to address student needs. The Committee was concerned that wait times for appointments for students were too long. The Committee felt very strongly that funding for these needs must be secured. The proposed amendment would allow the Student Health Center on a campus to use the same electronic medical records system as the medical center of that campus.

Regent Leib stated that the University should pursue Proposition 63 monies through the counties to support student mental health. Regent Lansing expressed enthusiasm for this effort.

Regent Thurmond added that every county has significant monies for mental health services and that his office would work with the Office of the President to formalize an approach for securing funding for UC student mental health services.

F. ***Working Together: Conduct Expectations in Healthcare Settings and Initiatives to Prevent and Address Disruptive Behavior***

The Committee discussed guidelines for addressing disruptive behavior by physicians.

G. ***Perspectives on the Role of Network Expansion in Supporting the University's Academic Mission and Affiliation Principles***

The Committee discussed a proposed affiliation between UCSF and Dignity Health, including positive aspects and risks.

H. ***UC Health Capital Financial Plan***

This item was not summarized at the Board meeting.

Upon motion of Regent Lansing, duly made and seconded, the recommendation of the Health Services Committee was approved.

Public Engagement and Development Committee

The Committee presented the following from its meeting of January 16, 2019. The Committee considered five items for discussion:

A. ***Annual Report on Sustainable Practices***

Regent Ortiz Oakley reported that UC was doing marvelous work reducing its carbon footprint and urged staff to work with other segments of higher education to share knowledge and further efforts.

B. ***Annual Report on University Private Support 2017-18***

The University set a new record by raising over \$2.7 billion in 2017–18. The Committee asked staff to return in six months to discuss goals and metrics.

C. ***Community Outreach and Impacts, Davis Campus***

Chancellor May invited Mayors Darrell Steinberg and Brett Lee to speak to the Committee. The Chancellor's partnership efforts between UC Davis and both the City of Sacramento and the City of Davis seemed to be going very well, and the Committee was appreciative of these efforts.

D. ***Regents Engagement Plan***

Regent Ortiz Oakley stated that more Regent involvement was needed to facilitate relationship building with the State Legislature and other members of the policymaking community.

E. ***Student Advocacy Efforts***

Regent Ortiz Oakley praised the UC Student Association (UCSA) for its presentation on its student advocacy effort and noted the elected officials who benefitted from UCSA's "get out the vote" efforts during the last election.

Investments Subcommittee

The Subcommittee presented the following from its meeting of January 15, 2019. The Subcommittee considered three discussion items:

A. ***2019 Economic Forecast***

Regent Sherman reported that Jerry Nickelsburg, director of the UCLA Anderson Forecast, presented his thoughts on economic trends for the next few years. The consensus projection was slower growth, which informed UC expectations on rates of return.

B. *Update on Investment Products*

The Subcommittee received preliminary results from all of UC's publicly traded assets up to the end of 2018 but not the results of privately traded assets. The University ended 2018 with less than \$12 billion projected in Endowment and over \$63 billion projected in the Pension. Within Working Capital, the Total Return Investment Pool (TRIP) had less than \$9 billion projected and the Short Term Investment Pool (STIP) \$6.5 billion projected. The Retirement Savings Program was projected to have \$23 billion, and Fiat Lux, UC's Captive Insurance, had about \$1 billion at the end of 2018.

C. *Review of Asset Classes*

In the first half of fiscal year 2018–19, Regent Sherman reported low- to mid-single-digit declines primarily driven by the equity markets. The Subcommittee would have final numbers for the end of 2018 at the next Regents meeting.

Regent Sures asked whether the new forecast would change asset allocation. Regent Sherman responded that the University would maintain its relatively large cash balance as a buffer and would be more cautious.

National Laboratories Subcommittee

The Subcommittee presented the following from its meeting of January 16, 2018. The Subcommittee considered two discussion items:

A. *Annual Report on Fiscal Year 2018 National Laboratory Performance Ratings*

Regent Tauscher congratulated the National Laboratories for their great performance in fiscal year 2018. Lawrence Berkeley National Laboratory (LBNL) was awarded 94 percent of its available earned fee, Los Alamos National Laboratory (LANL) was awarded 96 percent of its available earned fee, and Lawrence Livermore National Laboratory (LLNL) was awarded 96 percent of its available earned fee. LLNL received its highest score under the current contract. LBNL and LLNL were awarded one-year extensions to their contracts based on their performance ratings. In 2018, LANL transitioned from Los Alamos National Security, LLC to Triad National Security, LLC.

B. *Presentation on the State of Lawrence Livermore National Laboratory*

Director William Goldstein of Lawrence Livermore National Laboratory (LLNL) reported the state of the Laboratory to the Committee.

Special Committee on Basic Needs

The Special Committee presented the following from its meeting of January 15, 2019. The Special Committee considered three discussion items.

A. *Review of University of California Basic Needs Efforts*

Regent Graves reported that, in the UC Undergraduate Experience Survey (UCUES) conducted in 2016, 44 percent of undergraduate students and 29 percent of graduate students reported having experienced food insecurity, and five percent of undergraduate and graduate students reported experiencing homelessness during their studies. Presenters noted that students were eligible for CalFresh and electronic benefit transfer (EBT) cards. The Special Committee discussed the need to facilitate and expedite the aid application process for students and learned that the process was improved by the presence of an eligibility worker on campus.

B. *Consultation with Campus and Systemwide Basic Needs Committee Leaders*

The Special Committee discussed how hiring a full-time staff coordinator for basic needs improved UCSD's program, and UCSD's basic needs coordinator urged the Regents to seek long-term funding to institutionalize basic needs programs at all campuses. Special Committee members raised questions about ensuring food security for students who qualify for financial aid but were not eligible for the CalFresh program. Special Committee members also recommended that, in new student housing projects, a certain number of beds be set aside for emergency student housing.

C. *Special Committee Future Items and Priorities*

The Special Committee identified the following priorities for future items: developing a systemic approach that would determine the status of strategy and implementation of basic needs programs at each campus, establishing baseline level support for each campus, and concerting State and other sources of funding to ensure certain projects would be ready by June 2019 in order to take advantage of the \$15 million in Governor Newsom's proposed budget for housing and student hunger.

Chair Kieffer recalled that presenters laid out the stages of basic needs intervention and commended them for providing Regents with a way to engage from a policy perspective.

5. UNFINISHED BUSINESS

Chair Kieffer explained that, at the November 2018 Regents meeting, notice was served to amend the Bylaws as shown below.

A. ***Amendment of Regents Policy 7104 – Selection of Laboratory Directors, Regents Policy 7105 – Appointments of Individuals to the Executive Committees of the Boards of Governors of Los Alamos National Security, LLC and Lawrence Livermore National Security, LLC, and Bylaw 22.2 – Specific Reservations***

At the November 2018 meeting of the Regents, notice was served that at the next regular meeting of the Regents, the Regents approve amendment of Bylaw 22.2 – Authority of the Board, Specific Reservations, as shown in Attachment 3.

This item was not summarized at the Board meeting.

B. ***Amendment of Bylaws and Committee Charters, Establishment of an Investments Committee and Adoption of Investments Committee Charter, and Establishment of a Special Committee on Nominations***

At the November 2018 meeting of the Regents, notice was served that at the next regular meeting of the Regents, the Regents approve amendment of Bylaw 21 and Bylaws 23 through 27, as shown in Attachment 4.

Chair Kieffer listed the actions taken during the November 2018 that led to the Bylaw amendments proposed in this item. With the approval of this item, the Investments Subcommittee would be reestablished as a full committee. Furthermore, two additional Regents would be added to the Health Services Committee and voting and quorum provisions in this charter would conform to those of other Standing Committees. The Regents would also delegate authority to the Health Services and Governance and Compensation Committees to approve new UC Health positions in the Senior Management Group (SMG) that were not State-funded. The approval of the item would amend the Governance and Compensation Committee charter, rename it the Governance Committee and add to the Committee's responsibilities advising the President, providing strategic insight, and providing performance evaluations of the President and the Officers of the Regents. This committee would comprise the Chair and Vice Chair of the Board, the Chairs of all the Standing Committees, and the President of the University. This item would also eliminate the authority to appoint Committee membership and Board leadership positions from the Governance and Compensation Committee and establish a Special Committee on Nominations that would nominate the Chair and Vice Chair of the Board, as well as the Chairs, Vice Chairs, and members of all Standing Committees.

Upon motion of Regent Estolano, duly made and seconded, the recommendations were approved, 22 Regents voting "aye."

6. **PLANNING FOR A MULTI-YEAR FRAMEWORK**

President Napolitano introduced the multi-year framework (framework), which would be a pivot from year-to-year budgeting and planning to bold, aspirational goal-setting over a period of time. The University was also looking to move away from an enrollment-based focus to a vision informed by outcomes. Access will always be a primary goal as envisioned in the Master Plan for Higher Education in California, but UC must also help students graduate in a timely manner, especially for low-income, first-generation, and students of color. These goals are also informed by the State's needs, such as one million more college degrees by 2030, in order to meet the State's work force demands. As these goals require resources, Governor Newsom's budget proposal is heartening for UC and puts a solid down payment on the "California Dream." After the November 2018 Regents meeting, the Office of the President (UCOP) was tasked with developing SMART (i.e., specific, measurable, achievable, relevant, and time-bound) goals for each of the three primary goals of the Framework. Since that meeting, UCOP had refined its strategy and estimated the resources needed. The three primary goals were: 1) 200,000 more degrees by 2030 in addition to the one million degrees projected by then, 2) closing graduating gaps and aiming for a 90 percent graduation rate by 2030, 3) investing in faculty and research. The first two goals were presented in this item, and the third goal would be presented at the March 2019 Regents meeting.

Vice President Brown presented the University's goals surrounding degree attainment and began by highlighting how UC has helped advance the California Dream, such as how UC research has helped make the California agricultural industry a leader in the nation, as well as how UC helped launch the Internet and biotechnology industries, supporting hundreds of startups across the State. Ms. Brown also highlighted UC's arts preservation efforts and the creative work of UC professors. These were some ways that the UC had affected the lives of Californians even if they were not part of the University.

For students, UC is California's "upward mobility machine." In the November 2018 Public Policy Institute of California (PPIC) Statewide Survey, 75 percent of Californians reported that they viewed California's higher education system as very important to the quality of life and economic vitality of the State over the next 20 years. More than half reported that a four-year college degree was very important to financial success. The multi-year framework would be UC's commitment to the State of California and how UC would continue to advance the California Dream and address its challenges.

Ms. Brown stated that UC was focusing on degree attainment because of its return on investment: college graduates were more likely to earn more than those without a degree, were less likely to be unemployed, and were more likely to be engaged citizens. The University partnered with the Collegiate Leaders in Increasing Mobility (CLIMB) Research Initiative to better understand UC degree value and outcomes, as well as how to improve upward mobility. CLIMB data indicated that 90 percent of UC alumni from the bottom 20 percent of income earned more than their families, and 36 percent of UC's lowest income students moved from the bottom 30 percent of income to the top 20 percent of income, higher than in many other four-year institutions. UC alumni had also made

greater tax contributions, about twice as much paid in federal taxes 16 years after graduation compared with the average Californian. In addition, someone with a UC undergraduate degree earned \$260,000 more on average than someone who did not complete their undergraduate degree either at UC or another institution. With regard to home ownership, which carried public and private benefits to communities, UC students had higher home ownership rates than other people within the same age group, and there was a 12-point gap in home ownership between those who completed their degree and those who did not.

Each campus would want to set goals and strategies tailored to meet the needs of their students. In addition to improving graduation rates, campuses were also working to ensure that students would continue to have the same experiences and opportunities, such as access to research experiences, in the future.

The first part of the degree attainment goal was achieving a 90 percent UC freshman and transfer graduation rate. Currently, both UC Berkeley and UCLA had over-90 percent graduation rates. If the proposed investments are made, six campuses would have a 90 percent graduation rate or higher, two campuses would be close to achieving that rate, and all campuses would have a 90 percent transfer graduation rate. The second part of this goal was timely graduation in order to reach those degree attainment goals and drive down cost for students. UC sought a ten-point increase in its graduation rate systemwide at the freshman and transfer levels. Five campuses would improve freshman graduation rates by ten points or more, and six campuses would improve transfer graduation rates by ten points or more. The third part of the goal was to close graduation gaps. Eight campuses would eliminate the gap for Pell, underrepresented, and first-generation students in the group of those graduating in six years and in the transfer graduate group. The biggest effort would be placed on improving the four-year graduation rate, and campuses would be working to diversify their student bodies as well.

In response to the UC Undergraduate Experience Survey (UCUES) question about students' most meaningful learning experiences, some students stated that transitioning from living at home with family, managing their own finances, addressing mental health issues, and learning from their failures were some of the most meaningful learning experiences and challenges. Ms. Brown underscored the importance of support services to Pell, underrepresented, and first-generation students so as not to add to their stressors as UC worked to close graduation gaps within those groups. Much of this work has been supported through grant funding, and permanent funding of an ongoing nature would achieve these goals.

Finally, Ms. Brown reviewed UC's bachelor degree completion programs. In the last ten years, 50,000 left the University having not completed their degrees for academic, financial, or health reasons. Half of these students leave between the first and second year of study, 20 percent leave in less than one year of study, and 20 percent leave over three years of study. More information was provided on the UC Information Center webpage.

Chancellor Khosla presented degree attainment efforts and goals at UC San Diego, which underwent a strategic planning process in response to its 56 percent four-year graduation rate in 2011. At the end of the process, UCSD concluded that it would focus on the undergraduate student experience and invest in 1) the physical infrastructure for the undergraduate program and 2) the intellectual access, support, and success infrastructure for these students. Over the last six years, the student population has changed, with more underrepresented minority (URM) and first-generation students. UCSD created a three-pronged approach: 1) the Teaching and Learning Commons, 2) Student Success Coaches, and 3) Strategic Academic Program Development (SAPD). UCSD grew its four-year graduation rate to 65 percent, with goals of beyond 75 percent and beyond 90 percent six-year graduation rates. UCSD also sought to close the gap between first-generation URM and non-first-generation URM students.

UC San Diego Executive Vice Chancellor Elizabeth Simmons introduced each of the three prongs that Chancellor Khosla had mentioned. The Teaching and Learning Commons (Commons) has helped faculty and teaching assistants improve teaching skills and helped students improve learning skills. The Commons has also explored student success data to look for difficulties and plan programs accordingly. For instance, data showed that students struggled with large gateway courses such as economics, chemistry, physics, mathematics, and computer science, so the Commons built its own version of the nationally recognized Supplemental Instruction, where students worked in small groups to apply the skills they learn, which better prepared them for their courses. The grade point averages (GPAs) of students using Supplemental Instruction were higher than those of comparable students who did not use it. An impact report on the Commons was available online. The Commons was founded in fall 2016 and needed a significantly larger investment in order to reach all gateway courses and benefit more students.

The Student Success Coaching Program, part of UCSD's case management approach to student success, was a collaboration between its central Student Affairs division and residential college system. The six residential colleges separated the campus into smaller groups, where students took general education courses and had access to support services. For instance, a first generation student coded as less likely to graduate on time would be assigned a success coach, who would provide academic advising and recommendations on additional programs such as Supplemental Instruction, student research, and help with study skills and time management. Students with Student Success Coaches had higher GPAs and completed more total units. UCSD needed resources to expand the program.

In looking at other opportunities to help students, UCSD learned that many freshman students were taking developmental mathematics courses, lower level than the calculus or statistics courses that would count toward their majors. Helping these students master mathematics would help accelerate their progress toward a degree; many of these students wished to pursue science, technology, engineering, and math (STEM) majors. Another opportunity that UCSD identified was advising students to take targeted courses during the summer to eliminate their 13th quarter of study, boosting the campus' four-year graduation rate. In order to achieve these goals, UCSD formed the Strategic Academic Program Development (SAPD), which was a collaboration of the Academic Senate, academic

divisions, the Commons, and University Extension. SAPD has provided coordinated summer course offerings, sequential and dual degrees, and online and hybrid learning. SAPD could also help returning students finish their degrees and, through analytics, identify students at risk of leaving without finishing their degrees and help them before they leave. UCSD was looking to scale these programs in order to meet the needs of all students who needed this assistance.

Chancellor Leland spoke about UC Merced's efforts to improve graduation rates. At the time of the meeting, UC Merced was a 13-year-old, primarily Hispanic-serving institution, with three quarters of all Merced students coming from very low income, Pell Grant-eligible families. Seventy percent of Merced students were first-generation. UC Merced's graduation rates were 16 points above what was predicted, and the campus was second in the nation for exceeding predicted graduation rates, but Merced students deserved to graduate at the same rate as the rest of UC. Chancellor Leland explained that UC Merced students were high-need because of their lack of benefits and the challenges they have faced. First-generation students like the Chancellor herself did not receive help from parents to approach the rigors of university education. Pell-eligible students lacked the financial resources to meet basic needs, and, coming from under-resourced public high schools, many had not taken rigorous enough courses to meet the entry-level proficiency standards for UC.

Chancellor Leland presented three of the main initiatives, known as high-impact practices, UC Merced had employed to improve graduation rates. The first was Summer Bridge. With two-thirds of incoming, first-year UC Merced students below the collegiate level in writing, math, or both, Summer Bridge programs have helped increase retention, but the lack of summer Cal Grants leaves financial aid package gaps and prevents the enrollment of more students into those programs. With more resources, UC Merced hoped to enroll every incoming freshman student with such a deficiency in math or writing into the Summer Bridge community, which would also help orient them to the rigors of college life.

The next initiative was Learning Cohorts or Learning Communities. UC Merced has experienced success with learning communities but lacked the physical capacity to establish academically-based residential learning communities, which would be even more helpful for retention and graduation. In UC Merced's 2020 project, every floor of every new residence hall would accommodate a different academic learning community with dedicated tutorial space and live-in graduate student mentors.

The third initiative that Chancellor Leland reviewed was undergraduate research. Within the University, UC Merced was second to UC Berkeley for the percentage of students who went on to earn doctorate degrees, many of whom were destined to become research university faculty. This was the result of Merced students' significant participation in undergraduate research. Merced's Undergraduate Research Opportunities Center (UROC) has coordinated undergraduate research experiences for students during the regular academic and summer terms. The UROC Summer Undergraduate Research Institute (SURI) has coordinated pre-professional development such as workshops, graduate school

applications, and scholarships with the academic work. Faculty have actively included undergraduate students in research as well. For example, Professor Jennifer Manilay, has listed undergraduate students in her scholarly publications due to their level of involvement in the research and did so to encourage diverse students to pursue academic careers. The problem-based nature of undergraduate research and its mentoring component have made it a high-impact practice. UC Merced's success with undergraduate research even led it to change its curriculum. Undergraduate research was a proven retention tool and pathway to the professoriate and academic doctoral degree, and UC Merced wished to grow its efforts significantly.

With regard to retention issues, UC Merced was not losing students for academic reasons, but rather due to time constraints and lack of resources. The campus had a proposed curriculum before its faculty that would allow students to pursue teaching, making full use of UC Online and in partnership with four other UC campuses to use their courses.

Executive Vice President and Chief Financial Officer Brostrom stated that UCOP's next step was to work with campuses to invest in faculty, research, and graduate education, as well as determine appropriate and sufficient funding levels and sources. UCOP would propose this comprehensive plan at the March 2019 Regents meeting

Regent Leib asked Chancellor Khosla whether UCSD could find a donor who could help fund these programs. Chancellor Khosla replied in the affirmative, adding that UCSD had donors for counseling and student access and success programs. UCSD had a \$200 to 300 million need program in endowment, but many donors were not as interested in giving in endowment. Chancellor Khosla viewed these programs as first priority and buildings as second priority.

Regent Ortiz Oakley asked why UCOP did not set a goal to close achievement and equity gaps across all campuses. He also asked how UC could make Extension more affordable if it was part of the strategy in degree attainment for students who did not finish their degrees. Chancellor Khosla responded that, for preparatory courses like pre-calculus, UCSD hoped to offer them free of charge to fourth and fifth quintile high schools and to supplement that with teaching assistants in order to better prepare students for college and serve the local community. Chancellor Leland replied that Extension could use differential pricing to fund low-cost, basic education courses. Chancellor Khosla added UCSD offered free writing and math programs at libraries across the City of San Diego through UC Extension, and UCSD paid for high-need students' Uber and Lyft car rides.

Regent Ortiz Oakley asked how many more Pell Grant students were going to graduate out of the projected 200,000. Ms. Brown responded that a significant portion of those degrees would be earned by low-income, first-generation Pell Grant recipients.

Regent Ortiz Oakley asked how UC has determined that a student was below collegiate level. Chancellor Leland responded that one way was whether a student had the proficiency that resulted in their success in entry-level courses. UC Merced was considering a math initiative involving UC, California State University (CSU), and the community colleges.

This was a resource-driven issue across California. Regent Ortiz Oakley called for a collaborative effort systemwide to address these issues.

Regent Anguiano voiced her disappointment that UCLA and UC Berkeley did not have similar goals to close the achievement gap by 2030. Chair Kieffer stated that, while it was good to set aspirational goals, he doubted that UC had the funding to meet them. He added that goals had to be defensible and that UC had met them, or the University would not continue to receive funding. Chancellor Leland responded that UC Merced's goal was 74 percent graduation by 2030 and 80 percent by 2035 for first-time-in-college freshman students and 93 percent for transfer students. Achieving those rates would change perceptions about students like those at UC Merced.

Regent Thurmond supported setting aspirational goals that UC might not meet and voiced his discomfort at only setting attainable objectives. He preferred failure while attempting to make something better rather than doing what had been done in the past. Regent Thurmond recommended that UC set bold, aspiration goals, apply resources, coaching, mentorship, and other efforts toward achieving them, and then measure its success. He proposed hearing from the other campuses of their plans to close these gaps as well. Regent Thurmond committed to finding resources to better prepare K-12 students for college.

Chair Kieffer asked UCLA and UC Berkeley to prepare responses regarding their graduation goals.

Regent Park agreed wholeheartedly with Regent Thurmond regarding setting loftier goals support and reminded the Regents of the University's success meeting the two-to-one transfer target for transfer students. She noted that much of the Framework was bold. Regent Park was concerned about whether the elements of this Framework related to the initial goal in April 2018 of creating a multi-year budget and framework that would protect UC from the fluctuations of economy and State funding, and she appealed to UCOP to relate the Framework to the original goal at the March 2019 Regents meeting. Mr. Brostrom responded that the funding models would be different, and resilience would be built in.

Regent Anderson agreed with Regent Park and showed appreciation for Regent Thurmond's comments. He also congratulated and thanked the Chancellors for their efforts and hoped the State would support these goals. He asked about the incremental investment on a per-student basis, as well as the incremental program costs. Chancellor Leland replied that UC Merced had sent UCOP detailed costs by program. Regent Anderson asked to see these numbers. Mr. Brostrom added that these numbers also showed program efficacy.

Regent Lansing echoed Regent Thurmond's remarks and shared that she became a math teacher because she had a good math teacher despite not being a strong math student. She added that UC should put money and time into outreach, which could help students enter university on track. Regent Lansing stated that changing the norm of six-year graduation to four-year graduation was an aspirational goal and that it should be the goal for all UC

students. She was impressed with what UCSD was doing with coaching and hoped it could be applied at other campuses.

Faculty Representative May stressed the impact of four-year graduation rates on students' financial future, because extra time in school would mean extra debt. He also highlighted the difficulty of accommodating students in courses due to long waiting lists, the lack of classrooms, the lack of larger classrooms, the lack of faculty, and so on. He recommended targeting the capital infrastructure to address this. Mr. May wanted to see data on why students took more than four years to graduate and whether it was an achievement issue or a class availability issue.

Chair Kieffer thanked UCOP and the campuses for these goals and looked forward to sharing the Board's vision with the Governor and State Legislature.

7. **REVIEW OF THE GOVERNOR'S JANUARY BUDGET PROPOSAL FOR 2019-20**

Executive Vice President and Chief Financial Officer Brostrom introduced Governor Newsom's first budget, which reflected strong growth in State revenues, a more modest increase in State expenditure at four percent year-over-year, the use these extra revenues to pay for more one-time expenditures (much of the Governor's budget for UC was one-time expenditure money), eliminating budgetary deficits, and building reserves for greater resilience in the event of a recession. The Governor proposed major investment in childhood education. He would double the size of the earned income tax credit (EITC) and rename it the working families tax credit. He would invest in pension buy-down for the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS), and he would also put an additional \$2 billion in the State rainy day fund.

Associate Vice President David Alcocer presented Governor Newsom's budget for higher education. The Governor proposed over \$1 billion in new, ongoing funding for higher education, with \$402 million for the community colleges, \$300 million for California State University (CSU), \$131 million to the Student Aid Commission, and \$250 million to the University of California. This \$250 million would fund about \$120 million in mandatory cost increases, \$49.9 million of the \$60 million requested for degree attainment and student success, \$15 million to cover basic needs, and \$5.3 million to expand student mental health programs. The budget would also convert 2018-19 one-time funding for enrollment growth and graduate medical education into permanent, ongoing funding. This represented a 6.9 percent increase in State support and a 2.6 percent increase in UC's overall core budget, and it was contingent on UC holding tuition flat in 2019-20.

The Governor's budget also included one-time funding of \$153 million, with \$138 million going to deferred maintenance and \$15 million to a degree completion pilot program.

The Regents had approved a budget of \$422.6 million, but the Governor's January 2019 budget provides \$240 million in permanent State funding, which presented a challenge, for

instance, to over-enrolled students who needed State support. The one-time funding proposed would allow only short-term hiring of lecturers, teaching assistants, and advisors. Mr. Alcocer saw opportunities to engage with the State Capitol to close this gap, such as funding for enrollment group, and Proposition 2 funding to address UC Retirement Plan liability. Other funding priorities would include debt service costs for capital projects, the faculty merit program, and competitive staff compensation.

Mr. Brostrom laid out the Office of the President's (UCOP) next steps. He planned to meet the new California Director of Finance in Sacramento, present the Regents with the budget proposal for the multi-year framework at the March 2019 Regents meeting, participate in legislative hearings up until the May Revision of the State budget, and anticipate the final budget passed and signed in June 2019. He echoed Mr. Alcocer's statement that there were many opportunities to advocate on behalf of UC funding, and UCOP looked forward to working with all stakeholders on advancing the University.

Chair Kieffer noted that, in the 2018-19 budget, UC received one-time funding that was previously permanent and little permanent funding, and he hoped there could be a dialogue with Governor Newsom about improvements. He also noted that the State Legislature seemed interested in UC enrollment growth and hoped that conversation could continue as well. Mr. Brostrom responded that Governor Newsom converted \$50 million of the \$145 million in one-time funding from the 2018-19 budget, which would leave a \$95 million gap. Regent Pérez asked whether the \$95 million gap was filled with one-time funding and Mr. Brostrom responded in the affirmative.

Regent Kounalakis sought further clarification on the budget reporting. Mr. Alcocer responded that UC's overall deferred maintenance need was \$3-4 billion in State-supportable space. The University asked for \$100 million in one-time funding for deferred maintenance, and the Governor proposed \$38 million more than what was requested. The shortfall was with the ongoing funds that campuses would rely on to make long-term investments. Regent Pérez added that, with more one-time funding than requested and less ongoing funding than requested, there would be a greater degree of predictability risk. UC did not have a clear commitment in the Governor's budget to fund ongoing UC activities.

Regent Kounalakis asked how the conversation for more ongoing funds would evolve with the State. Mr. Brostrom explained that it was early in the process, since the Governor was just then putting together his new administration. For instance, the Legislature had shown a sharp interest in enrollment growth, so UC might get additional funds in that regard. The Governor made a seemingly robust offering with a seven percent increase in funding, but it was not as robust given the amount of one-time funding and its effect on UC's overall budget.

Regent Kounalakis recalled that, when Governor Newsom presented his proposed budget, he stated his expectation that there would be no tuition increases because he had given enough funding to avoid it. She asked whether tuition would be affected if UC could not get the necessary State funding. Chair Kieffer responded that the Regents were committed to not proposing a tuition increase and underscored that this was an important first step in

the budget conversation. Typically, a new governor's budget would be based on the previous governor's budget. The multi-year framework could be helpful to UC's budget conversations because it has articulated the University's goals. For instance, CSU wanted to fund higher graduation rates, and the Governor met that need.

Regent-designate Weddle asked what UCOP's intention was for the \$15 million listed for financial aid under basic needs. Mr. Alcocer explained that UCOP requested \$15 million at the suggestion of UC Student Association (UCSA), because the lack of tuition increase meant there would be no new funding for financial aid and basic student needs. This figure was based on the impact a tuition increase would have on financial aid, but there was flexibility regarding best use of those funds. UCOP wanted to help keep self-help (the amount students were expected to work and borrow) low but also acknowledge the need for campus-based programs for student basic needs. UCOP had not determined what kind of investments would be appropriate for campus basic needs programs yet but intended to do so. Regent-designate Weddle recalled that the Regents approved the addition of a specific line item for student basic needs programs and services at the November 2018 Regents meeting. Regent Graves asked whether the \$4 million approved by the Regents for student basic needs was included in the budget sent to the Department of Finance.

Regent Graves added that he had no objection to \$15 million for return to aid if that was the case, but he wanted to make sure that the UC was also funding basic needs. Mr. Brostrom responded that he was not aware that the \$4 million for student basic needs was to be part of the State request and stated that UCOP had other funding sources within its own financial system that it could use to support basic needs programs. Regent Graves voiced concern, stating that the request to include a line item for student basic needs was made twice. Vice Chair Pérez asked UCOP to properly capture Regents' requests in order to act consistently with the expectations of the Board between now and the May Revision.

Faculty Representative Bhavnani asked whether UC was hoping for \$145 million in permanent, ongoing funding instead of the Governor's proposed \$50 million in order to cover what would be a tuition increase. Mr. Brostrom replied in the affirmative.

8. **REPORT OF INTERIM, CONCURRENCE AND COMMITTEE ACTIONS**

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

Approvals Under Interim Action

- A. The Chair of the Board, the Chair of the Governance and Compensation Committee, and the President of the University approved the following recommendations:

- (1) ***Reimbursement of Unfurnished Temporary Lodging Expenses Due to Relocation for Vandonelio Williams, Vice Chancellor – Information Technology, Santa Cruz Campus***

Recommendation

Reimbursement of \$15,300 for 90 days of unfurnished temporary lodging for Vandonelio Williams, Vice Chancellor – Information Technology, Santa Cruz campus.

Background

The President of the University recommended approval under interim authority for the reimbursement of unfurnished temporary lodging expenses in the amount of \$5,100 per 30 days, equaling \$15,300 for 90 days for Vandonelio Williams, Vice Chancellor – Information Technology, Santa Cruz campus. Approval for reimbursement of furnished temporary lodging is expressly provided for under policy; however, the reimbursement of unfurnished lodging is not, and therefore this action can be considered an exception to policy requiring Regental approval.

Mr. Williams began his appointment as Vice Chancellor – Information Technology, Santa Cruz campus on July 1, 2018. In his first few months, the campus reports that Mr. Williams has proven to be an innovation leader and an asset to the UC Santa Cruz community and leadership team.

Mr. Williams's Level Two Senior Management Group (SMG) appointment included \$298,000 in base salary (six percent below the 60th percentile of the corresponding Market Reference Zone), standard pension and health and welfare benefits, standard senior management benefits, eligibility to participate in the UC Employee Housing Assistance Program, as well as approval for reimbursement of actual and reasonable moving and relocation expenses associated with relocating his primary residence, subject to the limitations under Regents Policy 7710, Senior Management Group Moving Reimbursement. The policy authorizes reimbursement of temporary housing-related expenses, including the cost of furnished temporary lodging, for up to 90 days.

The campus reports that the Vice Chancellor – Information Technology position has been difficult to fill and required a launch of a second national search after which Mr. Williams was chosen as the top candidate. In order to accept the position at UC Santa Cruz, Mr. Williams relocated from the State of New York with his spouse, two young children, and an infant less than six months old. While attempting to locate temporary furnished accommodations in the San Jose/Los Gatos area that could accommodate a family of five, it became apparent that availability was very limited and

cost-prohibitive in comparison to unfurnished options. Accommodations through Airbnb were also considered as a furnished short-term rental option, but similarly, very limited offerings were available at the time of the search and a five-month advance booking was required.

Ultimately, Mr. Williams was able to secure an unfurnished house rental as a temporary accommodation for his family as they search for a home to purchase in the area.

If Mr. Williams had been able to secure temporary furnished lodging, per policy, the campus estimates that the costs would have ranged conservatively from \$21,000 to \$28,000 for 90 days in a furnished two- or three-bedroom short-term rental. The cost for unfurnished accommodations turned out to be a lower cost; therefore, the campus is requesting a reimbursement of \$15,300 for the 90 days of unfurnished lodging, saving the campus between \$5,000 and \$13,000, plus the cost of storing the family's household goods.

Although the unfurnished nature of the temporary lodging can be considered an exception to policy, all other aspects of the proposed reimbursement are consistent with the limitations under Regents Policy 7710. The proposed reimbursement amount of \$15,300 was actually and reasonably incurred by Mr. Williams while he sought permanent lodging, and the campus reports that he has provided appropriate supporting documentation of the amount.

The reimbursement will be funded partially or fully with State funds.

No changes are being proposed to any compensation components as stated in Mr. Williams' appointment documentation.

(2) ***Reimbursement of Actual and Reasonable Moving and Relocation Expenses for Gregg Camfield as Executive Vice Chancellor and Provost, Merced Campus***

Recommendation

Subject to the limitations under Regents Policy 7710, Senior Management Group Moving Reimbursement, the reimbursement of actual and reasonable moving and relocation expenses for Gregg Camfield as Executive Vice Chancellor and Provost, Merced campus, associated with relocating his primary residence, be approved.

The compensation described above shall constitute the University's total commitment for the element of compensation addressed above until modified by the Regents, President, or 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.

Background

Under the authority delegated to her, the President of the University approved the appointment of and compensation for Gregg Camfield as the Executive Vice Chancellor and Provost, Merced Campus, effective January 1, 2019. In addition to the compensation terms that were within the President's approval authority, the campus has requested reimbursement of moving and relocation expenses for Mr. Camfield. Under policy, one of the eligibility requirements for reimbursement of moving and/or relocation expenses is that an appointee must be a new hire or a current employee being assigned to a new location. Since Mr. Camfield is a current UC Merced employee who is not being offered a position at a new location, this request is an exception to policy, requiring Regents' approval.

Therefore, the President of the University recommended approval by the Regents under interim authority for reimbursement of actual and reasonable moving and relocation expenses associated with relocating Mr. Camfield's primary residence, subject to the limitations under Regents Policy 7710, Senior Management Group Moving Reimbursement.

Mr. Camfield previously served as the Interim Executive Vice Chancellor and Provost and if he had not been chosen for the career appointment as the Executive Vice Chancellor and Provost, he would have returned to his position as Vice Provost for the Faculty, Merced campus.

He currently lives 70 miles from the campus. The Chancellor's office requested that he move to the Merced area to seek closer interaction with the students and the community surrounding the UC Merced campus for purposes of visibility and philanthropy. The campus reports that the Executive Vice Chancellor and Provost often needs to be available to represent UC Merced at community functions and needs to be quickly accessible in the event of a campus emergency. Residing within close proximity of the campus and the community will be important for Mr. Camfield's success as a key member of the Chancellor's executive team.

Presenting this request at the January Regents meeting would have delayed reimbursement of a significant cost that Mr. Camfield will incur as out-of-pocket relocation expenses prior to the January 1, 2019 effective date of his appointment. The President therefore requests action under interim authority.

The reimbursement will be funded partially or fully with State funds.

No other changes were recommended to the compensation terms approved by the President.

Approvals Under Health Services Committee Authority

B. At its December 11, 2018 meeting, the Health Services Committee approved the following recommendations:

(1) ***Appointment of and Compensation for Chad Lefteris as Chief Operating Officer, UC Irvine Health System, Irvine Campus***

The following items in connection with the appointment of and compensation for Chad Lefteris as Chief Operating Officer, UC Irvine Health System, Irvine campus:

- a. Per policy, appointment of Chad Lefteris as Chief Operating Officer, UC Irvine Health System, Irvine campus, at 100 percent time.
- b. Per policy, annual base salary of \$610,000, which will be funded by Health Enterprise revenues. No State funds will be used.
- c. Per policy, eligibility to participate in the Clinical Enterprise Management Recognition Plan's (CEMRP) Short Term Incentive (STI) component, with a target award of 15 percent of base salary (\$91,500) and maximum potential award of 25 percent of base salary (\$152,500) subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives and will be pro-rated in the first year of participation based on the date of hire. If Mr. Lefteris' start date is on or before January 2, 2019, he will be eligible to participate starting in the 2018-19 Plan Year. If his employment begins after January 2, 2019, he will be eligible to participate starting in the 2019-20 Plan Year. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.
- d. Per policy, eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- e. Per policy, standard pension and health and welfare benefits and standard senior management benefits (including eligibility for senior management life insurance and eligibility for executive salary continuation for disability after five consecutive years of Senior

Management Group service).

- f. Per policy, reimbursement of actual and reasonable moving and relocation expenses associated with relocating his primary residence, subject to the limitations under Regents Policy 7710, Senior Management Group Moving Reimbursement.
- g. For any outside professional activities, Mr. Leteris will comply with applicable Outside Professional Activity (OPA) policies.
- h. This action will be effective as of Mr. Leteris' hire date, estimated to be on or about December 31, 2018.
- i.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: Date of hire, estimated to be on or about December 31, 2018

Annual Base Salary: \$610,000

Clinical Enterprise Management Recognition Plan (CEMRP): Short Term Incentive (STI): \$91,500 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI): N/A

Target Cash Compensation: \$701,500

Funding: Non-State funded (UC Irvine Health revenue)

Prior Incumbent Data

Title: Chief Operating Officer, UC Irvine Health System

Annual Base Salary: \$600,000

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$90,000 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI): N/A

Target Cash Compensation:* \$690,000

Funding: Non-State funded (UC Irvine Health revenue)

- (2) *Approval of Market-Based Salary Adjustment for Mark Laret as President and Chief Executive Officer, UCSF Health, San Francisco Campus as Discussed in Closed Session*

The following items in connection with the market-based salary adjustment for Mark Laret as President and Chief Executive Officer, UCSF Health, San Francisco Campus:

- a. Per policy, a market-based salary adjustment of 29.4 percent, increasing Mark Laret's base salary from \$1,104,965 to \$1,430,000,

as President and Chief Executive Officer, UCSF Health, San Francisco Campus, at 100 percent time. This will be funded by Health Enterprise revenues. No State funds will be used.

- b. Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) annual Short Term Incentive (STI) component, with a target award of 20 percent of base salary (\$286,000) and maximum potential award of 30 percent of base salary (\$429,000), subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual award will be determined based on performance against pre-established objectives. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.
- c. Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) Long-Term Incentive (LTI) component, with a target award of ten percent of base salary (\$143,000) and maximum potential award of 15 percent of base salary (\$214,500), subject to all applicable plan requirements and Administrative Oversight Committee approval. The LTI uses rolling three-year performance periods, and any actual award will be determined based on performance against pre-established objectives over the three-year LTI performance period. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.
- d. Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- e. Per policy, continuation of standard pension and health and welfare benefits and standard senior management benefits, including eligibility for senior management life insurance and executive salary continuation for disability (eligible and vested as a result of five or more consecutive years of Senior Management Group service).
- f. Per policy, continuation of a monthly contribution to the Senior Management Supplemental Benefit Program.
- g. Per policy, continued annual automobile allowance of \$8,916.
- h. For any outside professional activities, Mr. Laret will continue to comply with applicable Outside Professional Activity (OPA) policies.
- i. This action will be effective upon approval.

COMPARATIVE ANALYSIS**Recommended Compensation****Effective Date:** Upon Approval**Annual Base Salary:** \$1,430,000**Clinical Enterprise Management Recognition Plan (CEMRP): Short Term Incentive (STI):** \$286,000 (at 20 percent target rate)**Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI):** \$143,000 (at ten percent target rate)**Target Cash Compensation:*** \$1,859,000**Funding:** Non-State funded (UCSF Health revenue)**Current Compensation Data****Title:** President and Chief Executive Officer**Annual Base Salary:** \$1,104,965**Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI):** \$220,993 (at 20 percent target rate)**Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI):** \$110,496 (at ten percent target rate)**Target Cash Compensation:*** \$1,436,454**Funding:** Non-State funded (UCSF Health revenue)

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

- (3) ***Approval of Market-Based Salary Adjustment for Paul Staton as Senior Vice President and Chief Financial Officer, UCLA Health, Los Angeles Campus as Discussed in Closed Session***

The following items in connection with the market-based salary adjustment for Paul Staton as Senior Vice President and Chief Financial Officer, UCLA Health, Los Angeles campus:

- a. Per policy, a market-based salary adjustment of 14.2 percent (\$97,684), increasing Paul Staton's base salary from \$689,371 to \$787,055, as Senior Vice President and Chief Financial Officer, UCLA Health, Los Angeles campus, at 100 percent time. This will be funded by Health Enterprise revenues. No State funds will be used.
- b. Per policy, continued eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) Short Term Incentive (STI) component, with a target award of 15 percent of base salary (\$118,058) and maximum potential award of 25 percent of base salary (\$196,764) subject to all applicable plan requirements and Administrative Oversight Committee approval. Any actual

award will be determined based on performance against pre-established objectives. CEMRP incentive awards are funded by Health Enterprise revenues. No State funds will be used.

- c. Per policy, continued eligibility to participate in the UC Employee Housing Assistance Program, subject to all program requirements.
- d. Per policy, continued standard pension and health and welfare benefits and standard senior management benefits (including eligibility for senior management life insurance and executive salary continuation for disability).
- e. Per policy, continued monthly contribution to the Senior Management Supplemental Benefit Program.
- f. For any outside professional activities, Mr. Staton will continue to comply with applicable Outside Professional Activity (OPA) policies.
- g. This action will be effective as of January 1, 2019.

COMPARATIVE ANALYSIS

Recommended Compensation

Effective Date: January 1, 2019

Annual Base Salary: \$787,055

Clinical Enterprise Management Recognition Plan (CEMRP): Short Term Incentive (STI): \$118,058 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI): N/A

Target Cash Compensation:* \$905,113

Funding: Non-State funded (UCLA Health revenue)

Current Compensation Data

Title: Senior Vice President and Chief Financial Officer

Annual Base Salary: \$689,371

Administrative Stipend: \$68,937

Clinical Enterprise Management Recognition Plan (CEMRP) – Short Term Incentive (STI): \$103,405 (at 15 percent target rate)

Clinical Enterprise Management Recognition Plan (CEMRP) – Long Term Incentive (LTI): N/A

Target Cash Compensation:* \$861,713

Funding: Non-State funded (UCLA Health revenue)

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

9. REPORT OF MATERIALS MAILED BETWEEN MEETINGS

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

To the Regents of the University of California

- A. From the Secretary and Chief of Staff, the Summary of Communications received for October, 2018. November 6, 2018.
- B. From the President of the University, an email announcing the retirement of the Executive Vice President of UC Health. November 15, 2018.
- C. From the President of the University, the *Significant Information Technology Projects Report for May 1 through August 31, 2018*. December 6, 2018.
- D. From the Secretary and Chief of Staff, a letter announcing the appointment of members to a Special Committee on Basic Needs. December 10, 2018.
- E. From the Secretary and Chief of Staff, the Summary of Communications received for November, 2018. December 17, 2018.
- F. From the President of the University, a letter responding to the President of AFSCME Local 3299. December 17, 2018.
- G. From Regent Sherman, a letter recommending that the Student Advisor pilot program not be extended. December 17, 2018.
- H. From the President of the University, the *2017-18 Annual Report on the University Housing Assistance Program*. December 20, 2018.
- I. From the President of the University, the *2017 Annual Report on Health Sciences Compensation Plan Participants' Total Compensation that Exceeds the Reporting Threshold*. December 20, 2018.
- J. From Regent Graves, a statement supporting the sunset of the Student Advisor pilot program. December 27, 2018.
- K. From Regent Sherman, a letter recommending that the Student Advisor pilot program be extended for a year. January 4, 2019.

To the Members of the Public Engagement and Development Committee

- L. From the Associate Vice President, Federal Government Relations, the *Federal Update, Issue 12, December 21, 2018*. December 21, 2018.

The meeting adjourned at 2:40 p.m.

Attest:

Secretary and Chief of Staff

Senior Management Group Outside Professional Activities

Approved ~~July 21, 2016~~ January 17, 2019



Responsible Officer: Vice President–Human Resources

Responsible Office: Human Resources

Effective Date: ~~July 21, 2016~~ January 17, 2019

Next Review Date: The Responsible Officer will review the policy annually for update purposes and will conduct a full review at least every three years.

Who Is Covered: All employees whose position is designated to be in the Senior Management Group, inclusive of Officers of the University per Regents Standing Order 100.1.a, and non-SMG members appointed to an SMG position on an acting or interim basis.

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I. POLICY SUMMARY

Considerable benefit accrues to the University from Senior Management Group (SMG) members' association with external educational and research institutions, not-for-profit professional associations, federal, state and local government offices and private sector organizations. Such associations foster a greater understanding of the University of California and its value as a preeminent provider of education, research, public service, and health care. Such associations also may provide a stimulus for economic development and enhanced economic competitiveness.

While outside professional activities performed by SMG members are often mutually beneficial to the University and the members themselves, and are therefore encouraged, the primary commitment of University of California SMG members must be to the fulfillment of their regular University responsibilities.

This Policy applies to all University of California SMG members, including those who have underlying faculty appointments. During the period an SMG member possesses a dual academic and SMG appointment, ~~his/her~~ their participation in outside professional activities will be subject to this policy and not that of the Academic Personnel Manual.¹ This Policy is intended to:

- Support and recognize the value of SMG members' outside professional activities to the University, such as contributing to their academic field, sharing their expertise with other institutions, and providing service to the community,
- Provide guidance about the limits of such activities in relation to fulfilling University responsibilities,
- Establish methods for seeking appropriate approval(s), monitoring, and reporting such activities,
- Protect against actual or perceived conflicts of interest and/or commitment when SMG members engage in such activities,
- Protect the University of California by assessing outside affiliations that could diminish the reputation of the institution or system.

II. POLICY DEFINITIONS

¹~~SMG members with faculty appointments who are participants in the HSCP need to report under **APM – 671, Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants**. SMG members with faculty appointments who are *not* members of the HSCP need to report under **APM – 025, Conflict of Commitment and Outside Activities of Faculty Members**. APM – 670, the Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants and SALARY ADMINISTRATION APM – 671 Conflict of Commitment and ... and APM – 025, Conflict of Commitment and Outside Activities of Faculty Members.~~

Senior Management Group Outside Professional Activities

Approving Authorities: The person or office to whom an individual reports plus the next higher level manager. For SMG members who report to another SMG member who reports to the Chancellor, Laboratory Director or President, the immediate manager and the Chancellor (for campus SMG members), the Laboratory Director, or the President will be the Approving Authorities. For SMG members who report directly to the Chancellor or Laboratory Director, the Chancellor or Laboratory Director and the President will be the Approving Authorities. For SMG members who report directly to the President, the President and the Chair of the Board of Regents will be the Approving Authorities. For SMG members who report directly to the Regents, the Vice Chair and Chair of the Board of Regents will be the Approving Authorities.

Activities Regarded as Outside Professional Activities: Outside Professional Activities are those activities that are within the SMG member's area(s) of professional expertise for which they are employed by the University and are either (1) Board memberships, compensated or uncompensated or (2) activities for which an SMG member is compensated in excess of \$2,500 per calendar year from any single source. ~~Such activities include, but are not limited to: service on state or national commissions, government agencies and boards, committees or advisory groups to other universities, organizations established to further the interests of higher education, not-for-profit organizations, and service in an advisory capacity or on corporate boards of directors.~~

Activities Not Regarded as Outside Professional Activities: The following are **not** regarded as Outside Professional Activities:

- Activities unrelated to the SMG member's area of professional expertise for which they are employed by the University, such as involvement in religious or cultural organizations.
- Activities that the ~~Approving Authorities~~ the SMG member's direct manager confirms as part of the individual's job expectations. It is expected that the individual would not receive additional compensation for such activities beyond the individual's normal University salary.
- For an SMG member with an underlying faculty appointment, activities that the Approving Authorities confirm as essential to remaining current in the SMG member's academic field or activities creating or promoting the SMG member's scholarly and creative works, including books, other publications and speeches. ~~It is expected that the individual would not receive additional compensation for such activities beyond the individual's normal University salary.~~ However, for compensated speeches and appearances on panels, SMG members should consult with University counsel to determine whether acceptance of compensation would violate the ban on honoraria in the California Political Reform Act.

Exception to Policy: Any request to participate in more than two concurrent compensated board membership activities, requires approval by the Regents. Any other action that exceeds what is allowable under current policy or that is not expressly provided for under policy. ~~Any such action must be treated as an exception and must be reviewed and approved by the person or office to whom an SMG reports plus the next higher level manager. the Regents.~~

Senior Management Group Outside Professional Activities

Executive Officer: The President of the University, Chancellor, or Laboratory Director.

Senior Management Group: Individuals whose career appointment is in the Senior Management Group personnel program. Employees with a dual academic appointment at 0% and an appointment to a Senior Management Group position will be considered to possess a career appointment in the Senior Management Group.

Top Business Officer: Executive Vice President, Chief Operating Officer for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location's financial reporting and payroll as designated by the Executive Officer.

III. POLICY TEXT

A. *Responsibility and Accountability*

1. Guiding Principles

SMG members are individually responsible for ensuring that the Outside Professional Activities they perform, and compensation received for such activities, do not violate conflict of commitment and/or actual or perceived conflict of interest standards of the University. SMG members have a duty of loyalty to the University, as well as a primary fiduciary responsibility to the University.

Each SMG member's Approving Authorities are personally responsible for monitoring, evaluating, and verifying that the SMG member's Outside Professional Activities comply with University policies and State of California law.

Ultimately, SMG members and their Approving Authorities are accountable to the President and the Regents for ensuring that conflicts do not occur and that any activities or affiliations do not diminish the reputation of the institution or system.

2. Pre-Approval and Assessment of Compensated Activity over \$2,500

Documentation and approval request forms for ~~any~~ Outside Professional Activities, ~~whether compensated or uncompensated, where compensation is~~ over \$2,500 must be completed by the SMG member and submitted for review and approval by the Approving Authorities. ~~All activities must be approved before the SMG member announces or engages in the activity.~~

At the discretion of the Approving Authorities, the documentation and request for any new proposed activities where ~~time commitment,~~ compensation or reputational risk raise concerns will be reviewed by an independent advisory committee appointed by Office of the President, Systemwide Human Resources to assess the request ~~activity for conflicts of interest or commitment, or the appearance of conflicts,~~ and to advise the Approving Authorities. The turnaround time for reviewing and approving or denying the request ~~any new activity~~ will be no more than 30 calendar days from the date the committee receives a complete packet of materials.

Senior Management Group Outside Professional Activities

Each year, SMG members are also required to request approval for ongoing, recurring compensated OPA over \$2,500 prior to the beginning of the next calendar year. The SMG member is responsible for providing sufficient details on any proposed activity that has changed materially from the preceding year. Material changes must be disclosed and may include changes in compensation (form or amount) ~~or time commitment~~, changes in organizational status of the outside entity, e.g., mergers, acquisitions, relationships with the University or its entities, or changes (legal challenges or other) that may impact the entity's reputation in the community.

The Approving Authorities may request review of any recurring activity by the independent advisory committee before considering the SMG member's request.

An SMG member's Approving Authorities are responsible for assessing whether a proposed Outside Professional Activity might create, or appear to create, a conflict of interest or commitment or reputational risk to the campus or system. In general, the proposed activity must be compatible with the SMG member's University duties. Other important factors for consideration include:

- Will the activity compete with the SMG member's regular and/or expected University duties? An assessment of the SMG member's performance is an appropriate factor to be considered.
- Will the SMG member be precluded from making decisions within the scope of ~~his/her~~ their University duties due to a financial conflict associated with the activity (e.g., a fiduciary responsibility to the external entity, payments received from the external entity)?
- ~~Will the time necessary to successfully perform the activity interfere with the SMG member's ability to fulfill his/her University duties?~~

If the answer to any of these questions is "Yes," the Approving Authorities must seek written guidance from the independent advisory committee in order to resolve the matter with the SMG member and, if resolution is not possible, deny the SMG member's request.

- The forms documenting the assessment/approval process for all Outside Professional Activities can be found at:

http://policy.ucop.edu/_files/smg-docs/opa-approval.xls

http://policy.ucop.edu/_files/smg-docs/opa-detailed-information.doc

B. Outside Professional Activities: Definitions and Limits

1. Uncompensated Outside Professional Activities

Uncompensated Outside Professional Activities are Board memberships that are within the SMG member's area(s) of professional expertise for which they are employed by the University. Uncompensated activities are Outside Professional Activities include those for which the SMG member ~~does not receive compensation or~~ donates the full amount of the compensation to the University or a charitable organization. Compensation donated to the University may not be returned to the individual SMG member.

Senior Management Group Outside Professional Activities

2. Compensated Outside Professional Activities

Compensated Outside Professional Activities are those activities that are within the SMG member's area(s) of professional expertise for which they are employed by the University and are either (1) compensated Board memberships of any amount, or (2) activities for which an SMG member is compensated in excess of \$2,500 per calendar year from any single source.
~~Compensated activities are Outside Professional Activities for which the SMG member receives and retains compensation in excess of \$2,500 per calendar year with any single organization.~~

Reimbursement for reasonable travel expenses is not considered compensation for the purpose of this policy. But travel expenses from a for-profit entity and compensation of \$500 or more from any entity may trigger Political Reform Act reporting and disqualification. Consult with campus counsel.

3. Limits on Compensated Board Activities

- a. In addition to considering the reporting guidelines set forth below, when assessing proposed activities, Approving Authorities must be mindful of the following limits:
 - i. An SMG member may participate in up to two concurrent compensated board membership activities. SMG members may participate in an unlimited number of compensated consulting or advisory activities. ~~including, but not limited to, any board memberships, consulting or advisory activity.~~
 - ii. ~~An~~ SMG members will be required to use ~~his/her~~ their personal time to engage in compensated Outside Professional Activities, by either performing such activities outside ~~his/her~~ their usual work hours or debiting accrued vacation time consistent with applicable leave policy.
 - iii. Any request to participate in more than two concurrent compensated board membership activities, requires approval by the Regents. ~~The person or office to whom an SMG reports plus the next higher level manager may approve exceptions to this limit.~~

4. ~~An~~ SMG members who ~~is~~ are appointed at 100 percent time must not receive additional cash compensation above ~~his/her~~ their base salary from an entity managed exclusively by the University for any work or services, regardless of source or type of payment, except in the limited circumstances outlined in Regents Policy 7701, Senior Management Group Appointment and Compensation, which includes an exception for payments for teaching. University Extension courses (UNEX). Additional restrictions pertaining to compensation from University entities, addressed in other SMG policies, are incorporated by reference into this policy. Regents Policy 7701 addresses this restriction.

C. *Reporting Outside Professional Activities*

Senior Management Group Outside Professional Activities

Each SMG members must file a report with his/her their Approving Authorities each year detailing all Outside Professional Activities (whether compensated or uncompensated) that were performed during the previous calendar year. Service or compensation that inadvertently is not reported or is erroneously reported in the calendar year immediately following the activity shall be reported as soon as the omission or error is known to the individual and/or the Approving Authorities. In addition, each SMG member must file a mid-year report of all new activity undertaken in the preceding six months. Templates for collecting details for these reports will be distributed by the Office of the President. The mid-year report will be distributed to the President and the Regents' Committee responsible for oversight of compensation.

- a. Employees who step down from their SMG appointment but remain employed by the University are subject to this reporting requirement for the calendar year in which they served in a career SMG position.
- b. Employees serving in an acting or interim SMG capacity are also subject to this reporting requirement.
- c. Only activities that occur when an employee is an SMG member shall be reported.

1. Uncompensated Outside Professional Activities Reporting

As detailed in section III.C above, each SMG member must file separate annual reports with his/her their Approving Authorities detailing all uncompensated Outside Professional Activities, ~~including activities compensated as well as uncompensated.~~ Pre-approval of uncompensated activity is not required, unless otherwise required by the person or office to whom an SMG member reports plus the next higher level manager.

A separate uncompensated annual report will be made to each of the Chancellors, the Laboratory Director and the Executive Vice President, Chief Operating Officer of all uncompensated outside professional activities covered by this policy for SMG members at their respective locations that occurred the previous calendar year.

- A sample of the Annual Report by individual SMG members listing all uncompensated Outside Professional Activities can be found at:

http://policy.ucop.edu/files/smg-docs/opa-sample_uncompensated_report.pdf

The Chancellor, Laboratory Director or Executive Vice President, Chief Operating Officer will assess and maintain the reports of all uncompensated Outside Professional Activities.

In an annual report to the President, the Chancellors, the Laboratory Director and the Executive Vice President, Chief Operating Officer shall acknowledge receipt of a comprehensive set of reports that includes all employees who meet the criteria detailed in Section III.C. above, and confirm that no instances of actual or perceived conflict of interest or conflict of commitment were apparent within the reports of all uncompensated Outside Professional Activities for their location.

Senior Management Group Outside Professional Activities

2. Compensated Outside Professional Activities Reporting

As detailed in section III.C above, ~~each~~ SMG members must file separate annual reports with ~~his/her~~ their Approving Authorities detailing all compensated Outside Professional Activities, including compensated board memberships of any amount and other compensated activity over \$2,500 per calendar year with any single organization. ~~including activities compensated as well as uncompensated.~~ Pre-approval of compensated activity \$2,500 or under is not required, unless otherwise required by the person or office to whom an SMG member reports plus the next higher level manager.

- A sample of the Annual Report by individual SMG members listing all compensated Outside Professional Activities can be found at:

http://policy.ucop.edu/files/_smg-docs/opa-sample_compensated_report.pdf

Deferred compensation shall be reported in the year in which the compensation was known or granted, not received. If the amount of the deferred compensation is unknown during the year in which the service is performed, such as in the case of royalties, the compensation shall be reported when it is known.

The Chancellors, the Laboratory Director and the Executive Vice President, Chief Operating Officer will make a separate report to the President, who will in turn report to the Regents all compensated Outside Professional Activities covered by this policy for SMG members that occurred the previous calendar year.

In the event an SMG member publishes a University biography, compensated board membership activities must be included.

D. Conflict of Interest and/or Commitment

Regardless of whether an activity is reportable under this Policy, SMG members are responsible for ensuring that the following conflicts are avoided.

1. Conflict of Interest

~~No~~ SMG members may not make, participate in the making, or influence a governmental decision in which ~~he or she~~ they have ~~has~~ a financial interest as defined by the Political Reform Act. <http://www.ucop.edu/general-counsel/legal-resources/conflict-of-interest-code.html>

2. Conflict of Commitment

Conflict of commitment is a subjective judgment made ~~either~~ by the SMG member's direct supervisor in consultation with the SMG member ~~or his/her~~ their ~~Approving Authorities at the time approval is requested to pursue an outside professional activity.~~ This subjective judgment shall determine whether or not a conflict is created -- either by the time required to reasonably fulfill the outside professional activity, and/or by an incompatibility between the outside professional activity and the SMG member's responsibilities to the University.

3. Actual or Perceived Conflict of Interest and/or Commitment

Instances may occur in which there is an appearance of a conflict of interest

Senior Management Group Outside Professional Activities

even though the SMG member does not have a financial interest in the decision as defined by the Political Reform Act. SMG members are expected to conduct themselves with integrity and good judgment and must avoid the appearance of favoritism in all of their dealings on behalf of the University.

The responsibility for determining and disclosing whether an actual or perceived conflict of interest ~~and/or commitment~~ reasonably may occur rests first with the individual SMG member and then with ~~his/her~~ their Approving Authorities.

In the event ~~the~~ SMG members or ~~his/her~~ their Approving Authorities either anticipates a perceived or recognizes an actual conflict of interest ~~and/or commitment~~, a full written disclosure must be reviewed by the appropriate administrator.

E. Use of University Resources

The University of California has a responsibility for the stewardship of University resources and is committed to compliance with University policies and procedures regarding the use of University resources. See [Business and Finance Bulletin BUS 29, Section XIII](#) and [UC Whistleblower Policies](#).

The use of the name, logo, seal, or letterhead of the University of California or any University laboratory facility or entity in the conduct of any outside activity is prohibited at all times.

Incidental and occasional personal use of University equipment, services and supplies is permitted within the University, so long as such use does not disrupt or distract from University business (due to volume, frequency, or intent).

Approval of any proposed Outside Professional Activity that includes use of University facilities, equipment, services, or supplies will be conditioned upon reimbursement to the University for costs resulting from such use.

Incidental and occasional personal use of electronic resources is subject to local regulations and must comply with existing [University of California Electronic Communications Policy](#)

IV. APPROVAL AUTHORITY

A. Implementation of the Policy

The Vice President Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy.

B. Revisions to the Policy

The Board of Regents is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Vice President Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and

Senior Management Group Outside Professional Activities

Standing Orders of the Regents.

The Executive Vice President, Chief Operating Officer has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the *Senior Management Group Compensation Policy Principles* and other governance policies.

C. Approval of Actions

All actions within this policy must be approved by the Approving Authorities as described in Section II of this policy unless stated otherwise. All actions that are exceptions to this policy including retroactive actions or those not expressly provided for under any policy must be approved by the Regents.

V. COMPLIANCE

A. Compliance with the Policy

~~SMG members who are actively employed by the University and who have more than two concurrent compensated activities approved before the effective date of this policy may continue those approved compensated activities that exceed the policy limit.~~

The following roles are designated at each location to implement compliance monitoring responsibility for this policy:

The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance, including collecting all relevant data and creating specified regular compliance reports for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits a copy of the compliance report to the Executive Officer for signature.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the specified regular compliance reports and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Vice President, Human Resources is accountable for reviewing the administration of this policy. The Senior Vice President, Chief Compliance and Audit Officer will periodically audit and monitor compliance to these policies, and results will be reported to senior management and the Regents.

B. Noncompliance with the Policy

Noncompliance with the policy is handled in accordance with the Regents' [Guidelines for Corrective Actions Related to Compensation Practices](#) and ~~violations of the Outside Professional Activities~~ this policy and will be subject to corrective action, consistent with how the University addresses any policy

Senior Management Group Outside Professional Activities

violations. The action taken will depend on the nature and severity of the conduct. Remedies may include, but are not limited to, issuance of a letter in the personnel file, mandatory training, consideration in the performance review and related salary actions including loss of or reduction in a merit or equity increase, reassignment, demotion, removal from the Senior Management Group position where there is an underlying academic appointment, or termination of employment.

Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President, Chief Compliance and Audit Officer and the Regents at least three times per fiscal year.

REVISION HISTORY

On January 17, 2019 the Policy was revised to reflect changes to reporting requirements for compensated and uncompensated Outside Professional Activities.

As a result of the issuance of this policy, the following documents are rescinded:

- ❑ Interim Regental Policy on Outside Professional Activities for University Officers and Designated Staff, dated January 18, 2007
- ❑ Presidential Policy on Outside Professional Activities for University Officers and Designated Staff, dated July 1, 1995
- ❑ Guidelines for the Policy on Outside Professional Activities for University Officers and Designated Staff, dated June 1, 2000)
- ❑ Letter of Clarification Regarding Annual Reporting Requirements Under Both APM-025 and the University's Policy on Outside Professional Activities for University Officers and Designated Staff, dated December 1, 2005
- ❑ Regental Policy on Outside Professional Activities of the President, Principal Officers of the Regents, and Officers of the Regents, dated March 17, 1995

IMPLEMENTATION PROCEDURES [to be developed as needed to support implementation]

RELATED DOCUMENTS

- ❑ [APM - 025, Conflict of Commitment and Outside Professional Activities of Faculty Members](#)
- ❑ [APM - 250, Deans](#)
- ❑ [APM - 670, the Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants](#)

Senior Management Group Outside Professional Activities

- ☐ [California Political Reform Act of 1974](#)
- ☐ [University Conflict of Interest Code](#)
- ☐ [*Business and Finance Bulletin BUS 29, Section XIII Personal Use of Property*](#)
- ☐ [*Senior Management Group Salary and Appointment \(Regents Policy 7701\)*](#)
- ☐ [*University of California Electronic Communications Policy*](#)
- ☐ [*University Whistleblower Policies*](#)

Additions shown by underscoring; deletions shown by strikethrough

Regents Policy 3401: Policy on Student Health and Counseling Centers

POLICY SUMMARY/BACKGROUND

The Regents are committed to delivering high quality health and counseling services to the students of the University of California in a coordinated, consistent and integrated fashion, including through the University of California Student Health Insurance Plan (UC SHIP), and adopt the following in furtherance of that goal.

POLICY TEXT

- A. Each Student Health and Counseling Center (“Center”) shall have a governing body, ultimately reporting to and acting under the direction of the Chancellor, which body shall include no fewer than three members, at least one of whom shall be a licensed physician (or for counseling centers, a licensed psychologist), at least one member who has a health care administrative background and, for counseling centers, at least one member who is a licensed psychologist. Exceptions for members other than the licensed physician (or for counseling centers, a licensed psychologist) may be approved by the ~~Senior~~ Executive Vice President, UC Health Sciences and Services.
- B. ~~Each Center shall have a written set of~~ The Executive Vice President for UC Health, after consultation with the Center governing bodies, the Chancellors, the Vice President for Student Affairs, and the Health Services Committee, shall establish (and amend as necessary) a set of minimum standards for bylaws, policies or other comparable governing documents under which the Centers operate. which shall be reasonably consistent for all Centers.
- C. The credentials of each health care practitioner employed at each Center shall be verified by the University before such practitioner begins ~~working~~ providing care at the University or to its students at other locations in connection with University programs, and at an interval of no more than every three years thereafter. Initial primary source verification of practitioner credentials shall be performed on the University’s behalf by a single credentialing verification organization approved selected by the ~~Senior~~ Executive Vice President, UC Health. Sciences and Services in consultation with the Chair of the Committee on Health Services.
- D. All Centers shall employ one electronic medical records health information system that meets interoperability standards established by the Office of the National Coordinator for Health Information Technology or by other applicable government agencies or accreditation bodies, is capable of securely sharing data across all locations, and is shared across all locations and managed in compliance with University policy. With a Chancellor’s approval, following consultation with the Office of General Counsel and the Office of Ethics, Compliance and Audit Services to confirm compliance with applicable law and University policies, a Center may instead utilize a University hospital’s

electronic medical record. The use of any third-party application or service shall have a unified administration, common templates, nationally standardized coding systems as specified in the Health Insurance Portability and Accountability Act and implementing regulations (HIPAA), and standard billing practices for patient services, and shall be selected require approval by the Senior Executive Vice President, UC Health, in consultation with the Chief Risk Officer and the Chief Information Security Officer. Sciences and Services in consultation with the Chair of the Committee on Health Services.

- E. The results of any audits or management advisories issued by the University's Internal Auditors, and of any investigations performed by the University's compliance officers, related to this policy shall be reported to the members of the Health Services Committee. The Senior Vice President, Health Sciences and Services, in consultation with the Chair of the Committee on Health Services, shall direct an external organization to conduct an annual audit and/or risk review of the services provided at the Centers, the results of which shall be reported to the Committee on Health Services. The Senior Vice President, Health Sciences and Services shall also meet on a regular basis, but no less than biannually, with the Center Directors.

COMPLIANCE/DELEGATION

Implementation and compliance with this policy shall be administered by the Office of the Executive Vice President, UC Health (or any successor position based on a change of title), in consultation with the Vice President of Student Affairs.

NO RIGHT OF ACTION

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

PROCEDURES AND RELATED DOCUMENTS

Procedures, guidelines, and related documents implementing this policy are posted online at <https://www.ucop.edu/uc-health/initiatives/studenthealth.html>. Changes to these documents do not require Regents approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents.

Additions shown by underscoring; deletions shown by strikethrough

BYLAW 22.2: SPECIFIC RESERVATIONS

BYLAW TEXT

22.2 Specific Reservations.

The matters in the following areas are specifically reserved to the Board and/or its Committees for approval or other action, within parameters that may be specified in a Committee Charter or Regents Policy:

(b) Academic Matters

- Upon recommendation of the Academic Senate, approving criteria for University admissions and conferral of certificates and degrees
- Establishing or eliminating colleges, schools, graduate divisions and organized multi-campus research units
- Establishing or eliminating a session of instruction
- Approving the appointment of Regents Professors and University Professors
- Approving dismissal of academic appointees with tenure or security of employment
- Bidding on or entering into a prime contract to manage and operate a National Laboratory or other Comparable Facility (as defined in the Academic and Student Affairs Committee Charter)
- Creating a business entity to hold a prime contract to manage and operate a National Laboratory or other Comparable Facility
- Approving material changes in the type or scope of work for such a business entity
- Appointing voting members to ~~a University position on the Executive Committee of the Board of Governors~~ the governing board of such a business entity

Additions shown by double underscoring; deletions shown by strikethrough

Bylaws of the Regents of the University of California

21. Duties and Requirements

Each member of the Board ("Regent") shall be subject to the duties and requirements specified below.

21.11 Breach of Conduct

Upon recommendation of the Governance ~~and Compensation~~ Committee, the Board shall adopt procedures to consider any allegation that a Regent, Committee member, Regent-Designate or advisor to a Board Committee has not fulfilled their duties as set forth in University Bylaws, policy or applicable law, and to implement appropriate response(s) when such allegation is found to have merit.

23. Officers of the Corporation

23.1 Designation

The persons holding the following offices shall serve as Officers of the Corporation: the President of the Board; the Chair of the Board; the Vice Chair of the Board; and the following officials, who, collectively, shall be known as the Principal Officers of the Regents ("Principal Officers"): the Secretary and Chief of Staff, the General Counsel; the Chief Compliance and Audit Officer, and the Chief Investment Officer. Officers of the Corporation also shall include those persons who have been recommended by a Principal Officer of the Regents and approved by the Board ("Principal Officer Delegates").

23.2 Appointment and Qualifications

(a) President of Board

The President of the Board is the Governor of the State of California, and serves in that Board position as President in an ex officio capacity.

(b) Chair and Vice Chair of Board

The Chair of the Board and Vice Chair of the Board shall be appointed to their respective positions by election of the Regents in accordance with procedures set forth in the charter of the Special Committee on Nominations-Governance and Compensation Committee. No Regent may serve consecutively in the position of Chair or in the position of Vice Chair for more than two terms. Terms shall commence on July 1 and shall continue for one year.

(c) Principal Officers

The Principal Officers each shall be appointed by the Board on the occurrence of a vacancy and shall continue in service at the pleasure of the Board. Each of the Principal Officers other than the Secretary and Chief of Staff, in addition to serving as Principal Officers, shall serve as Officers of the University. None of the Principal Officers shall be Regents.

Appointment (including temporary appointment or acting or interim status) of the General Counsel, the Chief Compliance and Audit Officer and the Chief Investment Officer, shall be voted by the Board upon joint recommendation of the Chair of the Board and the President of the University, following consultation with an appropriate Standing Committee or Subcommittee of the Board, as determined jointly by the Chair of the Board and the President, or with a special committee established for that purpose.

23.4 Authority and Duties of Board Officers

(d) Inability to Act

During any period that an officer of the Board is unable to perform the duties assigned under these bylaws, the next officer or member in order of precedence shall perform those duties. For these purposes, the order of precedence is as follows: President of the Board; Chair of the Board; Vice Chair of the Board; ~~Chair of the Governance and Compensation Committee; the Vice Chair of the Governance and Compensation Committee; and~~ the next most senior member of the ~~Governance and Compensation~~ Committee, as determined by Regental appointment date.

24. Standing Committees

24.2 Committee Charters

Each Standing Committee shall operate in accordance with a committee charter that shall set forth the purpose and primary responsibilities of the committee. The charter shall be approved by the Board, on recommendation of the Governance ~~and Compensation~~ Committee. The charters for each of the Standing Committees identified below in paragraph 24.3 are attached as appendices to these Bylaws. In the case of any conflict between the terms of a Committee Charter with these Bylaws, the terms of these Bylaws shall control.

24.3 Designation of Standing Committees

The following Standing committees are hereby established and shall provide strategic direction and oversight on matters within their respective areas of responsibility, as described below and in the Committee Charters (attached to these Bylaws as appendices):

(c) The Finance and Capital Strategies Committee

The Finance and Capital Strategies Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University's fiscal and financial affairs, business operations, land use, ~~and~~ capital facilities and strategies. (See Appendix C)

(d) The Governance ~~and Compensation~~ Committee

The Governance ~~and Compensation~~ Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the organization and management of the Board and review and amendment of the University's Bylaws, Charters, and Regents Policies regarding Board operations, on matters pertaining to the appointment and compensation of the University's senior leadership, performance evaluation of the Principal Officers and the President of the University, and personnel policies for senior leadership, and on matters pertaining to the development, review and amendment of employee compensation and benefits programs and policies. (See Appendix D)

(e) The Health Services Committee

The Health Services Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University's schools of health, academic medical centers, health systems, clinics and student health and counseling centers ("UC Health"). (See Appendix E)

(f) The Investments Committee

The Investments Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to investment strategy and operations, and pertaining to the review and reporting of investment results. (See Appendix F)

(g) The Public Engagement and Development Committee

The Public Engagement and Development Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University's engagement with key constituents, fundraising, and the development of effective advocacy programs for University stakeholders. (See Appendix ~~F~~G)

24.5 Appointment

Unless otherwise specified in a Committee Charter, the members (except for ex officio members) of a Standing Committee, and those chosen to serve as Chair and Vice Chair, shall be nominated by a Special Committee on Nominations ~~the Governance and Compensation Committee~~, and approved by the Board. The Chair of the Board shall not also concurrently serve as the Chair of any Standing Committee, except the Chair and Vice Chair of the Board shall serve as the Chair and Vice Chair of the Governance Committee, respectively. Candidates for the Chancellor position(s) on Standing Committees, and any other proposed advisory member candidates, shall be forwarded for consideration to the ~~Governance and Compensation Committee~~ Special Committee on Nominations by the President of the University. Vacancies of members shall be filled in the same manner, to serve the unexpired term created by the vacancy.

24.6 Term

Unless otherwise specified in a committee charter, voting members of Standing Committees, other than ex officio members, shall be appointed for a term of one year. No Regent may serve consecutively in the position of Committee Chair or in the position of Committee Vice Chair for more than four terms. Advisory members may serve for such terms as recommended by the ~~Governance and Compensation Committee~~ Special Committee on Nominations, and approved by the Board, and shall not be subject to any term limits.

24.10 Committee Charter Amendments

The charter of a Standing Committee or Subcommittee may be amended by majority vote of the Board. ~~Portions of Committee Charters that pertain to the establishment and roles of a Subcommittee may be amended by the Governance and Compensation Committee, except that any delegation of authority to a Subcommittee or change in plenary authority delegated to a Subcommittee shall be approved by the Board.~~

25. Subcommittees

25.1 Establishment

A Standing Committee may seek to establish one or more subcommittees to assist in the effective conduct of its business. A subcommittee shall be formed, following a recommendation of a Standing Committee, on approval by the Board ~~Governance and Compensation Committee~~ of a Subcommittee Charter, which shall be incorporated into the charter of the related Standing Committee.

25.2 Authority

The authority of a Subcommittee shall be no greater in scope than the responsibilities assigned, and the authority delegated, to the related Standing Committee. Any delegation of plenary authority to a Subcommittee, and any change in such authority so delegated, shall require the approval of the Board, on recommendation of the related Standing ~~Governance and Compensation~~ Committee. Except for matters handled under plenary authority and except as otherwise specified in a Subcommittee charter, the work of the Subcommittee shall be advisory to the related Standing Committee.

25.3 Membership

Unless otherwise specified in its charter, a Subcommittee shall consist of no fewer than three Regents, all of whom must be members of the related Standing Committee. The Chair of the related Standing Committee shall serve ex officio as an additional member of the Subcommittee. Subcommittees may include advisory members of the related Standing Committee (including Chancellors) with expertise relevant to the work of the Subcommittee. Subcommittees may also include additional advisory members with expertise relevant to the work of the Subcommittee, who shall be forwarded for consideration to Chair of the related Standing Committee by the President of the University and approved by the Board.

25.4 Appointment

Except for the ex officio member, all members of a Subcommittee, and those chosen to serve as Chair and Vice Chair, shall be ~~approved~~ nominated by the ~~Governance and Compensation Committee~~ Special Committee on Nominations, following a recommendation by the Chair of the related Standing Committee, and approved by the Board.

25.5 Term

Unless otherwise specified in a subcommittee charter, voting members of Subcommittees, other than the ex officio member, shall be appointed for a term of one year. No Regent may serve consecutively in the position of Subcommittee Chair or in the position of Subcommittee Vice Chair for more than four terms. Advisory members may serve for such terms as determined by the Board or the ~~Governance and Compensation Committee~~ Special Committee on Nominations, in consultation with the Chair of the related Standing Committee, and shall not be subject to any term limits. Notwithstanding the foregoing, no voting members of a Subcommittee shall serve beyond their term on the related Standing Committee.

25.6 Voting and Quorum

Only the Regent members of a Subcommittee may vote on Subcommittee business. Advisory members (including Chancellors) may participate in all respects on matters brought before the Subcommittee, except voting. A quorum of a Subcommittee shall be three Regent members.

25.7 Subcommittee Charter Amendments

Except as provided in Paragraph 25.2 above, the portions of a Committee Charter governing the Subcommittee may be amended on approval of the ~~Governance and Compensation Committee~~ Board, following a recommendation by the related Standing Committee.

26 Special Committees

26.1 Establishment and Authority

The Board may establish Special Committees to assist in the effective conduct of its business. A Special Committee shall be formed on approval by the Board of a Special Committee charter, following the recommendation of the Governance ~~and Compensation~~ Committee. Without limiting the discretion of the Board, Special Committees will be established for purposes of providing more focused review and analysis of a specific issue or event, and will be established for a limited duration determined at the time of formation. Unless the Special Committee charter provides otherwise, the provisions of Sections 24.1 through 24.12 shall apply to all Special Committees.

27.5 Interim Actions

Matters requiring Board or Committee action between meetings may be acted on upon the recommendation of the President of the University or an Officer of the Corporation in their respective areas of responsibility. For matters requiring action by the Board, approval under this authority requires either the approval of the Chair of the Board and the Chair of the Standing Committee with jurisdiction over the matter or approval by the Governance Committee. For matters requiring action by a Committee, approval under this authority requires either the approval of the Chair and the Vice Chair of the Committee or approval by the Governance Committee. In the case of the inability of the Chair of the Board to act, the Vice Chair of the Board may act; and in the case of the inability of the Chair of the Committee to act, the Vice Chair of the Committee may act. For matters requiring action by a Committee, in the case of the inability of the Chair or Vice Chair of the Committee to act, the next most senior member of the Committee may act. All actions approved under this interim action authority shall be reported at the next regular meeting of the Board.