

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

March 19, 1999

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

Present: Regents Atkinson, Bagley, Bustamante, Connerly, Davies, Espinoza, Hopkinson, Johnson, Khachigian, Kozberg, Lansing, Leach, Lee, Miura, Montoya, Moores, Parsky, Preuss, Sayles, and Willmon

In attendance: Regents-designate Pannor and Vining, Faculty Representatives Coleman and Dorr, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice President Kennedy, Vice Presidents Darling, Gomes, Gurtner, Hershman, and Hopper, Chancellors Bishop, Carnesale, Cicerone, Dynes, Greenwood, Orbach, and Yang, Executive Vice Chancellor Grey representing Chancellor Vanderhoef, and Recording Secretary Bryan

The meeting convened at 9:40 a.m. with Chairman Davies presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Upon motion of Regent Bagley, duly seconded, the minutes of the meetings of January 15, 1999 and February 18, 1999 were approved.

2. REPORT OF THE PRESIDENT

President Atkinson presented his report concerning University activities and individuals. He noted with deep regret the death of Senator Milton Marks, who represented a portion of San Francisco and was a staunch friend of the University. 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 Dorr presented her report on the Academic Senate. She noted that the faculty were pleased that the Regents concurred in the freshman eligibility proposal concerning the visual and performing arts requirement which will make the CSU and UC course pattern requirements be the same. The Office of the President is informing teachers, counselors, and the public about the proposals. There will be

considerable work to finish developing the outlines of an evaluation plan, because the faculty are very interested in how students do under the revisions that are being implemented. The faculty finished its work with the Intersegmental General Education Transfer Curriculum, which, the three segments have agreed, when taken by any community college student will satisfy lower division general education requirements at both CSU and UC. The three systems have agreed to implement what they have done informally, which is to allow students to transfer without having completed every course, up to two courses. The two could be finished after the student transfers.

Ms. Dorr reported that an Intersegmental Major Preparation Articulation Curriculum is in development. It should help the three segments to do a good job of establishing core courses that prepare for several majors and make it easier for students from the community colleges to understand what they need in order to transfer to UC and CSU campuses.

The UC Merced Task Force, a faculty body, is engaged in bringing current faculty perspectives and Senate structures into play in planning the Merced campus. Ms. Dorr reported that its membership will transfer to UC Merced faculty as they are hired.

Ms. Dorr reported that planning and analysis with the Office of the President continue to include the following: how to deal with burgeoning undergraduate enrollments; how to balance undergraduate, graduate, professional, and faculty numbers; and how to carry out and fund health sciences education.

Regent Sayles expressed concern about the use of SAT I scores in admissions. Ms. Dorr recalled that the proposal that was discussed last month contained a complete description of the current ways in which the University admits students and of the ways in which it would admit them if everything that BOARS was contemplating were implemented. The proposal needed Regental approval for implementation based on the existing policies of The Regents. She recalled that in the 1970s the faculty approved a policy that GPA and test scores would be used in a linear combination to create an index to use in admissions decisions. Regent Sayles believed that the SAT I is not as significant a predictor of academic success. He believed that the arguments defending its use are specious. He recalled that when the Regents passed SP-1 and SP-2 they pledged to take bold steps to ensure that students would have equal opportunities to be admitted to UC. Ms. Dorr noted that the plan for the new index does change the weight the test scores will be given. Regent Sayles maintained that a fundamental decision should be made as to the predictability of these tests. His understanding was that they are barely relevant to success in the freshman year and are irrelevant to graduation rates. He suggested finding bold solutions to the problems concerning inclusiveness rather than implementing piecemeal solutions.

Regent Miura considered SAT I a valuable device for measuring eligibility, particularly for the most popular campuses. Regent Willmon hoped that students would not be eliminated from being eligible for admission by changes in the eligibility rules. Regent

Johnson emphasized that the Master Plan charged the University with accepting only the most academically qualified high school students statewide. She believed the University should protect its reputation as the highest level of the State school system. Regent Sayles noted that he was suggesting only that an evaluation be made as to the validity of SAT I scores as a measure for predicting a student's potential to succeed at UC.

Regent Lansing maintained that grades are the best indicators of a student's ability to succeed. President Atkinson agreed that students should be admitted on the basis of achievement rather than on their test scores. He noted that UC does not have a minimum score on the SAT that prevents a student from enrolling. If they do well on course work, they may be admitted even if they score low on the tests. He believed that the faculty came to an appropriate recommendation to reduce the weight of SAT I scores in the evaluation. He expressed satisfaction with the current method of evaluation.

Regent Connerly supported the use of standardized tests in admissions, but he advocated examining the issue to make certain that the University's rationale for using them was sound. He suggested also revisiting the issue of allowing campuses to give extra consideration to its local high school graduates.

Chairman Davies asked Faculty Representative Dorr to inform the Board if the faculty start working on something that is materially different from the Path 1 amendments under consideration. He suggested foregoing further discussion on admissions issues until such time as the faculty report on the next step of their analysis and their new recommendations.

3. **RESOLUTION IN APPRECIATION OF RUSSELL S. GOULD**

Upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, Russell S. Gould has carried out his duties as a Regent of the University of California with a strong sense of dedication and loyalty to the lasting benefit of his alma mater; and

WHEREAS, he has brought to the Board of Regents a wealth of knowledge and experience in fiscal matters acquired over the course of a successful career in financial management that included service to the State of California as its Director of Finance, a position in which he developed and managed the budget of the largest state in the Union, as well as service as California's Secretary of Health and Welfare, as Assistant State Treasurer, and as Chief Deputy Director of the Department of Finance; and

WHEREAS, during his tenure on the Board he has mastered the substance and complexity of University affairs and has provided wise counsel to the Regents

not only on fiscal matters but on a wide variety of other educational and public policy issues, and his ability to illuminate the most difficult issues, his commitment to excellence, and his good humor will be sorely missed by his fellow Regents; and

WHEREAS, his colleagues on the Board consider themselves fortunate to have had the opportunity to work with him, and it is the Board's hope that in the years ahead he will continue to contribute to the life of the University and to the people of California;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California extend to their friend and colleague, Russell S. Gould, their heartfelt gratitude and deep appreciation for his wise counsel and dedicated service;

AND BE IT FURTHER RESOLVED that the Regents direct that a suitably inscribed copy of this resolution be presented to Beth and Russ Gould as a symbol of the Board's high regard and affection.

5. **RESOLUTION IN MEMORY OF GLENN T. SEABORG**

Upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, the Regents of the University of California mark with profound sadness the death of Glenn T. Seaborg, Nobel Prize recipient, distinguished alumnus, former chancellor, and beloved member of the University of California family; and

WHEREAS, seventy years ago he began a lifelong affiliation with the University of California, earning a bachelor's degree in chemistry at UCLA and a doctorate in chemistry from the Berkeley campus; and

WHEREAS, throughout an internationally acclaimed career, he forged an unparalleled record of accomplishment as a scientist, educator, chancellor of the Berkeley campus, associate director-at-large of the Lawrence Berkeley National Laboratory, co-founder and chairman of the Lawrence Hall of Science, and University Professor, positions he embraced with enthusiasm and vigor and that he used to advance the cause of academic excellence in the University, the state, and the nation; and

WHEREAS, he pioneered the development of modern nuclear chemistry with unequalled brilliance and earned renown as the co-discoverer of ten chemical elements, more than any other scientist of his time, the most significant being the co-discovery of plutonium, for which he was awarded a Nobel Prize; and

WHEREAS, his scientific genius was recognized by nine U.S. presidents, among them President Eisenhower, who called upon him to serve as an advisor; by Presidents Kennedy, Johnson, and Nixon, who relied upon his sound advice and wise counsel as chairman of the Atomic Energy Commission; and by President Reagan, who in recognition of his effectiveness as a teacher and advocate for science education appointed him to the National Commission on Excellence in Education; and

WHEREAS, his warmth and grace, his devotion to science and to students of all ages, his loyalty to the University he loved so well, and his personal integrity and gentle spirit will be as long and gratefully remembered by the UC community as his extraordinary accomplishments in the laboratory;

NOW, THEREFORE, BE IT RESOLVED that the Regents of the University of California express their great sorrow over the loss the Seaborg family and the world have sustained in the passing of Glenn T. Seaborg, a legendary figure who has won a bright and lasting place in the history of science and in the history of the University;

AND BE IT FURTHER RESOLVED that the Regents extend to his wife, Helen, and to the entire Seaborg family their heartfelt condolences and direct that suitably inscribed copies of this resolution be sent to them as a token of the Regents' deep admiration and high regard for University Professor Emeritus Glenn T. Seaborg.

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

A. *External Financing for Santa Monica/Orthopaedic Replacement Hospital and Parking Structure, Los Angeles Campus*

The Committee recommended that, subject to the amendment of the Budget for Capital Improvements and the Capital Improvement Program to include the total project cost of the Santa Monica/Orthopaedic Replacement Hospital and Parking Structure:

- (1) Funding for the Santa Monica/Orthopaedic Replacement Hospital and Parking Structure be approved as follows:

<u>Replacement Hospital</u>	
Federal Funds	\$ 72,200,000
Gift Funds	20,800,000
Hospital Reserves	31,901,000
External Financing	<u>71,635,000</u>
Total	\$196,536,000

Parking Structure

External Financing \$9,325,000

Grand Total \$205,861,000

- (2) Subject to approval of the President in consultation with the Chairman of the Board, the Chairman of the Committee on Finance, and the Chairman of the Committee on Health Services, the Treasurer be authorized to obtain external financing not to exceed \$80,960,000, consisting of \$71,635,000 to finance construction of the Santa Monica/Orthopaedic Replacement Hospital and \$9,325,000 to finance construction of the Parking Structure, subject to the following conditions:
- a. Interest only shall be paid during the construction period;
 - b. Repayment of the principal plus interest shall be from gross revenues of the UCLA Hospital System; and
 - c. The general credit of The Regents shall not be pledged.
- (3) The Treasurer be authorized to obtain external financing not to exceed \$7,220,000 to finance on an interim basis, if necessary, potential cash flow needs in connection with the Federal Emergency Management agency (FEMA) reimbursement program for seismic correction costs related to damage caused to the Santa Monica/UCLA Medical Center and Orthopaedic Hospital by the January 17, 1994 Northridge earthquake, subject to the following conditions:
- a. Interest only shall be paid on any advances;
 - b. Repayment of the principal plus interest shall be from gross revenues of the UCLA Hospital System; and
 - c. Should significant disallowance of expenses occur in the post-audit reviews of the seismic and staging costs related to the reconstruction of the Santa Monica/Orthopaedic Replacement Hospital, the campus would, if necessary, return to The Regents to seek the approval for long-term external financing for some or all of those disallowed costs.
- (4) The Officers of The Regents be authorized to provide a certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.

- (5) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

B. *External Financing for Seismic Safety Corrections, Wurster Hall, Berkeley Campus*

The Committee recommended that, subject to the amendment of the Budget for Capital Improvements and the Capital Improvement Program to include this project:

- (1) Funding for the Seismic Safety Corrections, Wurster Hall project, Berkeley campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
State Funds	\$16,625,000
External Financing	9,600,000
Campus Funds	775,000
Gift Funds	<u>775,000</u>
Total	\$27,775,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$9.6 million to finance a portion of the cost of construction of the Seismic Safety Corrections, Wurster Hall project, Berkeley campus, 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. Repayment of the debt service shall be from the Berkeley campus' share of the University Opportunity Fund; and
 - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is exempt from federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

C. *External Financing for Sprague Hall, Irvine Campus*

The Committee recommended that, subject to the amendment of the 1998-99 Budget for Capital Improvements and the 1998-2003 Capital Improvement Program to include Sprague Hall, Irvine campus:

- (1) Funding for Sprague Hall, Irvine campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External Financing	\$15,000,000
Gift Funds	<u>11,000,000</u>
Total	\$26,000,000

- (2) The Treasurer be authorized to obtain external financing in an amount not to exceed \$15 million to finance a portion of the construction of Sprague Hall, Irvine campus, subject to the following conditions:
- Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - Repayment of the debt shall be from Irvine campus groundlease income available to the Chancellor; and
 - The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is excluded from gross income for the purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

D. ***External Financing for Eleanor Roosevelt College Housing and Dining Facilities, San Diego Campus***

The Committee recommended that, subject to the amendment of the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program to include the Eleanor Roosevelt College Housing and Dining Facilities, San Diego campus:

- (1) Funding for Eleanor Roosevelt College Housing and Dining Facilities, San Diego campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External Financing	\$76,176,000
University of California Housing System Net Revenue Fund	5,061,000
Gift Funds	<u>2,086,000</u>
Total	\$83,323,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$76,176,000 to finance the Eleanor Roosevelt College Housing and Dining Facilities, San Diego campus, 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. As long as the debt is outstanding, the University of California Housing System fees for the San Diego campus shall be established at levels sufficient to meet requirements of the University of California Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the debt service and meet the related requirements of the proposed financing; and
- c. The general credit of The Regents shall not be pledged.

- (3) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is excluded from gross income for the purposes of federal income taxation under existing law.

- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

E. ***External Financing for North Torrey Pines Road Parking Structure, San Diego Campus***

The Committee recommended that, subject to the amendment of the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program to include North Torrey Pines Road Parking Structure, San Diego campus:

- (1) Funding for the North Torrey Pines Road Parking Structure, San Diego campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External financing	\$12,712,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$12,712,000 to finance the North Torrey Pines Road Parking Structure, San Diego campus, 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. As long as the debt is outstanding, parking fees for the San Diego campus Parking System shall be established at levels which, together with other related income, will be sufficient to pay the operating costs of the facility, and to pay debt service and meet the related requirements of the proposed financing; and
- c. The general credit of The Regents shall not be pledged.

- (3) The Officers of The Regents be authorized to provide certification that interest paid by The Regents is excluded from gross income for the purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

F. *Amendment of External Financing for Colleges Nine and Ten Residence Halls, Santa Cruz Campus*

The Committee recommended that the financing actions approved by The Regents in September 1991 with respect to College Nine Residence Halls, Santa Cruz campus, be amended as shown below, with the understanding that all other financing actions by The Regents regarding said project remain unchanged:

deletions shown by strikeout, additions by shading

- (1) Financing Funding for the Colleges Nine and Ten Residence Halls, Santa Cruz campus, at an estimated total cost of \$16,917,000 \$63,831,000, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>	
External Financing	\$15,284,000	\$57,889,000
Group A UC Housing System		
Net Revenue Fund	1,633,000	4,423,000
University Center Reserves		1,012,000
Gift Funds		400,000
Student Facilities Fee Reserves		107,000
	Total \$16,917,000	\$63,831,000

- (2) ~~College Nine Residence Halls, Santa Cruz campus, consisting of 400 bed spaces, a dining hall complex, auxiliary areas, and 4,600 assignable square feet of student facilities space at a total cost of \$16,917,000 be added to the Group A Housing System and be administered in accordance with the terms and conditions of the Group A Housing System Revenue Bond Indenture of November 1, 1958, and with all other Regents policies governing Group A Housing System operations.~~

- (3)(2) The Treasurer be authorized to obtain financing not to exceed \$15,284,000 \$57,889,000 to finance a portion of the construction and related costs of Colleges Nine and Ten Residence Halls, Santa Cruz campus, 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. As long as the housing portion of the debt (\$14,190,000) (\$56,508,000) is outstanding, Group A UC Housing System (UCHS) fees for the Santa Cruz campus shall be established at levels sufficient to meet requirements of the Group A UC Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the debt service and related requirements on the proposed financing;
- c. As long as the student facilities portion of the debt (\$1,094,000) (\$1,381,000) is outstanding, the Student Facilities Fee shall be established at a level sufficient to meet all debt service and related requirements on this proposed financing; and
- d. The general credit of The Regents shall not be pledged.

- (4) ~~The President be authorized to allocate \$983,000 from the Group A Housing System Net Revenue Fund to pay a portion of the project costs.~~
- (5)(3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is exempt from gross income for purposes of federal income taxation under existing law.
- (6)(4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

G. ***External Financing for UC Hall Seismic Replacement, Mission Bay, San Francisco Campus***

The Committee recommended that:

- (1) Funding for the construction of the UC Hall Seismic Replacement Project, Mission Bay, San Francisco campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
State Funds	\$ 21,362,000
Gift Funds	110,000,000
Prepaid Operating Lease	18,000,000
Funds Available to the Campus	3,038,000
External Financing	<u>70,000,000</u>
Total	\$222,400,000

- (2) The Treasurer be authorized to obtain:
- a. Long-term external financing, not to exceed \$70 million, to finance a portion of the construction, said financing subject to the following conditions:
 - i. interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period; and
 - ii. repayment of the long-term external financing shall be from the San Francisco campus' share of the University Opportunity Funds.
 - b. Interim external financing, not to exceed \$70 million prior to awarding a construction contract, for any gift funds not received by that time and subject to the following conditions:

- i. interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period;
 - ii. repayment of any interim financing shall be from gift funds, and in the event such gift funds are insufficient, from the UCSF School of Medicine Dean's Share of the Faculty Practice Plan income; and
 - iii. in the event that all gifts are not collected by the completion of construction, the campus would return to The Regents to seek authorization for long-term financing for some or all of the uncollected gift funds.
- (3) The general credit of The Regents shall not be pledged.
- (4) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is exempt from gross income for purposes of federal income taxation under existing law.
- (5) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

H. ***Increase in Project Cost and Revised Financing for Mesa Court Residence Hall and Verano Place Apartment Renovation Program, Irvine Campus***

The Committee recommended that the financing actions approved by The Regents in June 1996 with respect to the Mesa Court Residence Hall and Verano Place Apartment Renovation Program, Irvine campus, be amended as shown below, with the understanding that all other financing actions of The Regents regarding said project remain unchanged:

deletions shown by strikeout, additions by shading

- (1) Funding for the Mesa Court Residence Hall and Verano Place Apartment Renovation Program be approved as follows:

<u>Fund Source</u>	<u>Amount</u>	
External Financing	\$10,020,000	\$12,120,000
UC Housing System Net Revenue Fund	9,000,000	8,500,000
Total	\$19,020,000	\$20,620,000

- (2) The Treasurer be authorized to obtain external financing not to exceed ~~\$10,020,000~~ \$12,120,000 for the Mesa Court Residence Hall and

Verano Place Apartment Renovation Program, Irvine campus, subject to the following conditions:

* * *

I. ***External Financing for Residential Housing Telecommunications Upgrade, Irvine Campus***

The Committee recommended that:

- (1) Funding for the Residential Housing Telecommunications Upgrade, Irvine campus, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External Financing	\$2,979,000
University of California Housing System Net Revenue Fund	<u>658,000</u>
Total	\$3,637,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$2,979,000 for the Residential Housing Telecommunications Upgrade, Irvine campus, 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. As long as this debt is outstanding, University of California Housing System fees for the Irvine campus shall be established at levels sufficient to meet requirements of the UC Housing System Revenue Bond Indenture and to provide excess net revenues sufficient to pay the debt service and related requirements of the proposed financing; and
 - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is exempt from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

J. ***External Financing for Undergraduate Student Housing Expansion, Riverside Campus***

The Committee recommended that, subject to the amendment of the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program to include the Undergraduate Student Housing Expansion project:

- (1) Funding for the Undergraduate Student Housing Expansion project be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External Financing	\$25,919,000

- (2) The Treasurer be authorized to obtain external financing not to exceed \$25,919,000 to finance construction of the Undergraduate Student Housing Expansion 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. As long as the debt is outstanding, University of California Housing System fees for the Riverside campus shall be established at levels sufficient to meet requirements of the University of California Housing System indenture, and to provide excess net revenues sufficient to pay the debt service on, and meet the related requirements of, the proposed financing; and
- c. The general credit of The Regents shall not be pledged.

- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is exempt from gross income for purposes of federal income taxation under existing law.

- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

K. *Adoption of Endowment Administration Cost Recovery Rate*

The Committee recommended that an endowment administration cost recovery rate of a maximum of 15 basis points (0.15 percent) be adopted to apply to the distributions beginning July 1, 1998 made from eligible assets invested in the General Endowment Pool.

L. *Amendment of Authorization for The Regents' Commercial Paper Program*

The Committee recommended that the action approved by The Regents in January 1996 to implement the Commercial Paper Program be amended as

follows, with the understanding that all other actions approved in January 1996 remain unchanged:

additions shown by shading

* * *

- (6) The Treasurer be authorized to use the legally available cash balances in the unrestricted portion of the Short Term Investment Pool (STIP) to provide liquidity support for the Commercial Paper Program, subject to the following:
- a. Such support may be provided only so long as the Commercial Paper Program maintains an A1/P1 or equivalent rating by the rating agencies rating the program;
 - b. The investment management strategy of the Treasurer for STIP shall not be changed to meet any liquidity requirements of the Commercial Paper Program;
 - c. The Commercial Paper Program will be charged the daily STIP rate for any actual usage of STIP and for actual costs incurred; and
 - d. Funding by legally available cash balances in unrestricted STIP for Commercial Paper Program liquidity support and for all other programs authorized by The Regents shall not exceed 50 percent of such balances.

M. *Amendment of Authorization on Borrowing from Short-Term Investment Pool*

The Committee recommended that, effective upon approval by The Regents, the actions approved at the May 1989 meeting authorizing allocations of funds for Medical Center working capital needs and for the University of California Mortgage Origination Program from legally available cash balances in the unrestricted portion of the Short-Term Investment Pool (STIP) be modified as shown below, with the understanding that all other guidelines and parameters remain unchanged:

deletions shown by strikeout, additions by shading

For Medical Centers' Working Capital Borrowing:

- (1) A hospital's working capital borrowing from STIP for a month shall not exceed 60 percent of the hospital's total accounts receivable for that same month, **total accounts receivable being defined as patient accounts receivable, net of allowances, plus intergovernmental transfers under SB 855, SB 1255 and Medi-Cal Medical Education programs.**
- (2) The total working capital borrowing for the medical centers shall not exceed ~~20 percent~~ **15 percent** of legally available cash balances of the unrestricted portion of STIP.

For Mortgage Origination Program Loans:

- (1) The allocations shall be at levels determined to ensure that the aggregate ~~outstanding~~ balance of the loan portfolio does not exceed ~~30 percent~~ **25 percent** of the legally available cash balances of the unrestricted portion of STIP.

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

6. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS**

A. *Certification of Environmental Impact Report and Approval of Design, Santa Monica/Orthopaedic Replacement Hospital and Parking Structure, Los Angeles Campus*

Upon review and consideration of the environmental consequences of the proposed project as evaluated in the Final Environmental Impact Report for the Santa Monica-UCLA Medical Center Reconstruction Plan, the Committee reported its:

- (1) Certification of the Final Environmental Impact Report.
- (2) Adoption of the Mitigation Monitoring Program and Findings.
- (3) Approval of the design of the Santa Monica/Orthopaedic Replacement Hospital and Parking Structure, Los Angeles campus.

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

B. *Approval of Design, Seismic Safety Corrections, Wurster Hall, Berkeley Campus*

The Committee reported its:

- (1) Adoption of the Findings indicating that the project is exempt from the California Environmental Quality Act.
- (2) Approval of the design of the Seismic Safety Corrections, Wurster Hall project, Berkeley campus.

[The Findings were mailed to all Regents in advance of the meeting.]

C. *Certification of Environmental Impact Report and Approval of Design, UC Hall Seismic Replacement, Mission Bay, San Francisco Campus*

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Addendum to the 1996 Long Range Development Plan Environmental Impact Report (1996 LRDP EIR), the Committee reported its:

- (1) Certification of the Addendum to the 1996 LRDP EIR.
- (2) Adoption of the Findings.
- (3) Approval of the design of the UC Hall Seismic Replacement project, Mission Bay, San Francisco campus.

[The Addendum to the 1996 LRDP EIR and Findings were mailed to all Regents in advance of the meeting.]

Upon motion of Regent Lee, duly made and seconded, the report of the Committee on Grounds and Buildings was accepted.

7. REPORT OF THE COMMITTEE ON EDUCATIONAL POLICY**A. *Proposed Establishment of UC Freshman Eligibility in the Local Context***

The Committee recommended that changes in the requirements for freshman eligibility recommended by the Board of Admissions and Relations with Schools and adopted by the Assembly of the Academic Senate on February 25, 1999 be approved as follows:

Effective for students entering UC as freshmen for fall 2001, four percent of the eligible students will be identified on the basis of superior academic performance in the context of their own high school.

B. *Proposed Changes in Academic Course Requirements for UC Freshman Eligibility*

The Committee recommended that changes in the requirements for freshman eligibility recommended by the Board of Admissions and Relations with Schools and adopted by the Assembly of the Academic Senate on February 25, 1999 be approved as follows:

Effective for students entering UC as freshmen for fall 2003, the current course pattern requirement will be modified to include: (1) the addition of one year of study of the visual and performing arts and (2) the reduction of the college preparatory elective courses from two years to one year.

C. *Proposed Changes in GPA Calculation for UC Freshman Eligibility*

The Committee recommended that the following proposal be returned to the Academic Senate for further consideration: that changes in the requirements for freshman eligibility recommended by the Board of Admissions and Relations with Schools and adopted by the Assembly of the Academic Senate on February 25, 1999 be approved as follows:

Effective for students entering UC as freshmen for fall 2002, students will continue to receive extra grade points for honors, advanced placement, and international baccalaureate courses, but the amount extra will be reduced by one-half.

Regent Johnson suggested that the admissions process be reviewed at the end of five years to ascertain the effectiveness of recent changes. President Atkinson agreed that within five years a formal report would be presented to the Board on the Academic Senate's evaluation of those changes.

Regent Connerly moved that paragraph C. be amended to read as follows:

The Committee recommends that the proposed changes in Grade Point Average calculations for UC freshman eligibility be returned to the Academic Senate for further consideration.

His motion was duly seconded.

Then, upon motion duly made and seconded, the recommendations of the Committee on Educational Policy were approved as amended, Regent Khachigian voting "no" on paragraph A.

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

A. *Amendment of Compensation Plan for Staff Physicians*

The Committee reported its approval of a technical amendment to the Compensation Plan for Staff Physicians which would include Staff Dentist titles shown in the attachment and of a modification to the Plan which gives the President authority to approve additional Physician or Dentist titles for inclusion in the Plan, as needed.

B. *Sale of Dialysis Program Assets, School of Medicine, San Francisco Campus*

The Committee recommended that the President, in consultation with the General Counsel and the Vice President for Clinical Services Development, be authorized to approve and execute documents necessary to effectuate a sale of the assets of the UCSF School of Medicine Renal Center located at San Francisco General Hospital to Golden Gate Renal Partners.

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

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

The Committee recommended that the annual external audit plan for the year ending June 30, 1999 be approved.

[The plan was mailed to all Regents in advance of the meeting.]

Upon motion of Regent Sayles, duly seconded, the recommendation of the Committee on Audit was approved.

10. **REPORT OF THE NOMINATING COMMITTEE**

The Nominating Committee recommended the following appointments, effective immediately upon approval by the Board through June 30, 1999:

- A. Regent Hopkinson be appointed to the Committees on Finance and Grounds and Buildings.
- B. Regent Lansing be appointed to the Committees on Educational Policy and Health Services.
- C. Regent Moores be appointed to the Committees on Audit and Investments.
- D. Regent-designate Pannor be appointed as an advisory member to the Committees on Educational Policy and Grounds and Buildings.

Upon motion of Regent Leach, duly seconded, the recommendations of the Nominating Committee were approved.

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

A. *Dates and Locations of Regents Meetings for 1999-2000*

The Committee recommended that the following dates of Regents meetings for 2000 be approved. (Tentative locations are also provided, but are subject to change.)

2000

January 20-21	San Francisco - Laurel Heights
February 17	San Francisco - Laurel Heights
March 16-17	San Francisco - Laurel Heights
May 18-19	Los Angeles Campus
June 15-16	San Francisco - Laurel Heights
July 20-21	Los Angeles Campus
September 14-15	San Francisco - Laurel Heights
October 19	San Francisco - Laurel Heights
November 16-17	Los Angeles Campus

B. *Authorization for the Chairman of the Board to Appoint Outside Directors 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 serve as outside directors on the UCSF Stanford Health Care Board of Directors, effective immediately.

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

12. **REPORT OF THE JOINT MEETING: COMMITTEE ON GROUNDS AND BUILDINGS AND COMMITTEE ON FINANCE**

A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Santa Monica/Orthopaedic Replacement Hospital and Parking Structure, Los Angeles Campus*

The Committees recommended that the appropriate Budgets for Capital Improvements and the Capital Improvement Programs be amended as follows:

From: Los Angeles: K. Santa Monica Replacement Hospital and Related Projects – preliminary plans – \$6 million to be funded from federal funds (\$4 million) and hospital reserves (\$2 million).

To: Los Angeles: F. Santa Monica/Orthopaedic Replacement Hospital and Parking Structure – preliminary plans, working drawings, and construction – \$205,861,000 total project cost to be funded from federal funds (\$72,200,000), gift funds (\$20,800,000), hospital reserves (\$31,901,000), and external financing (\$80,960,000).

B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Seismic Safety Corrections, Wurster Hall, Berkeley Campus*

The Committees recommended that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended as follows:

From: Berkeley: N. Seismic Safety Corrections, Wurster Hall – preliminary plans, working drawings, and construction – \$17,400,000 to be funded from

State funds (\$16,625,000) and campus funds (\$775,000).

To: Berkeley: B. Seismic Safety Corrections, Wurster Hall – preliminary plans, working drawings, and construction – \$27,775,000 to be funded from State funds (\$16,625,000), external financing (\$9,600,000), campus funds (\$775,000), and gift funds (\$775,000).

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Sprague Hall, Irvine Campus*

The Committees recommended that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended as follows:

Irvine: A. Sprague Hall – preliminary plans, working drawings, and construction – \$26 million to be funded from external financing (\$15 million) and gift funds (\$11 million).

D. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Eleanor Roosevelt College Housing and Dining Facilities, San Diego Campus*

The Committees recommended that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended as follows:

San Diego: B. Eleanor Roosevelt College Housing and Dining Facilities – preliminary plans, working drawings, construction, and equipment – \$83,323,000 total project cost to be funded from external financing (\$76,176,000), University of California Housing System Net Revenues (\$5,061,000), and gift funds (\$2,086,000).

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, North Torrey Pines Parking Structure, San Diego Campus***

The Committees recommended that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended as follows:

San Diego: C. North Torrey Pines Road Parking Structure – preliminary plans, working drawings, and construction – \$12,712,000 to be funded from external financing.

F. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Colleges Nine and Ten Residence Halls, Santa Cruz Campus***

The Committees recommended that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended as follows:

Santa Cruz: A. Colleges Nine and Ten Residence Halls – preliminary plans, working drawings, construction, and equipment – \$63,831,000 to be funded from external financing (\$57,889,000), University of California Housing System Net Revenue Funds (\$4,423,000), University Center reserves (\$1,012,000), gift funds (\$400,000), and Student Facilities Fee reserves (\$107,000).

G. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Undergraduate Student Housing Expansion, Riverside Campus***

The Committees recommended that the 1998-99 Budget for Capital Improvements and the 1998-2001 Capital Improvement Program be amended as follows:

Riverside: B. Undergraduate Student Housing Expansion – preliminary plans, working drawings, construction, and equipment – \$25,919,000 total project cost to be funded from external financing.

H. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program, UC Hall Seismic Replacement, Mission Bay, San Francisco Campus***

The Committees recommended that the appropriate Budgets for Capital Improvements and the Capital Improvement Programs be amended as follows:

From: San Francisco: UC Hall Seismic Replacement, Mission Bay – preliminary plans, working drawings, construction, and equipment – \$82,549,000 total project cost to be funded from State funds (\$21,362,000) and campus funds (\$61,187,000).

To: San Francisco: B. UC Hall Seismic Replacement, Mission Bay – preliminary plans, working drawings, construction, and equipment – \$222,400,000 total project cost to be funded from State funds (\$21,362,000), gift funds (\$110,000,000), external financing (\$70,000,000), prepaid lease funds (\$18,000,000), and campus funds (\$3,038,000).

Upon motion of Regent Johnson, duly seconded, the recommendations of the Committees on Grounds and Buildings and Finance were approved.

13. **REPORT OF PERSONNEL ACTIONS**

Secretary Trivette reported that, in accordance with Bylaw 14.7(b), the following personnel actions were taken since the November 1998 meeting. There were no roll call votes on these actions.

- A. Appointment of Carol Burnett as Regents' Professor, Department of Music, Los Angeles campus, for the winter quarter of the 1998-99 academic year.
- B. Appointment of Michael R. Goldstein as University Counsel, Office of the General Counsel, effective December 21, 1998.
- C. Appointment of Carole R. Rossi as University Counsel, Office of the General Counsel, effective February 1, 1999.

14. REPORT OF COMMUNICATIONS

Secretary Trivette presented summaries of communications received subsequent to the January 15, 1999 meeting. The residency appeals were referred to the General Counsel, and the remaining communications were referred to the President for review and response as appropriate.

15. REPORT OF THE PRESIDENT

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

To Members of the Committee on Audit

- A. Notice of review of audit report of Hastings College of the Law for year ended June 30, 1998. January 25, 1999.

To Members of the Committee on Educational Policy

- B. "Report on University of California Admissions and Enrollments." January 25, 1999. (Schedule of Reports)
- C. "Report on Matters Relating to the California Postsecondary Education Commission." February 8, 1999. (Schedule of Reports)

To Members of the Committee on Finance

- D. *Annual Report, University of California Technology Transfer Program for Fiscal Year 1998.* February 2, 1999. (Schedule of Reports)

To Members of the Committee on Health Services

- E. The Activity and Financial Status Report on Hospitals and Clinics as of November 30, 1998. January 6, 1999. (Schedule of Reports)
- F. The Activity and Financial Status Report on Hospitals and Clinics as of December 31, 1998, including UCSF Stanford Health Care data for the fiscal year ended August 31, 1998. January 29, 1999. (Schedule of Reports)
- G. The UCSF Stanford Health Care audited financial statement for fiscal year ended August 31, 1998. February 16, 1999. (Schedule of Reports)
- H. The Activity and Financial Status Report on Hospitals and Clinics as of January 31, 1999, including financial data for UCSF Stanford Health Care for

the first quarter ended November 30, 1998. March 2, 1999. (Schedule of Reports)

To Members of the Special Committee on UC Merced

- I. A copy of the January 29, 1999 edition of UC Merced magazine, and the January 1999 progress report on physical planning for the larger University community which will be developed adjacent to the campus. February 11, 1999.

The Regents of the University of California

- J. Report entitled *Composition of the Career Staff Workforce at the University of California by Race and Sex*. February 2, 1999.
- K. Copy of the Presidential Address that was given by Chancellor Greenwood at the 165th meeting of the American Association for the Advancement of Science. February 4, 1999.
- L. A report addressing several key questions on the proposal to change UC eligibility requirements for freshman admissions. March 5, 1999.

The meeting adjourned at 10:35 a.m. in memory of Milton Marks and Glenn Seaborg.

Attest:

Secretary

Staff Physicians Compensation Plan Participants:**Titles Eligible for Staff Physicians
Compensation Plan**

Below is a list of the University titles eligible for participation in this plan. Additional Physician and Dentists titles may be approved, as appropriate, by the President or his designee.

Title	Title Name
Staff Physicians	
0767	Medical Service Director
0768	Senior Physician Diplomate
0769	Senior Physician
0770	Associate Physician Diplomate
0771	Associate Physician
0772	Assistant Physician
0778	Consulting Physician
<u>Staff Dentists</u>	
0773	Senior Dentist Diplomate
0774	Senior Dentist
0775	Associate Dentist Diplomate
0776	Associate Dentist
0777	Assistant Dentist