

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

July 17, 1998

The Regents of the University of California met on the above date at UCSF - Laurel Heights, San Francisco.

Present : Regents Atkinson, Chandler, Connerly, Davies, Espinoza, Gould, Johnson, Khachigian, Kozberg, Leach, Lee, Miura, Montoya, Nakashima, Ochoa, Parsky, Preuss, Sayles, and Willmon (19)

In attendance: Regents-designate Taylor and Vining, Faculty Representatives Dorr and Weiss, Secretary Trivette, General Counsel Holst, Treasurer Small, Provost King, Senior Vice President Kennedy, Vice Presidents Darling, Gomes, Gurtner, and Hershman, Chancellors Carnesale, Orbach, Vanderhoef, and Yang, Vice Chancellor Bainton representing Chancellor Bishop, and Recording Secretary Bryan

The meeting convened at 10:50 a.m. with Chairman Davies presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion of Regent Khachigian, duly seconded, the minutes of the meeting of June 19, 1998 were approved.

2. REPORT OF THE PRESIDENT

President Atkinson presented the report on University activities and individuals.

Then, upon motion of Regent Khachigian, duly seconded, the President's report was accepted, and it was directed that notes of thanks be sent to the donors of the gifts mentioned in the report, that congratulations be extended to those faculty and staff members who have been awarded honors, and that notes of sympathy and regret be sent to the families of those whose deaths were reported.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

Faculty Representative Weiss reported from the Academic Council. She mentioned that this year the relationships among the segments of public higher education have made excellent progress. She noted that through the Intersegmental Committee of Academic Senates, the senates have worked together on legislative matters and on articulation. She recalled that Regent Johnson has often mentioned her concerns

about the restoration of infrastructure. Ms. Weiss noted that during her tenure she has heard more from the faculty about this issue than any other. The basic infrastructure of the University needs more attention. The Regents need to make this a clear priority for the coming years. The faculty is operating with inadequate instructional and laboratory equipment, the computers necessary to access emerging learning and research resources, and diminishing library collections. She believed that if those facets of the University are not made a priority, the University will suffer a negative impact in years to come. She reported that the Academic Council approved the formation of a UC Merced Task Force to provide academic direction for the development of UC Merced over the coming years. She encouraged the Regents to interact freely with the task force.

Ms. Weiss thanked Professor Dorr for her support and intellectual contributions to the Academic Senate, the President and the Provost for their availability and willingness to discuss issues, and former Chairman Khachigian for her interest in the faculty's concerns.

At the President's invitation, Jani Quintero, Chair of the Council of UC Staff Assemblies (CUCSA) discussed this year's staff accomplishments. She reported that the Council's projects included the following:

- A proposal in support of UC employee relations that includes program ideas which encourage renewed value in UC employment and promote staff personal wellness and professional development.
- A proposal to establish a position of Staff Delegate to The Regents.
- The adoption of domestic partner benefits.
- The establishment of a Faculty Staff Partnership Task Force to explore and build a relationship with faculty.
- The completion of a CUCSA website.
- The presentation of a staffing list of work-life issue priorities in preparation for an October symposium.

Ms. Quintero introduced Darcy Bingham, the CUCSA Chair for 1998-99 and Kathryn Day-Huh, its Vice Chair. President Atkinson and former Chairman Khachigian thanked Ms. Quintero and her colleagues for their advice and counsel.

3. **REPORT OF THE COMMITTEE ON FINANCE**A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program***

The Committee reported its concurrence with the Committee on Grounds and Buildings that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended pertaining to Los Angeles: A. Northwest Housing and Parking, Phase II.

B. ***Approval of Student-Sponsored Increases in Undergraduate Student Fees, Santa Barbara Campus***

The Committee recommended that effective Fall Quarter 1998, fees for undergraduate students at the Santa Barbara campus be increased as follows:

- (1) The Associated Students Fee be increased from \$40.80 to \$43 .00 per undergraduate student per quarter to provide support for the Associated Students Program Board, the campus Bicycle System, and Isla Vista Community Improvements.
- (2) An Intercollegiate Athletics Scholarship Fee of \$9 per undergraduate student per quarter be established.
- (3) The University Center Fee be increased for undergraduate students from \$6 to \$15 per student per quarter for maintenance and improvements.

C. ***Approval of Student-Sponsored Graduate Student Fees, Santa Barbara Campus***

The Committee recommended that effective Fall Quarter 1998, the following new fees be charged to graduate students at the Santa Barbara campus:

- (1) Establishment of a Bicycle System Improvement Fee of seventy-five cents per graduate student per quarter.
- (2) Establishment of a Multicultural Center Fee of seventy-five cents per graduate student per quarter.

D. ***Approval of Undergraduate Student Health Insurance Fee, Santa Cruz Campus***

The Committee recommended that effective with the Fall Quarter 1998, an Undergraduate Student Health Insurance Fee be charged all registered undergraduate students at the Santa Cruz campus, subject to the following conditions:

- (1) The cost of the insurance premium shall be \$360 per student per calendar year, subject to a five percent cap on annual adjustments based on changes in medical costs and benefit levels.
- (2) The fee will be collected through the regular registration process beginning Fall Quarter 1998.
- (3) Participation in the health insurance plan will be mandatory; however, if students provide evidence of comparable coverage from another source, participation in the mandatory plan may be waived.

E. ***Increase in Undergraduate Student Governance Fee, Santa Cruz Campus***

The Committee recommended that the Student Governance Fee be increased for undergraduate students from \$2.00 per student per quarter to \$2.50 per student per quarter for the period of Fall Quarter 1998 through Spring Quarter 2001 to establish a student-run restaurant and cultural center, and that the fee be reduced by \$.50 per student per quarter effective Fall Quarter 2001.

F. ***Approval of Waiver of Subrogation Rights, National Aeronautic and Space Administration, Office of the President***

The Committee recommended that the President be given blanket authorization to execute a National Aeronautic and Space Administration (NASA) clause which requires assumption by the University of third-party liability, action which is restricted to The Regents under Standing Order 100.4(dd)(9). The clause is required by NASA for all awards.

G. ***Endorsement of Public Education Facilities Bond Act in 1998***

The Committee recommended, contingent upon approval by the Legislature and the Governor of legislation to place a general obligation bond measure on the November ballot providing funds for University facilities and infrastructure improvements, endorsement of such a measure. It recommended further that the President and other University officials be

authorized to organize an information program to explain the critical role of the bond measure in the University's efforts to ensure that projected enrollment growth can be accommodated, that buildings are seismically safe, that essential infrastructure is repaired or replaced, and that critical fire and life safety improvements are made at the nine University of California campuses.

H. ***Amendment of External Financing for Northwest Housing and Parking, Phase II, Los Angeles Campus***

The Committee recommended that the financing action approved by The Regents in May 1997 and the administrative approval in June 1997 with respect to financing for the Northwest Housing and Parking, Phase II project be amended as shown below, with the understanding that all other actions approved in May 1997 and June 1997 in connection with said project remain unchanged :

deletions shown by strikeout, additions by shading

- (1) Funding for the Northwest Housing and Parking, Phase II, project be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External Financing	\$61,930,000 \$72,029,000
University of California Housing System Net Revenue Fund	\$8,000,000 \$ 9,000,000
UCLA Parking System Reserves	\$ 1,700,000 100,000
Total	71,630,000 \$81,129,000

- (2) The Treasurer be authorized to obtain external financing not to exceed ~~\$61,930,000~~ **\$72,029,000** to finance construction of the Northwest Housing and Parking, Phase II project, subject to the following conditions:

- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
- b. With regard to the housing portion of the project ~~(\$61,730,000)~~ **(\$72,029,000)**, University of California Housing 'System fees for the Los Angeles campus shall be established at levels sufficient to meet all requirements of the University of California Housing System Indenture and to provide excess net revenues sufficient to pay the debt service

and to meet the related requirements of the proposed financing; and

- e. ~~With regard to the parking portion of the Northwest Housing and Parking, Phase II project (\$200,000), parking fees for the UCLA Parking System shall be established at levels which, together with other related user fees, will be sufficient to provide excess net revenues to pay the debt service and meet the related requirements of the proposed financing; and~~
- d.c. The general credit of The Regents shall not be pledged.

* * *

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

4. REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS

A. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program***

The Committee recommended, subject to the concurrence of the Committee on Finance, that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended to include the following project:

From: Los Angeles: I. Northwest Housing and Parking, Phase II -- preliminary plans, working drawings, construction, and equipment -- \$71,630,000 total project cost to be funded from external financing (\$61,930,000) and University of California Housing System (UCHS) reserves (\$8,000,000), and parking reserves (\$1,700,000).

To: Los Angeles: A. Northwest Housing and Parking, Phase II -- preliminary plans, working drawings, construction, and equipment -- \$81,129,000 total project cost to be funded from external financing (\$72,029,000) and University of California Housing System (UCHS) reserves (\$9,000,000), and parking reserves (\$100,000).

B. ***Certification of Final Supplemental Environmental Impact Report and Approval of Land Use Amendment to Long Range Development Plan, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed action as indicated in the Final Supplemental Environmental Impact Report, the Committee recommended the following:

- (1) Certification of the Final Supplemental Environmental Impact Report.
- (2) Adoption of the Mitigation Monitoring Program and Findings including Statement of Overriding Considerations.
- (3) Amendment of the 1994 UC Davis Long Range Development Plan to change the land use designations as follows:
 - a. At the proposed site for the Core Greenhouse Facility/Bowley Plant Science Teaching Center, from *Teaching/Research Fields* to *Low Density Academic and Administrative*;
 - b. At the proposed site for the I-80 Enterprise Reserve Addition, from *Teaching/Research Fields* and *Academic and Administrative Low Density* to *Academic and Administrative High Density* with *Enterprise Opportunity*;
 - c. At the proposed site for the La Rue Student Housing Project, from *Open Space Reserve*, *Undeveloped Open Space*, and *PE/ICA/Recreational* to *Housing* and *Parking*; and
 - d. On 20 acres at the Russell Ranch, from *Academic and Administrative Low Density* to *Teaching/Research Fields*.
- (4) Subject to approval of the acquisition of 150 acres contiguous with the southeastern boundary of the South Campus as part of the proposed private development partnership for the La Rue Student Housing project, amendment of the 1994 LRDP to designate the land use of this 150-acre parcel as *Teaching/Research Fields* and *Open Space Teaching/Research*.

[The Final Supplemental Environmental Impact Report, Mitigation Monitoring Program, and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary .]

C. ***Certification of Final Supplemental Environmental Impact Report and Approval of Design, Plant and Environmental Sciences Replacement Facility, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Supplemental Environmental Impact Report, the Committee reported the following:

- (1) Certification of the Final Supplemental Environmental Impact Report.
- (2) Adoption of the Mitigation Monitoring Program and Findings including Statement of Overriding Consideration.
- (3) Approval of the design of the Plant and Environmental Sciences Replacement Facility, Davis campus. •

[The Final Supplemental Environmental Impact Report, Mitigation Monitoring Program, and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary .]

D. ***Certification of Final Supplemental Environmental Impact Report and Approval of Design, La Rue Student Housing, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Final Supplemental Environmental Impact Report, the Committee reports the following:

- (1) Certification of the Final Supplemental Environmental Impact Report.
- (2) Adoption of the Mitigation Monitoring Program and Findings including Statement of Overriding Considerations.
- (3) Approval of the design of La Rue Student Housing, Davis campus.

[The Final Supplemental Environmental Impact Report, Mitigation Monitoring Program, and Findings were mailed to all Regents in advance of the meeting.]

E. ***Approval of Tiered Initial Study and Approval of Design, UCDCM Hotel, Medical Center, Davis Campus***

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Tiered Initial Study, the Committee reported the following:

- (1) Approval of the Tiered Initial Study.
- (2) Adoption of the Findings.
- (3) Approval of the design of the UCDCM Hotel, University of California, Davis, Medical Center, Sacramento.

[The Tiered Initial Study and Findings were mailed to all Regents in advance of the meeting.]

F. ***Certification of Environmental Impact Report and Approval of Design, Interdisciplinary Sciences Building, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Environmental Impact Report, the Committee reported the following:

- (1) Certification of the Environmental Impact Report.
- (2) Adoption of the Mitigation Monitoring Program and Findings including Statement of Overriding Considerations.
- (3) Approval of the design of the Interdisciplinary Sciences Building, Santa Cruz campus.

[The Environmental Impact Report, Mitigation Monitoring Program, and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

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

5. REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY***Proposed Adoption of Regents' Policy Barring Development Considerations from Influencing Admissions Decisions***

The Committee recommended that the following resolution be adopted:

The Board of Regents affirms the statement of the Academic Senate's Board on Admissions and Relations with Schools (BOARS) approved by the Academic Council on January 14, 1998 which provides in part that "admissions motivated by concern for financial, political or other such benefit to the University do not have a place in the admissions process." The full text of the BOARS statement follows:

BOARS reaffirms the established admissions criteria. These criteria include an applicant's academic achievement, special talents, and life experience. Admissions motivated by concern for financial, political or other such benefit to the University do not have a place in the admissions process. If Chancellors elect to admit students outside of the established criteria, the Academic Senate should be consulted.

The Board of Regents further requires that any Chancellor so electing shall inform the President of the University and the Chairman of the Board.

Upon motion of Regent Connerly, duly seconded, the recommendation of the Committee on Educational Policy was approved.

6. REPORT OF THE COMMITTEE ON INVESTMENTS***Approval of Loan to Santa Barbara Campus Student Housing Cooperative, Santa Barbara Campus***

The Committee recommended that:

- A. The President be authorized to make a loan in the amount of \$150,000 to the Santa Barbara Student Housing Cooperative at the Santa Barbara campus, said funds to be used by the Cooperative to finance a portion of the purchase cost of real property located at 6612 Sueno Road, Isla Vista, and consisting of approximately one-third of an acre of land and a two-story, 12-bedroom residence for use by the Cooperative as housing for Santa Barbara campus students, with the loan subject to the following conditions:

- (1) The loan shall be secured by a third Deed of Trust on the property.

- (2) Term of the loan shall be 25 years.
 - (3) Interest shall be paid at a rate equal to that earned by the University's Short Term Investment Pool.
 - (4) Repayment of the loan shall be from rental income generated by said property.
- B. The source of the loan funds shall be a withdrawal from the Santa Barbara campus' share of the University of California Housing System Net Revenue Fund.
- C. The President be authorized to execute all documents necessary in connection with the above.

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

7. **REPORT OF THE COMMITTEE ON HEALTH SERVICES**

Purchase of CompCare, A Medi-Cal Primary Care Case Management Plan, Medical Center, San Diego Campus

The Committee recommended that the President, in consultation with the General Counsel and the Vice President for Clinical Services Development, be authorized to execute a stock purchase agreement and any other documents necessary to allow UCSD to purchase CompCare Health Plan, Inc., to transfer the Medi-Cal enrollees into UCSD Health Plan, and subsequently to dissolve the CompCare Corporation.

Upon motion of Regent Khachigian, duly seconded, the recommendation of the Committee on Health Services was approved.

8. **REPORT OF THE NOMINATING COMMITTEE**

The Committee recommended the following appointments, effective immediately upon approval by the Board:

- A. Regent-designate Taylor be appointed as an Advisory Member to the Committees on Educational Policy and Finance.
- B. Regent-designate Vining be appointed as an Advisory Member to the Committees on Educational Policy and Health Services.

Upon motion of Regent Leach, duly seconded, the recommendation of the Nominating Committee was approved.

9. **REPORT OF THE SPECIAL COMMITTEE ON REGENTS' PROCEDURES**

Authorization for the Chairman of the Board to Appoint Members of the UCSF Stanford Health Care Board of Directors

The Committee recommended that the Chairman of the Board of Regents shall have authority to appoint individuals to fill Regents' positions on the UCSF Stanford Health Care Board of Directors, effective immediately.

Upon motion of Regent Leach, duly seconded, the recommendation of the Special Committee on Regents' Procedures was approved.

10. **REPORT OF THE JOINT MEETING OF THE COMMITTEES ON EDUCATIONAL POLICY, FINANCE, AND GROUNDS AND BUILDINGS**

A. ***Authorization to Enter into an Agreement with the San Diego Unified School District to Establish and Operate a Model School on the San Diego Campus***

The Committees recommended that the San Diego campus be authorized to enter into an agreement with the San Diego Unified School District (SDUSD) to operate a Model School (MS) on the San Diego campus, contingent upon the SDUSD providing sufficient operating funds to enable the MS to achieve its educational mission and sufficient non-University funds being available to permit construction and equipping of the required school facility.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, UCSD Model School, San Diego Campus***

The Committees recommended that the 1998-99 Budget for Capital Improvements and the 19982001 Capital Improvement Program be amended to include the following project, contingent upon Regental approval of Item A. above, which authorizes the San Diego campus to enter into an agreement with the San Diego Unified School District to establish and operate a model school on the San Diego campus:

San Diego: A. UCSD Model School -- preliminary plans, working drawings, construction, and equipment -- \$13,132,000 total project cost to be funded from gift funds.

Upon motion of Regent Connerly, duly seconded, the joint recommendation of the Committees on Educational Policy, Finance, and Grounds and Buildings was approved.

11. REPORT OF INTERIM ACTIONS

Secretary Trivette reported that, in accordance with authority previously delegated by The Regents, interim action was taken on routine or emergency matters as follows:

The Chairman of the Board and the President of the University approved the following recommendations:

A. ***Technical Correction to Items Pledging Opportunity Funds as Repayment Source, Amendment of Source of Repayment for Davis and Riverside Projects, and Technical Correction of Item Pledging Nonresident Tuition***

- (1) The actions of The Regents with respect to Opportunity Funds as the source of repayment for external financing for the projects set forth on Attachment I be replaced as follows:

Repayment of the debt shall be from the campus' share of the University Opportunity Fund.

- (2) The action under interim authority approved in April 1989 for the purchase of property for administrative space, Riverside campus, be amended as follows:

deletions shown by strikeouts, additions by shading

* * *

- (3)a. Repayment of ~~principal plus interest shall be from otherwise unencumbered funds available to the Chancellor~~ **of the Riverside campus** the debt shall be from the campus' share of the University Opportunity Fund.

* * *

- (3) The action under interim authority approved in June 1988 for the purchase of property for use by Intercollegiate Athletics Department, Davis campus, be amended as follows:

- (3)a. Repayment of ~~principal plus interest shall be from otherwise unencumbered funds available to the Chancellor of the Davis campus~~ the debt shall be from the campus' share of the University Opportunity Fund.

* * *

- (4) The action of The Regents approved in February 1998 with respect to nonresident tuition income as the source of repayment for external financing for the 1998-99 Universitywide Deferred Maintenance and Facilities Renewal Program be amended as follows:

* * *

- (2)a. Annual debt service shall not exceed \$6 million (this limitation is intended solely as a limit on the amount of scheduled debt service and not as a limitation on the extent of the pledge on nonresident tuition income).

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B. *Amendment of the Capital Improvement Program and Increase in External Financing for College Nine Apartments, Santa Cruz Campus*

- (1) The appropriate Budgets for Capital Improvements and Capital Improvement Programs be amended as follows:

From: Santa Cruz: College Nine Apartments - preliminary plans, working drawings, construction, and equipment -- \$16,493,000 to be funded from external financing (\$14,171,000) and UC Housing System Net Revenue Fund (\$2,322,000).

To: Santa Cruz: College Nine Apartments - preliminary plans, working drawings, construction, and equipment -- \$20,782,000 to be funded from external financing (\$18,460,000) and UC Housing System Net Revenue Fund (\$2,322,000).

- (2) The financing actions approved by The Regents in January 1991, September 1991, May 1992, and September 1997 with respect to authorizing external financing for the College Nine Apartments,

Santa Cruz campus, be amended as shown below, with the understanding that all other financing actions approved in connection with said project remain unchanged:

deletions shown by ~~strikeout~~; additions by shading

- A. Funding for the College Nine Apartments, Santa Cruz campus, at an estimated total cost of ~~\$16,493,000~~ **\$20,782,000**, be approved as follows:

<u>Source</u>	<u>Amount</u>	
External financing	\$14,171,000	\$18,460,000
University of California Housing' System Net Revenue Fund	2,322,000	2,322,000
Total	\$16,493,000	\$20,782,000

- B. The Treasurer be authorized to obtain financing not to exceed ~~14,171,000~~ **\$18,460,000** to finance a portion of the construction and related costs of College Nine Apartments, Santa Cruz campus, subject to the following conditions:

- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
- (2) As long as the debt is outstanding, University of California Housing System fees for the Santa Cruz campus shall be established at levels sufficient to meet all requirements of the University of California Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the debt service and related requirements on the proposed financing.
- (3) The general credit of The Regents shall not be pledged.

12. **REPORT OF PERSONNEL ACTIONS**

In accordance with Bylaw 14.7(b), Secretary Trivette reported a personnel action taken at the June 1998 meeting. There was no roll call vote on this action.

Appointment of Nestor Vicente Madali Gonzalez as Regents' Professor, Department of English and Asian American Studies Center, Los Angeles campus, for the fall quarter of the 199899 academic year.

13. **REPORT OF COMMUNICATIONS RECEIVED**

Secretary Trivette presented summaries of communications received subsequent to the June 1998 meeting. She noted that the residency appeals would be referred to General Counsel Holst, and the remaining communications would be referred to President Atkinson for response as appropriate.

14. **REPORT OF THE PRESIDENT**

The President reported that on the dates indicated, the following informational reports were mailed to the Regents or to Committees:

To Members of the Committee on Finance

- A. Report on Medical School Clinical Compensation Plan (MSCCP) participants' compensation that exceeds the reporting threshold for calendar year 1997. June 30, 1998.

To Members of the Committee on Health Services

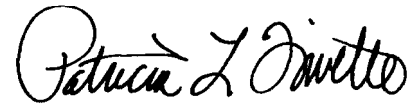
- B. 1996-97 annual Medical Center reports for the Irvine and San Francisco campuses. June 12, 1998. (Schedule of Reports)
- C. The Activity and Financial Status Report on Hospitals and Clinics as of May 31, 1998. June 30, 1998. (Schedule of Reports)

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- D. Most recent catalog from UC Press and a copy of *Imprints*, the newsletter of the Associates of the University of California Press. June 30, 1998.
- E. University of California 1997-98 Budget Plan for Productivity Improvements. June 30, 1998.

The meeting adjourned at 11:25 a.m.

Attest:

A handwritten signature in black ink, reading "Patricia L. Dwyer". The signature is written in a cursive style with a large initial "P" and "D".

Secretary